

**Fiscal Year 2021 Revised Budget Proposal
Questions for the Department of State**

Elections

1. As a result of the primarily vote by mail (VBM) primaries held this year, what amount of additional costs in printing, mailing, regular and overtime hours, etc., were incurred?

The full amount of VBM expenses is undetermined, as the State can only measure the portion submitted by counties for reimbursement. The increase in costs related to the 2020 primary has not been fully assessed, as counties continue to submit reimbursement requests. To date, five counties have submitted requests totaling \$3.2 million, most of which was for printing and postage. The total reimbursement for all counties is estimated to be approximately \$15 million.

2. With limited polling stations, how will reimbursements to counties for poll workers be affected?

Most polling expenses are unrelated to the number of polling places open, as the number of election districts remains the same and each district has its own poll books and need to administer them. Additionally, of the cost savings achieved from reducing the number of polling places, some may be offset by wage increases and the need for increased overtime to handle the anticipated increase in volume for the general election.

3. Elections which create a paper trail are required to be audited. With the surge in VBM ballots, and the concomitant paper trail, how are auditors coping with the increased volume? How is the additional volume of audits affecting election costs?

Auditing of the primary has not yet been conducted, so the additional burden on auditors is undetermined.

4. Are these additional costs accounted for in the new budget in the event the November election also needs to be primarily VBM?

Additional costs, if any, will be addressed with available State funding, continuing federal grant funding available through the Help America Vote Act (HAVA), and new federal funding via the CARES Act. The department expects funding available from all sources to be sufficient to meet the total funding need for the general election.

5. How much would updating existing equipment or acquiring new equipment to adequately handle conducting an all VBM election save by avoiding these additional costs?

The opportunity for cost savings from updating equipment can be assessed once all expenses are reported for the primary and general elections.

6. The department has laid out its plans for use of federal funds provided by the Help America Vote Act (HAVA) which primarily consist of upgrading systems and training personnel which interface with voting machines, as opposed to the voting machines themselves. One of the acceptable uses of HAVA is to replace voting equipment that only records a voter's intent electronically with equipment that utilizes a voter verified paper record. Are there any plans to use these funds to upgrade VBM systems?

The decision to upgrade voting equipment is made at the county level. Funds to reimburse counties will be made available on request. Counties may request reimbursement for up to \$80,000 depending on the number of registered voters in their jurisdiction.

7. Has the online voter registration system required to come online by the end of July 2020 met the statutory deadline to do so? How will this affect registration costs for the department?

The State's online voter registration system came online fully in September. Its effect on department expenses has not yet been determined. Due to ongoing demands on the department, including responding to county reimbursement requests, implementing other operational changes, and coping with COVID-related restrictions, the net impact on department expenses from online registration will be difficult to measure. The department will continue to seek efficiencies while ensuring operational measures are in place to ensure fair and safe elections.

Tourism and Historical Preservation

1. Attendance at cultural and historical sites is likely to be down due to the pandemic. How is this expected to affect necessary expenditures on personnel, materials, services, etc.?

Despite the temporary restrictions on attendance, the Department of State continues to operate all grant programs that provide critical funding for cultural and historical sites as they plan for the safe resumption of activities. Attendance is down but artists and cultural organizations have not stopped serving their communities, often in completely new ways. For many institutions the essential mission of caring for irreplaceable collections continues, even in the absence of physical visitation. The almost complete loss of earned income due to the pandemic makes these functions increasingly difficult to sustain. As the sector strives to innovate in order to survive, we are dedicated to providing customized grant programs and services that meet the current, changing needs. Ongoing constituent relations as well as global, national, and statewide research help the Department develop responsive and responsible grant programs. As new

financial and operational models emerge for cultural organizations, technical assistance services are also developed.

The sector is in crisis and in need of immediate, multifaceted support in unprecedented ways, calling on Department staff to deliver above and beyond what is typically required. While every effort is made to maximize available resources, ongoing expenditures on personnel, materials, and services are essential to meeting public needs.

2. Tourism support accounts for approximately \$11.2 million in the budget. With reduced travel and limited capacity of many entertainment venues during the pandemic will commensurate budget cuts be made in this area? Once restrictions are fully lifted is funding expected to be restored?

While travel restrictions remain in place, the Travel and Tourism division can use all available State funding to promote activities that are already allowed to resume, such as in-door dining, and plan for the promotion of others to follow. Marketing during this period will keep New Jersey top-of-mind for travelers for when restrictions are removed. By maintaining a marketing presence, the division will be well positioned to resume its full-scale promotion of tourism once all activity resumes. The full-year budget will provide the resources to begin executing a comprehensive plan to promote New Jersey's reopening, including a "Welcome Back" campaign.

3. How much revenue was tourism in the State projected to generate at the beginning of the year? How much is the industry projected to generate now?

In 2019, tourism in New Jersey supported \$46.4 billion in visitor spending, over 540,000 jobs statewide, and over \$5 billion in State and local tax revenue. For 2020, spending was estimated to increase to \$49.6 billion. With the immediate effects of the pandemic, spending is now estimated at \$31.4 billion, a 32% decrease, with a related drop in tax revenue to less than \$3.5 billion. The lasting impact of COVID on spending and revenue is unknown, but can be minimized by effective promotion of current reopening efforts and marketing of industry innovations to come in response to the pandemic. The full-year FY21 Budget will provide funding to begin that effort.

4. Many funds for cultural research centers and historical commissions were de-appropriated at the end of FY20 or defunded in the partial year budget already. Will funds for these programs, and any other necessary cuts due to reduced service, be restored when revenues and demand rise again?

The full-year FY21 Budget will provide funding necessary to resume full-scale operation of grant programs supporting cultural and historical organizations. Proposed funding will support the full range of grant programs in operation prior to onset of the pandemic.

5. How will priority for funding restoration across these various programs be determined?

Grant funding will be determined using a variety of tools that measure elements such as grantee accountability, resilience, and positive community impact. Programs are designed and guided by the framework of agency strategic plans and vetted funding principles, reflective of the current field needs. Information gathered from ongoing constituent relations, professional service networks (local and global), and formal grantee reporting through the SAGE system will ensure program development and grant-making decisions uphold agency commitments to equity, accountability, and excellence in public service.