

**Testimony to the Senate Budget and Appropriations Committee**  
**April 27, 2009**  
**Department of State**  
**Nina Mitchell Wells, Esq.**  
**Secretary of State**

Good afternoon Madam Chairwoman and members of the Committee.

I would like to begin by thanking the Legislature for its continued support and Governor Corzine for his devotion to our mission.

In both size and scope, the impact of the Department is critical on many fronts. The promotion of travel and tourism, the arts, culture and history ignites and fuels the economies of many of our towns and cities by bringing thousands of people to their restaurants, hotels, retail venues and attractions while pouring millions into their local economies. Such promotion and support becomes the catalyst for urban renewal and economic vitality that define New Jersey as a nationally ranked travel destination and a financially sound and vibrant place to live, own a business, work and raise a family.

During these tough economic times, I am pleased to report on a very bright spot in our economy - in 2008 New Jersey's tourism industry once again posted solid revenue figures, despite months of record-high gasoline prices and a terribly weakened 4th quarter economy.

Tourism in New Jersey is a \$38.8 billion lifeblood industry and therefore its promotion is critical for fueling the state's economic prosperity. In fact, it is the third largest industry in the state, and more than 450,000 jobs were created by travel and tourism, accounting for 11% of the state's total employment.

- Wages and salaries for tourism-related jobs totaled \$17 billion.
- Tourism generated \$7.7 billion in federal, state and local tax revenue last year.
- And, according to research from *Global Insight*, every household in New Jersey would pay \$1,427 more in taxes to maintain current tax receipt levels without tourism revenues.

Surveys of satisfaction and value ratings from travelers to New Jersey are up again for 2008, a strong testament to quality and appeal of the state's destinations and attractions.

For years, the Division of Travel and Tourism has spearheaded successful marketing efforts that have grown the state's tourism industry. The Division remains confident and optimistic about the future of New Jersey's tourism industry but government alone cannot be successful without strong financial partnerships in the business community.

New Jersey's year-round competitive edge is the result of cooperative efforts with travel and tourism partners in our great towns and cities, including the state's not-for-profit Destination Marketing Organizations – or DMO's.

Members of the Legislature have consistently expressed their desire for us to strengthen our relationship with these cooperative entities and we listened. This collaboration has been extremely successful.

DMO's, major industry drivers are; convention and visitor bureaus, chambers of commerce, tourism councils and business partnerships that market specific geographic regions of the state in collaboration with hotels, casinos, shore resorts, restaurants, retail shops, cultural and historic sites, and more.

All of the incredible venues in New Jersey make it very attractive to the business community by offering the kinds of enticements needed to recruit top notch employees and, it creates a tremendous source of pride for our citizens.

The competition for visitors along the Atlantic seaboard is fierce, and if New Jersey loses its competitive edge we will suffer a reduction in the nearly \$8 billion of tax revenues generated annually, as well as a reduction in the hotel-motel receipts.

New Jersey ranked in the top 10 states for travel expenditures in the *2008 Research Report on the Impact of Travel on State Economies*, released by the US Travel Industry Association. This national standing must be protected and maintained.

Marketing New Jersey means effectively promoting our 127 miles of pristine beaches, great hotels, incredible cultural, arts and history venues, the excitement of Atlantic City, top ranked golf courses, ski resorts and spas, restaurants offering cuisines for every taste, incredible vineyards, wonderful state parks and extraordinary entertainment and retail destinations that are tourist ready.

Additionally, performing arts and history venues are strong magnets for visitors to New Jersey. For example the Film Festival in Asbury Park draws more than 40,000 people to hotels, pizza parlors, arcades, souvenir and bicycle shops, bed and breakfast inns and seafood restaurants. On-going performances at the convention center draw audiences from around the country.

In addition to the Shore, it is the attraction of our many culturally robust assets that place New Jersey in the top tier of tourism expenditures nationally. To strengthen and support those cultural, historic and arts venues, the Council on the Arts, the Historical Commission and the Cultural Trust provided organizations with \$23 million in funding from hotel/motel tax revenues in FY 2009.

The Cape May Jazz Festival draws 12,000 music lovers, the Red Bank Jazz and Blues Festival brings 125,000 attendees over three days, the Wildwoods Chamber of Commerce Fabulous 50s Weekend is a great 3-day event for 25,000 visitors, the Wheaton Arts & Cultural Center in Millville hosts a 2-day Festival of Fine Crafts for more than 10,000 visitors, with attendees shopping in galleries and stores and dining out in local restaurants and pubs.

The other beneficiaries of these cultural and heritage events are the ancillary service providers; the thousands of local businesses, such as caterers, printers, florists, and parking services, who in turn employ thousands of workers.

Consider the fact that cultural travelers stay longer and spend roughly 25% more per trip than the average traveler, and it becomes easy to see why the promotion of arts, history and cultural sites remains a cornerstone of any effective urban revitalization initiative.

Many of New Jersey's cultural centers have become thriving business districts. This is evident in towns such as Newark, Morristown, Englewood, New Brunswick, Red Bank, Cape May and Millville. Imagine Newark without NJPAC, and the Newark Museum; New Brunswick without the State Theatre, Crossroads and George Street Playhouse; Red Bank without Count Basie and Two River Theatre; Jersey City without Liberty Science Center and the Jersey City Museum; or Cape May without its Victorian homes, lighthouses and many other historic attractions.

Every \$1 dollar appropriated to arts and cultural sites and programs generates roughly \$2 in State tax revenue. The Arts Council funds support activity in every county and every district.

Organizations funded by the Arts Council and Historical Commission;

- Stimulate more than \$2 billion in economic activity in New Jersey,
- Return \$40 million in state tax revenues,
- Support 20,000 businesses and 100,000 jobs, and
- Produce 40,000 events annually, attracting 20 million attendees who spend more than \$500 million in the local economy.

The more the Arts Council, Historical Commission and Cultural Trust are able to provide in grant resources, the greater the public benefit. These institutions are the lifeblood of our state and give New Jersey its star quality. The integration of the arts, history and culture into the travel and tourism lexicon has been invaluable.

The past year witnessed the re-opening of one of our greatest assets: the New Jersey State Museum in Trenton. This valuable resource attracts thousands of school children and families to our Capital City for its educational programs and exhibitions made possible in part by public-private partnerships.

Funding for transportation for some of these school children was made possible by private sector leaders such as Merck, Atlantic City Electric and Horizon Blue Cross Blue Shield Foundation.

A generous \$500,000 foundation grant from PSEG, funded the State Museum's new interactive exhibit *Rising Tide: Climate Change and New Jersey*. Yet another recent \$500,000 foundation grant will help fund major upgrades to the Museum's adjacent Planetarium.

Also here in Trenton, the Patriots Theater at the War Memorial has hosted thousands of students free of charge for live music and drama programming. Many of those students had never before had the opportunity to attend live theater performances. Early exposure to the arts is the fundamental reason why children from lower socio-economic backgrounds attend and graduate from college. This is documented in the statistics coming from the performing arts high schools in our urban areas—100% of students in those schools attend college!

The facts are clear: children who participate in and are exposed to the arts are **more** likely to be recognized for academic excellence in the areas of math, science, improved SAT and standardized test scores, become student leaders, get high marks for teamwork and have

excellent analytical skills. And, they are **far less** likely to engage in anti-social behaviors including truancy, drug use and violence.

Let me move now to the Division of Elections. In the past year we completed the smooth transition of that Division to the Department of State. We collaborated with county election officials to increase voter education and outreach through an expanded website, produced and distributed public service announcements, and enhanced communications with voting rights advocates to address the concerns of their constituencies.

Since bringing Elections under the Department's umbrella, we have incorporated new Statewide Voter Registration System (SVRS) features allowing e-mail voting for overseas and military voters and collaborated with the Motor Vehicles Commission to continue to implement federal "motor-voter" requirements. We have been proactive in expanding promotion of the vote-by-mail option using absentee ballots to help address future congestion at the polls.

The state's county election officials and I continue to have the highest confidence in our voting system. New Jersey voters should be equally confident.

Another area of major importance within my Department is the Division of Archives and Records Management – or DARM, which oversees the storage, retention and retrieval of state, county and municipal records. DARM's State Records Center in Ewing serves 25 departments and major agencies.

State government has saved \$15.7 million through the disposal of obsolete records and consolidated records storage in FY09. DARM's PARIS – that's Public Archives and Records Infrastructure Support - Grants Program has helped New Jersey counties and municipalities save \$22.8 million through upgraded shared services programs. These results are showcased in a new PARIS Shared Services web site launched this month.

The programs and services of the Department of State produce real and measurable benefits for the citizens of our state in terms of dollars, jobs, government efficiency and productivity, safety-net support and educational enrichment.

I look forward to any questions you may have.

Thank you.