

## Discussion Points

1. The New Jersey State Council on the Arts provides State and federal grants to art organizations and artists in New Jersey whose projects show professional merit and promise. The council’s State grant funding comes from revenue generated by the hotel and motel occupancy fee established pursuant to P.L.2003, c.114 and is distributed as cultural project grants. The Governor’s FY 2015 Budget recommendation includes \$16 million in Grants-In-Aid funding for cultural projects and continues a trend of flat-funding for cultural projects. Prior to the trend of flat-funding, the last fiscal year in which the appropriation for cultural projects exceeded \$16 million was in FY 2011, when the appropriation was \$20.3 million. Pursuant to continuing budget language, 25 percent of grant awards must be allocated to the eight southernmost counties (Cape May, Salem, Cumberland, Gloucester, Camden, Ocean, Atlantic and Burlington.)

Under the law, for the occupancy taxes collected in FY 2004, \$16 million was to be allocated to the council for cultural projects. For occupancy taxes collected in FY 2005 and thereafter, the statute increased the dedication to 22.68 percent of the tax revenue, provided that the amount is not less than \$22.68 million. While the FY 2015 recommended funding amount is well below the statutorily required amount of \$22.68 million, it is equal to the level of funding below which, under the law, the authority to impose and collect the fee would be terminated.

- **Question:** According to the Governor’s FY 2015 Budget recommendation, 208 grants for cultural projects were awarded by the New Jersey State Council on the Arts in FY 2014. Please identify which grantees represent first-time recipients. What is the total of their grant awards? How many FY 2013 grantees received no funding in FY 2014? If any 2013 grantees applied for but did not receive a 2014 grant, please explain why they were denied a grant. Is the continuing language provision an effective – and necessary – mechanism for generating financial support for the arts in southern New Jersey? How many, and which specific, grant recipients within the eight southernmost counties would not have received a cultural projects grant in FY 2014 if the Budget language was discontinued? Absent the language, would any applicants in the other 13 counties have received a grant or a larger grant?
- **Question:** Based on applications for FY 2015 received to date, what percentage of qualified funding requests could be approved and funded with the recommended appropriation? What was the percentage of qualified requests funded in FY 2014? How many additional qualified requests could be funded if the council is funded at the statutorily required amount?
- **Question:** From FY 2012 to FY 2014, the number of grant applications dropped from 296 to 239, or 19.3 percent. Please explain the reduction.

Question: According to the Governor’s FY 2015 Budget recommendation, 208 grants for cultural projects were awarded by the New Jersey State Council on the Arts in FY 2014. Please identify which grantees represent first-time recipients. What is the total of their grant award?

The following Council grantees represent first time recipients in the specific categories indicated:

Organization Name	Award Amount	Purpose of Grant
Camden Repertory Theater	\$15,000	Arts Project Support
Rutgers-Center for Latino Arts and Culture	\$5,000	Arts Project Support
Institute of Music for Children	\$22,000	General Operating

**Discussion Points (Cont'd)**

		Support
Princeton Art Association, Trading as Artworks	\$15,000	Arts Project Support
Rowan University Fdn - Communication & Creative Arts	\$6,000	General Program Support
South Orange Performing Arts Center	\$30,000	General Operating Support
The Theater Project of New Jersey	\$7,000	General Operating Support
<b>Total</b>	<b>\$100,000</b>	

How many FY 2013 grantees received no funding in FY 2014?

Seventeen

If any 2013 grantees applied for but did not receive a 2014 grant, please explain why they were denied a grant.

Ten 2013 grantees applied for but did not receive a 2014 grant. Those applicants did not achieve satisfactory assessments from the independent peer review panels

Is the continuing language provision an effective -- and necessary -- mechanism for generating financial support for the arts in southern New Jersey?

When it was originally instituted, the “continuing language provision” sparked a concerted effort on the Council’s part to nurture and develop artists and arts organizations in what previously had been an underserved region of New Jersey. At this point in time, the language has largely achieved its objective.

How many, and which specific, grant recipients within the eight southernmost counties would not have received a cultural projects grant in FY 2014 if the Budget language was discontinued?

None. The Council’s focus on South Jersey over the years has produced a mature and vibrant arts community there. The normal grant application and review process—without help from existing budget language--has resulted in South Jersey receiving at least 25% of the grant awards.

Absent the language, would any applicants in the other 13 counties have received a grant or a larger grant?

No

Question: Based on applications for FY 2015 received to date, what percentage of qualified funding requests could be approved and funded with the recommended appropriation?

Most Council grants are multi-year in nature, and were awarded based upon the recommended appropriation of \$16 million (level funding). Absent a substantial change in the status of any individual grantee, more than 95% of existing organizational grants will be continued at the same level into FY 2015. Because general operating support grants are offered on a three-year cycle, no new funding requests for general operating support grants can be considered until the next application round in Spring, 2016 (for FY 2017).

## Discussion Points (Cont'd)

What was the percentage of qualified requests funded in FY 2014?

Eighty-seven percent of qualified organizational applicants received funding. This figure does not include our Artist Fellowship Program in which the Council made awards to 10% of qualified individual artists who applied.

How many additional qualified requests could be funded if the council is funded at the statutorily required amount?

The Council is funded in accordance with all governing legal standards. Nevertheless, even if funding was increased, it would be difficult to accurately predict hypothetical funding awarding of grants because the number of additional qualified requests is dependent on, among other things, how such funds are allocated among programs and current and prospective grantees, and how many additional applications are successful through the independent peer panel review process.

Question: From FY 2012 to FY 2014, the number of grant applications dropped from 296 to 239, or 19.3 percent. Please explain the reduction.

The number of grant applications is influenced by myriad issues including the number of available grant programs. Indeed, a decline in Federal support from the National Endowment for the Arts in recent years has prompted the Council to suspend several grant programs.

2. The New Jersey Historical Commission implements programs to advance public knowledge of New Jersey's historical heritage. The commission's State grant funding comes from revenue generated by the hotel and motel occupancy fee established pursuant to P.L.2003, c.114 and is distributed as agency grants to historical organizations, museums and other similar organizations with collections or programming related to New Jersey's history.

The Governor's FY 2015 Budget recommendation includes \$2.7 million in Grants-In-Aid funding for the commission's agency grants and continues a trend of flat-funding for agency grants. Prior to the trend of flat-funding, the last fiscal year in which the appropriation for historical agency grants exceeded \$2.7 million was in FY 2010, when the appropriation was \$2.9 million.

Under the law, for the occupancy taxes collected in FY 2004, \$2.7 million was to be allocated to the commission for cultural agency grants. For occupancy taxes collected in FY 2005 and thereafter, the statute increased the dedication to 3.84 percent of the tax revenue, provided that the amount is not less than \$3.84 million. While the FY 2015 recommended funding amount is well below the statutorily required amount of \$3.84 million, it is equal to the level of funding below which, under the law, the authority to impose and collect the fee would be terminated.

- **Question:** How many agency grants were awarded by the New Jersey Historical Commission in FY 2014? Please provide a list of grantees and grant awards distributed in FY 2014 and a brief description of the purpose for which the grant was used. Please identify which grantees represent first-time recipients. What is the total of their grant awards? How many FY 2013 grantees received no funding in FY 2014? If any 2013 grantees applied for but did not receive a 2014 grant, please explain why they were denied a grant.

**Discussion Points (Cont'd)**

- Question:** Based on applications for FY 2015 received to date, what percentage of qualified funding requests could be approved and funded with the recommended appropriation? What was the percentage of qualified requests funded in FY 2014? How many additional qualified requests could be funded if the commission is funded at the statutorily required amount?

Question: How many agency grants were awarded by the New Jersey Historical Commission in FY 2014? Please provide a list of grantees and grant awards distributed in FY 2014 and a brief description of the purpose for which the grant was used. Please identify which grantees represent first-time recipients. What is the total of first-time grantees' grant awards?

Organization Name	Amount Awarded	Purpose of Grant	Type of Grantee (Return/First-time)
1. Absecon Lighthouse	\$25,916	General Operating Support	Returning grantee
2. Alice Paul Institute	\$31,645	General Operating Support	Returning grantee
3. Alice Paul Institute	\$4,913	Project grant - exhibit funding	Returning grantee
4. Allamuchy Township School District	\$23,379	General Operating Support	First-time grantee
5. American Labor Museum / Botto House	\$14,739	General Operating Support	Returning grantee
6. Atlantic County Cultural & Heritage Office	\$7,057	General Operating Support	Returning grantee
7. Barnegat Bay Decoy & Baymen's Museum	\$19,548	General Operating Support	Returning grantee
8. Bayshore Discovery Project	\$65,879	General Operating Support	Returning grantee
9. Bergen County, Division of Cultural & Historic Affairs	\$22,885	General Operating Support	Returning grantee
10. Burlington County Historical Society	\$29,001	General Operating Support	Returning grantee
11. Camden County Historical Society	\$15,057	General Operating Support	Returning grantee
12. Canal Society of New Jersey	\$6,836	General Operating Support	Returning grantee
13. Cape May County Historical & Genealogical Society	\$9,713	General Operating Support	Returning grantee
14. Cape May County, Division of Culture & Heritage	\$7,382	General Operating Support	Returning grantee
15. CavanKerry Press	\$2,000	Minigrant - public programin	First-time grantee

**Discussion Points (Cont'd)**

16. Center for Community Arts	\$7,387	General Operating Support	Returning grantee
17. Chiles, Dr. Robert	\$3,000	NJ350 Publication Initiative	First-time grantee
18. Cranford Historical Society	\$5,000	General Operating Support	Returning grantee
19. Crossroads of the American Revolution Association	\$10,860	Project grant - publication	Returning grantee
20. Cumberland County Cultural & Heritage Commission	\$10,290	General Operating Support	Returning grantee
21. Cumberland County Historical Society	\$12,282	Project grant - research	Returning grantee
22. Edison Memorial Tower Corporation	\$13,448	General Operating Support	Returning grantee
23. Essex County, Division of Cultural & Heritage Affairs	\$10,872	General Operating Support	Returning grantee
24. Fea, Dr. John	\$3,000	NJ350 Publication Initiative	Returning grantee
25. Frey, Dr. Raymond	\$3,000	NJ350 Publication Initiative	First-time grantee
26. Friends of Howell Living History Farm	\$12,282	Project grant - public program	Returning grantee
27. Friends of Monmouth Battlefield	\$3,000	Minigrant - public program	Returning grantee
28. Friends of the Hermitage	\$32,209	General Operating Support	Returning grantee
29. Friends of the Jacobus Vanderveer House	\$12,379	General Operating Support	Returning grantee
30. Friends of the New Jersey State Museum	\$12,000	General Operating Support	Returning grantee
31. Friends of the New Jersey State Museum	\$7,193	Project grant - exhibit funding	Returning grantee
32. Genealogical Society of New Jersey	\$6,443	General Operating Support	Returning grantee
33. Gigantino, Dr. James J., II	\$6,516	Project grant - publication	Returning grantee
34. Gloucester County Cultural & Heritage Commission	\$7,330	General Operating Support	Returning grantee
35. Gloucester County Dept. of Parks, Red Bank Battlefi	\$13,032	Project grant - interpretive sign	Returning grantee
36. Historic Cold Spring Village	\$73,836	General Operating Support	Returning grantee
37. Historic Morven	\$69,261	General Operating Support	Returning grantee
38. Historical Society of Ocean Grove	\$6,890	General Operating Support	Returning grantee

**Discussion Points (Cont'd)**

39. Historical Society of Plainfield	\$5,744	General Operating Support	Returning grantee
40. Historical Society of Princeton	\$64,695	General Operating Support	Returning grantee
41. Historical Society of West Caldwell	\$6,394	General Operating Support	Returning grantee
42. Hoboken Historical Museum	\$43,886	General Operating Support	Returning grantee
43. Hodges, Dr. Graham	\$3,000	NJ350 Publication Initiative	First-time grantee
44. Howell Living History Farm	\$23,709	General Operating Support	Returning grantee
45. InfoAge Science History Center	\$11,317	General Operating Support	First-time grantee
46. Inniss, Dr. Lolita Buckner	\$3,000	NJ350 Publication Initiative	First-time grantee
47. Jewish Historical Society of New Jersey	\$6,210	General Operating Support	Returning grantee
48. John Woolman Memorial Association	\$5,984	General Operating Support	Returning grantee
49. Kenilworth Historical Society	\$5,376	General Operating Support	Returning grantee
50. Lahey, Dr. Laurie	\$3,000	NJ350 Publication Initiative	Returning grantee
51. Lambertville Historical Society	\$6,323	General Operating Support	Returning grantee
52. Lawrence Historical Society	\$5,000	General Operating Support	Returning grantee
53. Liberty Hall Museum	\$26,396	General Operating Support	First-time grantee
54. Macculloch Hall Historical Museum	\$30,000	General Operating Support	Returning grantee
55. MacLeod, Dr. George Dewar	\$3,000	NJ350 Publication Initiative	First-time grantee
56. Mahwah Museum Society	\$5,000	General Operating Support	Returning grantee
57. Mazzagetti, Dominick	\$3,000	NJ350 Publication Initiative	First-time grantee
58. Mercer County Cultural & Heritage Commission	\$11,096	General Operating Support	Returning grantee
59. Merchants and Drovers Tavern Museum	\$18,043	General Operating Support	Returning grantee
60. Mid-Atlantic Center for the Arts & Humanities	\$275,000	General Operating Support	Returning grantee
61. Middlesex County Cultural & Heritage Commission	\$134,591	General Operating Support	Returning grantee

**Discussion Points (Cont'd)**

62. Monmouth County Historical Association	\$82,944	General Operating Support	Returning grantee
63. Monmouth County Historical Association	\$12,282	Project grant - collections care	Returning grantee
64. Montclair Historical Society	\$17,952	General Operating Support	Returning grantee
65. Montclair Historical Society	\$13,032	Project grant - exhibit funding	Returning grantee
66. Morris County Cultural & Heritage Association	\$18,684	General Operating Support	Returning grantee
67. Morris County Historical Society	\$17,035	General Operating Support	Returning grantee
68. Morris County Parks, Historic Sites	\$69,607	General Operating Support	Returning grantee
69. Morris County Tourism Bureau	\$27,671	General Operating Support	First-time grantee
70. Morristown & Morris Township Public Library	\$28,454	General Operating Support	Returning grantee
71. Museum of Early Trades & Crafts	\$3,000	Minigrant - public programming	Returning grantee
72. Museum of Early Trades and Crafts	\$37,189	General Operating Support	Returning grantee
73. National Society of the Colonial Dames of NJ	\$9,581	General Operating Support	Returning grantee
74. Naval Air Station Wildwood Aviation Museum	\$25,168	General Operating Support	Returning grantee
75. New Jersey Center for Civic and Law-Related Education	\$13,032	Project grant - educational research	First-time grantee
76. New Jersey Historical Society	\$28,293	General Operating Support	Returning grantee
77. New Jersey Vietnam Veterans' Memorial Foundation	\$50,756	General Operating Support	Returning grantee
78. Newark History Society	\$12,282	Project grant - archival access	Returning grantee
79. Newark Museum Association	\$8,697	Project grant - public program	Returning grantee
80. Newark Public Library	\$61,573	General Operating Support	Returning grantee
81. Ocean City Historical Museum	\$15,129	General Operating Support	Returning grantee
82. Ocean County Cultural & Heritage Commission	\$15,455	General Operating Support	Returning grantee
83. Ocean County Historical Society	\$14,434	General Operating Support	Returning grantee
84. Old Barracks Museum	\$50,000	General Operating Support	Returning grantee

**Discussion Points (Cont'd)**

85. Pascack Historical Society	\$5,000	General Operating Support	Returning grantee
86. Passaic County Cultural & Heritage Council	\$9,092	General Operating Support	Returning grantee
87. Plainfield Public Library	\$13,653	General Operating Support	Returning grantee
88. Plainfield Public Library	\$13,032	Project grant - collections care	Returning grantee
89. Preservation New Jersey	\$24,060	General Operating Support	Returning grantee
90. Readington Township	\$10,841	General Operating Support	Returning grantee
91. Red Mill Museum Village	\$10,972	General Operating Support	Returning grantee
92. Red Mill Museum Village	\$12,282	Project grant - exhibit funding	Returning grantee
93. Reeds, Dr. Karen	\$3,000	NJ350 Publication Initiative	Returning grantee
94. Roebling Museum	\$18,043	General Operating Support	Returning grantee
95. Roxbury Historic Trust	\$5,000	General Operating Support	Returning grantee
96. Rutgers University, Archives & Special Collections	\$92,550	General Operating Support	Returning grantee
97. Rutgers University Press	\$12,282	Project grant - publication	Returning grantee
98. Rutgers University (Oral History Archives)	\$15,698	General Operating Support	First-time grantee
99. Salem County Cultural & Heritage Commission	\$7,351	General Operating Support	Returning grantee
100. Salem County Historical Society	\$27,368	General Operating Support	Returning grantee
101. Save Lucy Committee	\$28,737	General Operating Support	Returning grantee
102. South Jersey Cultural Alliance	\$6,916	General Operating Support	Returning grantee
103. Stickley Museum at Craftsman Farms	\$27,212	General Operating Support	Returning grantee
104. Thomas A. Edison Papers, Rutgers University	\$89,839	General Operating Support	Returning grantee
105. Township of Ocean Historical Museum Association	\$5,000	General Operating Support	First-time grantee
106. Trent House Association	\$6,089	General Operating Support	Returning grantee
107. Trenton Historical Society	\$5,000	General Operating Support	Returning grantee

**Discussion Points (Cont'd)**

108.	Trenton Museum Society	\$5,019	General Operating Support	First-time grantee
109.	Union County Office of Cultural & Heritage Affairs	\$55,757	General Operating Support	Returning grantee
110.	Vineland Historical & Antiquarian Society	\$11,903	Project grant - collections care	Returning grantee
111.	Wheaton Arts and Cultural Center	\$54,479	General Operating Support	Returning grantee
112.	Whitesbog Preservation Trust	\$14,062	General Operating Support	Returning grantee
113.	Whitesbog Preservation Trust	\$13,032	Project grant - collections care	Returning grantee
114.	Winakung at Warterloo	\$11,188	General Operating Support	Returning grantee
115.	Yildiz, Sevin	\$13,032	Project grant - research	First-time grantee
116.	Young Audiences of NJ	\$13,032	Project grant - public program	First-time grantee
<b>Total Awards</b>		<b>\$2,599,995</b>		
<b>Total Awarded to 17 First-time grantees</b>		<b>\$173,577</b>		

How many FY 2013 grantees received no funding in FY 2014? If any 2013 grantees applied for but did not receive a 2014 grant, please explain why they were denied a grant.

Thirty-one FY 2013 grantees received no funding in FY 2014. Of those, 14 FY 2013 grantees applied for but did not receive a FY 2014 grant. Those applicants did not achieve satisfactory assessments from the independent peer review panel.

Question: Based on applications for FY 2015 received to date, what percentage of qualified funding requests could be approved and funded with the recommended appropriation?

The Commission has not yet begun receiving applications for FY 2015.

What was the percentage of qualified requests funded in FY 2014?

In FY 2014, the Commission decided to fund more requests which led to smaller grants to more applicants. The Commission received 225 grant applications in FY 2014. The Commission was able to fund 116, or 52%, of these applicants at a reduced funding level that, on average, totaled 41% of their total request. Collectively, the 225 applicants requested a total of \$7,736,876 in grant funds; the Commission was able to fund approximately 34% of this request.

How many additional qualified requests could be funded if the commission is funded at the statutorily required amount?

## Discussion Points (Cont'd)

The Commission is funded in accordance with all governing legal standards. With that said, it is nonetheless difficult to estimate the potential increase in applications that news of additional funds would likely solicit.

3. Tourism advertising and promotion funding comes from revenue generated by the hotel and motel occupancy fee established pursuant to P.L.2003, c.114 and is allocated to the Division of Travel and Tourism. The division currently oversees two marketing and promotion grant programs: the Cooperative Marketing Grant Program, which is open to any New Jersey organization that can demonstrate a significant interest in the New Jersey tourism industry, and the Destination Marketing Organization (DMO) Grant Program, which is open to any organization that meets the qualifications of an established DMO. In both cases, an organization is required to show a match equal to 25 percent of the grant request, from partners or sponsors that are non-State funding sources.

There are 20 DMOs located throughout the State which promote the arts, culture, history, the outdoors, shopping, and heritage activities and events. DMOs are primarily intended to attract tourism to certain regions through general marketing campaigns that advertise a given destination such as a single city, a group of municipalities, or a defined region (Skylands region, Shore region, etc.). DMOs often comprise both private and public entities, including Chambers of Commerce, downtown associations, or not-for-profit Convention or Visitor Bureaus, and work with hotels, restaurants, attractions, and smaller tourism entities to offer visitor information.

The Governor's FY 2015 Budget recommendation includes \$9 million in Direct State Services funding for travel and tourism advertising and promotion and continues a trend of flat-funding. Prior to the trend of flat-funding, the last fiscal year in which the appropriation for travel and tourism advertising and promotion exceeded \$9 million was in FY 2009, when the appropriation was \$11.9 million.

Under the law, for the occupancy taxes collected in FY 2004, \$9 million was to be allocated for tourism advertising and promotion. For occupancy taxes collected in FY 2005 and thereafter, the statute increased the dedication to 12.76 percent of the tax revenue, provided that the amount is not less than \$12.76 million. While the FY 2015 recommended funding amount is well below the statutorily required amount of \$12.76 million, it is equal to the level of funding below which, under the law, the authority to impose and collect the fee would be terminated.

- **Question:** What amount and percentage of the State occupancy fee dedicated for travel and tourism has been allocated to cooperative marketing grants in each of the previous five fiscal years? How many cooperative marketing grants have been approved by the division, and to what entities, in each of the previous five fiscal years?
- **Question:** What amount and percentage of the State occupancy fee dedicated for travel and tourism has been allocated to each DMO for each of the previous five fiscal years? What percentage of each DMO's advertising and promotion budget is reliant on the State occupancy fee?
- **Question:** Does the division collect data concerning the number of overnight visitors based on advertising and promotion efforts made by the State? Is this information also collected by each DMO for its respective advertising and promotion efforts? What is the correlation, if any, between the amount of funding received by a DMO from a cooperative marketing or DMO grant and the number of overnight visitors to that area of New Jersey?

## Discussion Points (Cont'd)

- **Question:** Summarize the application and review process, and describe the particular information required to be submitted to the division in an application for a cooperative marketing or DMO grant. What criteria must be met in order for a DMO or other organization to receive this funding? How are the proposals approved or rejected? What action does the division take to audit a DMO or organization and ensure State funds are used appropriately and effectively?
- **Question:** How many additional qualified cooperative marketing or DMO grant requests could be funded if the division is funded at the statutorily required amount?

Question: What amount and percentage of the State occupancy fee dedicated for travel and tourism has been allocated to cooperative marketing grants in each of the previous five fiscal years?

FY2014- \$608,390- 6.76% of Occupancy Tax  
 FY2013- \$553,611- 6.15% of Occupancy Tax  
 FY2012- \$574,173- 6.38% of Occupancy Tax  
 FY2011- \$400,000- 4.4% of Occupancy Tax  
 FY2010- \$402,434- 4.47% of Occupancy Tax

How many cooperative marketing grants have been approved by the division, and to what entities, in each of the previous five fiscal years?

FY2014- 41 grants  
 FY2013- 42 grants  
 FY2012- 38 grants  
 FY2011- 36 grants  
 FY2010- 46 grants

### LIST OF Cooperative Marketing Grants by Fiscal Year (2014-2010):

#### COOPERATIVE MARKETING - FY2014

Organization Name	Award Amount
7 Mile Business Community Association Inc	\$19,500.00
Appel Farm Arts and Music Center	\$17,500.00
Barneгат Bay Decoy & Baymen's Museum	\$20,250.00
Beach N Boat, LLC	\$17,750.00
Cape May County	\$19,000.00
Cape May County Chamber of Commerce	\$3,600.00
Downbeach Film Festival	\$6,930.00
East Lynne Company, Inc.	\$14,580.00
Festival of Ballooning Inc	\$12,000.00
First Choice Marketing LLC	\$20,750.00
Glassboro Borough	\$13,400.00
Greater Hammonton Chamber of Commerce	\$9,450.00
Highlands Business Partnership	\$18,750.00
Historic Cold Spring Village	\$21,000.00

**Discussion Points (Cont'd)**

Hudson County Chamber of Commerce	\$11,400.00
Lighthouse International Film Festival	\$12,300.00
Margate Business Association	\$18,750.00
Mid-Atlantic Center for the Arts & Humanities	\$10,800.00
Millville Army Air Field Museum	\$20,000.00
Monmouth County	\$20,000.00
Monmouth Park	\$21,500.00
Montclair Film Festival	\$18,250.00
Naval Air Station Wildwood Aviation Muse	\$19,500.00
New Jersey Audubon Society	\$16,500.00
New Jersey Offshore Powerboat Racing Association	\$12,000.00
Ocean City	\$11,100.00
ReClam the Bay	\$9,450.00
Red Bank River Center	\$20,000.00
ShopRite LPGA Classic	\$10,530.00
SJ Wine Trail	\$18,750.00
South Jersey Cultural Alliance	\$19,500.00
Spyboy Productions	\$9,750.00
Sunset Lake Hydrofest Association	\$12,450.00
The Garden State Film Festival	\$9,000.00
The Geraldine R. Dodge Foundation	\$10,200.00
The Newark Museum Association	\$11,100.00
Toms River Business Development Corp	\$10,800.00
Two Bridges Wine Trail	\$17,000.00
Vintage North Jersey	\$16,500.00
Warren County Farmers Fair	\$10,050.00
Wheaton Arts and Cultural Center	\$16,750.00
<b>TOTAL FY 2014</b>	<b>\$608,390.00</b>

**COOPERATIVE MARKETING - FY2013**

<b>Organization Name</b>	<b>Award Amount</b>
7 Mile Business Community Association Inc	\$17,750.00
Appel Farm Arts and Music Center	\$16,000.00
Atlantic City Trolley Tours	\$8,254.00
Barneгат Bay Decoy & Baymen's Museum	\$19,750.00
Belmar Pro Surf Contest	\$10,200.00
Cape May County	\$21,500.00
Cape May County Historical & Genealogical S	\$11,550.00
Cooper's Ferry Partnership	\$18,000.00
Crossroads of the American Revolution Association	\$14,000.00
Delaware River Greenway Partnership	\$2,900.00
East Lynne Company, Inc.	\$14,400.00

**Discussion Points (Cont'd)**

Festival of Ballooning Inc	\$11,700.00
First Choice Marketing LLC	\$23,250.00
Garden State Winegrowers Association	\$17,750.00
Greater Hammonton Chamber of Commerce	\$12,600.00
Greater Wildwood Chamber of Commerce	\$12,450.00
Grounds for Sculpture, Inc.	\$15,000.00
Highlands Tourism Partnership	\$9,300.00
Historic Cold Spring Village	\$21,000.00
Hoboken City	\$15,750.00
Ironbound Business Improvement District	\$17,000.00
Joseph P. Hayes Surfflight Theatre	\$14,000.00
Lighthouse International Film Festival	\$10,950.00
Long Beach Island Fund of the Arts & Sciences	\$9,300.00
Millville Army Air Field Museum	\$20,000.00
Monmouth County	\$15,500.00
Montclair Film Festival	\$13,050.00
Naval Air Station Wildwood Aviation Museum	\$22,250.00
New Jersey Council for the Humanities	\$1,140.00
New Jersey Motorsports Park	\$18,500.00
New Jersey Restaurant Organization	\$9,558.00
Ocean City	\$11,550.00
Passage Theatre Company	\$6,640.00
Promo One of NJ, Inc.	\$5,900.00
ReClam the Bay	\$10,800.00
Stone Harbor Borough	\$4,439.00
Sunset Lake Hydrofest Association	\$12,000.00
Sussex County	\$2,480.00
The Garden State Film Festival	\$12,000.00
Villa Milagro Vineyards	\$16,000.00
Warren County Farmers Fair	\$11,700.00
Wheaton Arts and Cultural Center	\$15,750.00
<b>TOTAL FY2013</b>	<b>\$553,611.00</b>

**COOPERATIVE MARKETING - FY2012**

<b>Organization Name</b>	<b>Award Amount</b>
7 Mile Business Community Association Inc	\$21,223.00
Appel Farm Arts and Music Center	\$20,000.00
Belmar Pro Surf Contest	\$12,000.00
Cape May City	\$20,000.00
Cape May County	\$20,000.00
Cape May County Chamber of Commerce	\$4,000.00
East Lynne Company, Inc.	\$12,000.00

**Discussion Points (Cont'd)**

Festival of Ballooning Inc	\$12,750.00
First Choice Marketing LLC	\$18,750.00
Friends of Barnegat Lighthouse State Park	\$13,500.00
Garden State Winegrowers Association	\$12,000.00
Greater Atlantic City Golf Association Inc	\$19,200.00
Greater Hammonton Chamber of Commerce	\$8,000.00
Greater Wildwood Chamber of Commerce	\$12,750.00
Grow it Green Morristown	\$12,750.00
Highlands Tourism Partnership	\$11,250.00
Historic Cold Spring Village	\$21,250.00
Hoboken City	\$18,750.00
Lighthouse International Film Festival	\$13,500.00
Meeting Dimensions Corp	\$21,250.00
Mid-Atlantic Center for the Arts & Humanities	\$16,000.00
Monmouth Park	\$21,250.00
Montclair Film Festival	\$12,000.00
Naval Air Station Wildwood Aviation Museum	\$20,000.00
New Jersey Motorsports Park	\$20,000.00
Ocean City	\$12,000.00
Public Art Foundation/Grounds for Sculpture	\$20,000.00
ReClam the Bay	\$15,000.00
ReVision Theatre	\$18,750.00
ShopRite LPGA Classic	\$13,500.00
Sunset Lake Hydrofest Association	\$12,000.00
The Alliance for Morris County Parks	\$18,750.00
The Garden State film Festival	\$12,750.00
The Newark Museum Association	\$12,000.00
The Wetlands Institute	\$12,000.00
Warren County Farmers Fair	\$12,000.00
Wheaton Arts and Cultural Center	\$21,250.00
<b>TOTAL FY2012</b>	<b>\$574,173.00</b>

**COOPERATIVE MARKETING - 2011**

<b>Organization Name</b>	<b>Award Amount</b>
7 Mile Business Community Assoc., Inc	\$16,567.60
Appel Farm Arts & Music Center	\$15,000.00
Barnegat Bay Decoy & Baymen's Museum	\$17,500.00
Bayshore Discovery Project	\$14,000.00
Belmar Pro Surf Tournament	\$10,500.00
Cape May County Chamber of Commerce	\$1,000.00
Cape May County Tourism	\$17,500.00
Cape May Stage	\$6,975.00

**Discussion Points (Cont'd)**

Celebrate NJ Inc	\$15,000.00
Cooper's Ferry Development Association, Inc.	\$17,500.00
East Lynne Company, Inc.	\$10,500.00
Festival of Ballooning	\$9,000.00
First Choice Marketing, LLC	\$10,500.00
First Choice Marketing, LLC	\$7,500.00
Garden State Winegrowers Association	\$17,500.00
The Genesis Guild, Inc. DBA ReVision Theatre	\$14,000.00
Greater Atlantic City GLBT Alliance	\$9,000.00
Greater Hammonton Chamber of Commerce	\$7,000.00
Greater Wildwood Chamber of Commerce	\$9,000.00
Highlands Tourism Partnership	\$8,058.40
City of Hoboken	\$7,504.20
Mid-Atlantic Center for the Arts	\$4,000.00
Monmouth County Department of Tourism	\$15,000.00
Montclair Art Museum	\$6,000.00
New Jersey Audubon Society - Bird Observatory	\$9,000.00
New Jersey Motorsports Park, LLC	\$17,500.00
Monmouth Park Racetrack	\$9,000.00
City of Ocean	\$9,000.00
PACE Racing	\$9,000.00
ReClam the Bay, Inc.	\$10,500.00
County of Salem, Department of Public Information & Tour	\$14,985.00
Seaside Heights Business Improvement District	\$12,500.00
Sunset Lake Hydrofest Association	\$6,409.80
Sussex County Division of Planning	\$9,000.00
Warren County Farmers Fair Association	\$7,000.00
Wheaton Arts and Cultural Center	\$20,000.00
<b>TOTAL FY 2011</b>	<b>\$400,000.00</b>

**COOPERATIVE MARKETING – FY2010**

<b>Organization Name</b>	<b>Award Amount</b>
7 Mile Business Community Assoc., Inc	\$8,400.00
Absecon Lighthouse	\$4,569.00
Appel Farm Arts & Music Center	\$15,000.00
Atlantic City Trolley Tours	\$4,625.00
Atlantic City Aquarium/Historic Gardners Basin	\$13,750.00
Barnegat Bay Decoy & Baymen's Museum	\$12,500.00
New Jersey Audubon Society - Bird Observatory	\$7,500.00
Cape May New Jersey State Film Festival	\$2,000.00
Cape May County Tourism	\$9,000.00
City of Cape May Tourism Commission	\$12,500.00

**Discussion Points (Cont'd)**

Cooper's Ferry Development Association, Inc.	\$12,500.00
East Lynne Company, Inc.	\$7,500.00
Gables of Cape May County, Inc.	\$2,500.00
Greater Hammonton Chamber of Commerce	\$4,400.00
Highlands Tourism Partnership	\$5,000.00
Historic Cold Spring Village Foundation	\$8,000.00
Museum of NJ Maritime History	\$12,500.00
Mid-Atlantic Center for the Arts & Humanities	\$2,970.00
Monmouth County Department of Tourism	\$15,000.00
Monmouth Park Racetrack	\$7,500.00
NASW Foundation	\$7,500.00
New Jersey Offshore Powerboat Racing Assoc.	\$6,000.00
New Jersey Motorsports Park, LLC	\$13,750.00
New Jersey Audubon Society	\$6,820.00
City of Ocean	\$8,250.00
City of Rahway	\$2,500.00
ReClam the Bay, Inc.	\$15,000.00
The Genesis Guild, Inc. DBA ReVision Theatre	\$6,000.00
River Road Business Alliance, NJ Chapter	\$12,500.00
Seaside Heights Business Improvement District	\$13,750.00
Somers Point Jazz Society	\$1,100.00
South Jersey Cultural Alliance	\$7,000.00
Springfest Flower & Garden Show/NJ State Fair	\$3,600.00
Star Ledger	\$9,000.00
Star Ledger	\$7,500.00
Atlantic Pier Amusement, Inc	\$5,500.00
Borough of Stone Harbor	\$12,500.00
Sunset Lake Hydrofest Association	\$8,250.00
Joseph P Hayes Surfflight Theatre	\$15,000.00
Sussex County	\$15,000.00
Victorian Belvidere	\$4,400.00
Warren County Farmers Fair Association	\$4,800.00
Wheaton Arts and Cultural Center	\$15,000.00
Greater Wildwood Chamber of Commerce	\$9,000.00
Sussex County Arts & Heritage Council	\$12,500.00
New Jersey State Fair/Sussex County Horse & Farm Show	\$12,500.00
<b>TOTAL FY2010</b>	<b>\$402,434.00</b>

What amount and percentage of the State occupancy fee dedicated for travel and tourism has been allocated to each DMO for each of the previous five fiscal years? Note! The following percentages are based upon the annual appropriation minus administrative costs.

**FY2014**

**Discussion Points (Cont'd)**

<b>Organization Name</b>	<b>Award</b>	<b>% Fee</b>
Atlantic City Convention & Visitors Authority	\$83,750.00	1.5
Central New Jersey Convention & Visitors Bureau	\$110,000.00	2
Greater Newark Convention & Visitors Bureau	\$118,000.00	2.2
Hudson County Office of Cult & Heritage Affairs	\$82,350.00	1.5
Jersey City Economic Development Corporation	\$96,000.00	1.8
Meadowlands Liberty Convention and Visitors Bureau	\$132,000.00	2.4
Morris County Tourism Bureau	\$130,000.00	2.4
Princeton Regional Chamber of Commerce and Convention & Visitor Bureau	\$112,000.00	2
Shore Region Tourism Council	\$139,000.00	2.5
Somerset County Business Partnership	\$98,000.00	1.8
South Jersey Tourism Corp	\$128,000.00	2.3
Southern Ocean County Chamber	\$141,000.00	2.6
Southern Shore Regional Tourism	\$165,000.00	3
Sussex County Chamber of Commerce	\$90,000.00	1.6
<b>Total Award FY2014</b>	<b>\$1,625,100.00</b>	

**FY2013**

<b>Organization Name</b>	<b>Award</b>	<b>% Fee</b>
Atlantic City Convention & Visitors Authority	\$74,836.00	1.4
Brick City Development Corporation	\$48,000.00	.9
Hudson County Office of Cult & Heritage Affairs	\$3,552.00	.07
Hunterdon County Chamber of Commerce	\$33,000.00	.6
Jersey City Economic Development Corporation	\$114,000.00	2.1
Meadowlands Liberty Convention and Visitors Bureau	\$150,000.00	2.8
Central New Jersey Convention & Visitors Bureau	\$36,000.00	.7
Morris County Tourism Bureau	\$141,000.00	2.6
Princeton Regional Chamber of Commerce and Convention & Visitor Bureau	\$123,000.00	2.2
Shore Region Tourism Council	\$111,000.00	2
Somerset County Business Partnership	\$108,000.00	2
South Jersey Tourism Corp	\$36,072.00	.7
Southern Ocean County Chamber	\$141,000.00	2.6
Southern Shore Regional Tourism	\$141,000.00	2.6
Sussex County Chamber of Commerce	\$102,000.00	1.9
Trenton Downtown Association	\$62,723.00	1.1
<b>Total Award FY2013</b>	<b>\$1,425,183.00</b>	

**FY2012**

<b>Organization Name</b>	<b>Award</b>	<b>% Fee</b>
Atlantic City Convention & Visitors Authority	\$74,836.00	1.4
Brick City Development Corporation	\$48,000.00	.9

**Discussion Points (Cont'd)**

Central New Jersey Convention & Visitors Bureau	\$3,552.00	.07
Hudson County Office of Cult & Heritage Affairs	\$33,000.00	.6
Hunterdon County Chamber of Commerce	\$114,000.00	2.1
Jersey City Economic Development Corporation	\$150,000.00	2.8
Meadowlands Liberty Convention and Visitors Bureau	\$36,000.00	.7
Morris County Tourism Bureau	\$141,000.00	2.6
Princeton Regional Chamber of Commerce and Convention & Visitor Bureau	\$123,000.00	2.2
Shore Region Tourism Council	\$111,000.00	2
Somerset County Business Partnership	\$108,000.00	2
South Jersey Tourism Corp	\$36,072.00	.7
Southern Ocean County Chamber	\$141,000.00	2.6
Southern Shore Regional Tourism	\$141,000.00	2.6
Sussex County Chamber of Commerce	\$102,000.00	1.9
Trenton Downtown Association	\$62,723.00	1.1
<b>Total Award FY 2012</b>	<b>\$1,425,183.00</b>	

**FY2011**

<b>Organization Name</b>	<b>Award</b>	<b>%Fee</b>
Southern Shore Regional Tourism	\$200,000.00	3.6
Shore Regional Tourism Council	\$132,000.00	2.4
Atlantic City Convention & Visitors Authority	\$126,000.00	2.3
Brick City Development Corporation	\$150,000.00	2.8
Southern Ocean County Chamber of Commerce	\$150,000.00	2.8
Sussex County Chamber of Commerce	\$126,000.00	2.3
Princeton Regional Chamber of Commerce	\$105,000.00	2
South Jersey Tourism Corporation	\$126,000.00	2.3
Somerset County Business Partnership	\$53,200.00	.97
Morris County Visitors Center	\$105,000.00	2
Meadowlands Liberty Convention & Visitors Bureau	\$105,000.00	2
Hunterdon County Chamber of Commerce	\$30,000.00	.5
Warren County Convention & Visitor Bureau	\$12,000.00	.2
Central Jersey Region Convention & Visitors Bureau	\$37,200.00	.6
Jersey City Economic Development Corporation	\$25,000.00	.5
<b>Total Award FY 2011</b>	<b>\$1,482,400.00</b>	

**FY2010**

<b>Organization Name</b>	<b>Award</b>	<b>%Fee</b>
Southern Shore Regional Tourism	\$200,000.00	3.6
Shore Regional Tourism Council	\$132,000.00	2.4
Atlantic City Convention & Visitors Authority	\$126,000.00	2.3

**Discussion Points (Cont'd)**

Brick City Development Corporation	\$150,000.00	2.8
Southern Ocean County Chamber of Commerce	\$150,000.00	2.8
Sussex County Chamber of Commerce	\$126,000.00	2.3
Princeton Regional Chamber of Commerce	\$105,000.00	2
South Jersey Tourism Corporation	\$126,000.00	2.3
Somerset County Business Partnership	\$53,200.00	.97
Morris County Visitors Center	\$105,000.00	2
Meadowlands Liberty Convention & Visitors Bureau	\$105,000.00	2
Hunterdon County Chamber of Commerce	\$30,000.00	.5
Warren County Convention & Visitor Bureau	\$12,000.00	.2
Central Jersey Region Convention & Visitors Bureau	\$37,200.00	.6
Jersey City Economic Development Corporation	\$25,000.00	.5
<b>Total Award FY 2010</b>	<b>\$1,482,400</b>	

What percentage of each DMO's advertising and promotion budget is reliant on the State occupancy fee?

	Total Budget	% State
Atlantic City Convention & Visitors Authority	\$104,688	80%
Central New Jersey Convention & Visitors Bureau	\$137,500	80%
Greater Newark Convention & Visitors Bureau	\$1,947,500	6%
Hudson County Office of Cult & Heritage Affairs	\$116,100	71%
Jersey City Economic Development Corporation	\$120,000	80%
Meadowlands Liberty Convention and Visitors Bureau	\$165,308	80%
Morris County Tourism Bureau	\$162,500	80%
Princeton Regional Chamber of Commerce and Convention & Visitor Bureau	\$140,000	80%
Shore Region Tourism Council	\$139,000	74%
Somerset County Business Partnership	\$122,500	80%
South Jersey Tourism Corp	\$161,000	80%
Southern Ocean County Chamber	\$182,500	77%
Southern Shore Regional Tourism	\$200,000	83%
Sussex County Chamber of Commerce	\$112,500	80%

Question: Does the division collect data concerning the number of overnight visitors based on advertising and promotion efforts made by the State?

Yes. Each year the Division utilizes a research consultant to conduct an economic impact study that measures tourism revenues statewide, and create a visitor profile that includes the number of visitors and their preferred tourism activity.

Attached is the link to the reports.

<http://www.visitnj.org/sites/visitnj.org/files/2013-nj-visitor-profile.pdf>

<http://www.visitnj.org/sites/visitnj.org/files/2013-nj-economic-impact.pdf>.

## Discussion Points (Cont'd)

Is this information also collected by each DMO for its respective advertising and promotion efforts?

Information on the counties the DMOs represent is included in the statewide report mentioned above. In addition, each year the funded DMOs are required to provide to the Division of Travel and Tourism a year-end report on their marketing efforts and the results of those efforts.

What is the correlation, if any, between the amount of funding received by a DMO from a cooperative marketing or DMO grant and the number of overnight visitors to that area of New Jersey?

Most DMOs' marketing strategies include marketing that promotes overnight visitation. If the marketing plan is successful the DMO will see a correlation between their efforts and the results as it relates to overnight visitation. In fact, in 2013 overnight visitation was up across the State by 3.6%.

Question: Summarize the application and review process, and describe the particular information required to be submitted to the division in an application for a cooperative marketing or DMO grant. What criteria must be met in order for a DMO or other organization to receive this funding? How are the proposals approved or rejected?

### Destination Marketing Organization (DMO) Grant Program:

The DMO Grant Program is highly competitive, and the approval process considers all aspects of a DMO's vitality as an organization. The program provides the opportunity to pay administrative needs, which add significantly to the stability and long-term viability of funded DMOs.

Criteria that must be met include:

- Destination marketing is the primary function of the organization
- DMO or one of its principal collaborative partner(s) must have two or more years of destination marketing experience
- DMO must market to one or more New Jersey municipalities or counties
- DMO must submit a business plan, a two-year marketing plan and budgets
- DMO must submit proof of adequate matching funds each year
- DMO must at a minimum obtain matching grant dollars equal to no less than 25% of the requested grant amount. The match must come from non-state sources and must be allocated specifically to fulfill the matching funds requirement of this grant.

### Cooperative Marketing Program:

The Cooperative Marketing Program provides funding to promote and market specific tourism opportunities in New Jersey.

Criteria that must be met include:

- Applicant must have and illustrate a significant interest in the promotion of a tourist destination/attraction/activity
- Organization must provide evidence of its experience producing effective marketing programs or events. If the event or program is a new venture, a decision will be based on the strength of the project's marketing plan.
- Applicant must at a minimum obtain matching grant dollars equal to no less than 25% of the requested grant request. The match must come from non-state sources and must be allocated specifically to fulfill the matching funds requirement of this grant.

## Discussion Points (Cont'd)

The Division of Travel and Tourism funds proposals as determined by independent peer review committees.

- Proposals are reviewed and scored by independent peer review committees, using a set scoring system
- Committees evaluate all proposals against the stated criteria and achieve consensus on the merits of each proposal
- Applicants who do not achieve satisfactory assessments from the committees are not funded.

What action does the division take to audit a DMO or organization and ensure State funds are used appropriately and effectively?

The Division requires both an interim and final report from each awarded DMO and Cooperative Marketing Grant recipient.

Final reports are due 45 days after the end of the grant period. Organizations failing to file acceptable final reports in a timely manner risk cancellation of final payments and may not be eligible for additional grant support.

Final reports must include:

- Narrative of activities clearly explaining marketing initiatives and detailed information on changes to the initial proposed campaign
- Description of press created by marketing campaign
- Budget reflecting actual spending, including comparison of the approved contract budget to actual expenditures indicating any variance.
- Proper documentation of expenses (bank statements, invoices, checks, receipts)
- Copies of collateral material including the Division of Travel and Tourism's logo and the mandatory statement, "Supported in part by a grant from the New Jersey Department of State, Division of Travel and Tourism."
- Detailed information on effectiveness and success of marketing campaign and any changes to be made based on these findings
- Material changes in the organization (staffing, management, facilities) since the disbursement of the grant.

Question: How many additional qualified cooperative marketing or DMO grant requests could be funded if the division is funded at the statutorily required amount?

The Division is funded in accordance with all governing legal standards. With that said, even assuming additional hypothetical funding it is difficult to estimate the potential increase in applications that news of additional funds would likely solicit.

4. In advance of the 2013 summer season, several neighboring states advertised heavily in the New Jersey market in an attempt to attract regular New Jersey shore visitors. The State dedicated a federal \$25 million Community Development Block Grant for a tourism marketing campaign, later designated the "Stronger than the Storm" campaign designed by the MWW Group, a New Jersey-based public

## Discussion Points (Cont'd)

relations firm, to promote the Jersey Shore as “open for business.” MWW’s December 2013 “Stronger than the Storm Recap Report” declares that, despite dire predictions about the State’s shore tourism, the 2013 summer vacation season exceeded expectations.

- **Question:** What was the division’s relationship to MWW in crafting or supporting the “Stronger than the Storm” campaign? What was the primary strategy to dispel the myth of closed beaches and draw regular visitors to return to the Jersey shore for the 2013 season? Is there any particular effort underway by the division to attract visitors who traveled elsewhere in 2013 back to their favorite destinations in New Jersey?
- **Question:** The report offers some information about hotel occupancies, illustrating the percentage of occupied hotel rooms. Since the total availability of hotel rooms affects the occupancy and vacancy percentage, was the total number of available hotel rooms the same, more, or less than previous years? Please explain why the average hotel revenue per available room decreased in 2013 compared to 2012.
- **Question:** As indicated in the report, hotel tax receipts in Ocean County dropped significantly (14.3 percent) compared to 2012, and dropped 6.1 percent from 2008 to 2012, making Ocean County an outlier in contrast to the other three shore counties. What factors specifically affect Ocean County hotel receipts? Does it appear that Ocean County hotel receipts will increase in 2014?

Question: What was the division’s relationship to MWW in crafting or supporting the “Stronger than the Storm” campaign?

The Division of Travel and Tourism played a supporting role assisting MWW and EDA with their efforts to lure tourists to New Jersey for the critical 2013 summer season. The Division assisted them by providing marketing intelligence, assistance with developing tourism industry partners and helping them promote the message at the Division’s speaking engagements or events.

What was the primary strategy to dispel the myth of closed beaches and draw regular visitors to return to the Jersey shore for the 2013 season?

The primary message of the “Stronger than the Storm” campaign was that despite the damage inflicted by Superstorm Sandy, New Jersey was still open for business.

Is there any particular effort underway by the division to attract visitors who traveled elsewhere in 2013 back to their favorite destinations in New Jersey?

The State of New Jersey has launched a tourism campaign to draw visitors to New Jersey this spring and summer. The campaign is being advanced through the combined efforts and resources of the Division of Travel and Tourism and EDA leveraging both State and Federal Resources.

The campaign will rely on segmentation to ensure all of the tourism assets of New Jersey are marketed, focusing both on the cultural assets as well as our Shore destinations. In order to leverage our efforts, both the cultural segment (non-shore assets, ie. camping, entertainment, etc.) and shore segment outreach and advertising will utilize the 2014 tagline, “Going Strong,” building upon the momentum and effectiveness of

## Discussion Points (Cont'd)

2013's campaign, "Stronger than the Storm." The campaign will focus on digital advertising and social media, which reached the market place in March.

The campaign will highlight the unique spirit and diversity of the communities along the shoreline to drive tourism to Sandy-impacted areas, while also positioning all of New Jersey as a fun and inviting vacation destination that offers something for everyone, from the Skylands to the Capital to the Southern Shore.

Digital and social channels for both the Division of Travel and Tourism and EDA's "Going Strong" website will be integrated to ensure the campaign is reaching potential and returning visitors with one voice.

Question: The report offers some information about hotel occupancies, illustrating the percentage of occupied hotel rooms. Since the total availability of hotel rooms affects the occupancy and vacancy percentage, was the total number of available hotel room the same, more, or less than previous years? Please explain why the average hotel revenue per available room decreased in 2013 compared to 2012.

According to the Division of Travel and Tourism's research consultant, Tourism Economics Inc., the number of available hotel rooms statewide in 2013 increased by 0.7% and the average hotel revenue per available room statewide increased by 0.6%.

The following accounts for the discrepancies between the report issued by EDA in January and the report issued by Division of Travel and Tourism in March:

- Division of Travel and Tourism data has statewide focus while EDA's report focused on the four shore counties
- Division of Travel and Tourism data is based on end of year numbers while the EDA data is based on end of summer numbers
- The Division of Travel and Tourism report used multiple inputs that were not available at the time of EDA's report

Question: As indicated in the report, hotel tax receipts in Ocean County dropped significantly (14.3 percent) compared to 2012, and dropped 6.1 percent from 2008 to 2012, making Ocean County an outlier in contrast to the other three shore counties. What factors specifically affect Ocean County hotel receipts?

Factors that may have impacted Ocean County receipts include:

- Ocean County sustained significant damage from Superstorm Sandy and as a result, Ocean had a long road to recovery. Bed tax data demonstrates that Ocean's summer was the lowest performing of all counties. Bed tax collections declined by nearly 15% in Ocean County over the period from June to August. All other shore counties declined at a more modest 2 to 2.5%.
- Ocean County's economy is more shore-centric than other counties that saw significant damage. For example, although Monmouth County also suffered significant damage, Monmouth has more of an inland economy than Ocean – Ocean population/economy is very shore-centric whereas Monmouth has several towns and population centers in inland areas that would support economic activity even after the shore was damaged. Again viewing bed tax data, Ocean and Monmouth County collect very similar amounts in the summer months (considered June, July and August and using 2012 – pre-storm). During the off-season, Monmouth bed tax collections are anywhere from 2 to 2.5 times higher than Oceans (both pre and post-storm)

Does it appear that Ocean County hotel receipts will increase in 2014?

## Discussion Points (Cont'd)

It is hard to predict whether Ocean County's hotel receipts will increase in 2014. As an initial matter, bed tax revenues for the beginning of the year will likely be down due to decreased demand from Sandy-impacted residents. However, those losses may be offset by increased storm recovery and increased overnight tourists. Again, however, predictions and estimates are difficult due to myriad other factors, such as weather.

5. On February 2, 2014, Super Bowl XLVIII was held at the MetLife Stadium in East Rutherford, New Jersey, marking the first time a Super Bowl was held in an open-air stadium in a cold-weather region. The Super Bowl brought with it numerous media-related events, and thousands of visitors from all around the world. In response to discussion point 3 in the OLS analysis of the FY 2014 budget recommendations concerning the planning and anticipated costs and revenues associated with hosting the Super Bowl, the New Jersey Sports and Exposition Authority (NJSEA) stated that, according to the Super Bowl Bid Regional Analysis report, the State anticipated a \$550 million estimated economic impact in the New Jersey/New York region, the securing of 4,022 hotel rooms by the NFL in New Jersey, and a non-game attendance of 400,000 people.

NFL specifications in the bid contract for hosting a Super Bowl prohibit the host State from collecting sales tax on ticket sales, parking, luxury box sales, etc. According to an article by the Newark Star Ledger, this provision likely cost the State \$8 million in lost revenue. The contract also specifies that the NFL is not responsible for paying for security. Approximately 700 State troopers were used for patrolling in and around MetLife Stadium and providing police escorts for the teams and news media from all events leading up to the game, and local police and New Jersey National Guard monitored rail lines and the stadium perimeter.

- **Question:** Please provide the total State and local costs and revenues associated with hosting Super Bowl XLVIII. How do the actual numbers compare to the anticipated numbers presented in the impact analysis? For the \$550 million anticipated for the New Jersey/New York region, how much revenue was actually generated, and how much of that amount went specifically to New Jersey?
- **Question:** An entire section of Times Square in New York was designated for Super Bowl-related events. What events were specifically designated for New Jersey? Were these events sanctioned by the NFL? If not, why not? When and where did they take place? What type of turn-out did such events generate?
- **Question:** Did any particular local governments incur significant or unforeseen Super Bowl-related costs? If so, did the direct economic benefit and revenue generated from hosting the Super Bowl offset these costs without the need for State financial support?

6. In FY 2014, the Division of Elections received a supplemental appropriation of \$26 million in State Aid for Extended Polling Place Hours. According to the division, the supplemental appropriation was dedicated for costs associated with holding the New Jersey Special Election for United States Senate to fill the remainder of the term vacated with the passing of five-term Senator Frank Lautenberg, who passed away in June 2013. The Governor set the date for a Special Primary Election in August 2013 and for a Special General Election in October 2013. Assembly Bill No. 4237 of the 2012-2013 legislative session would have changed the date of the 2013 general election from November 5th to October 16th, combining the two elections, to dispel concerns of cost, voter turnout, and practicality of holding a Special General Election just 20 days prior to the regularly-scheduled General Election. The bill passed

## Discussion Points (Cont'd)

both houses but was vetoed by the Governor on September 9, 2013. The State held the Special Primary Election on August 13, 2013 and the Special General Election on October 16, 2013.

- **Question:** What were the total costs associated with holding both the Special Primary Election and the Special General Election? What was the voter turn-out for both elections? What plans did the division develop to avoid any difficulties with holding the Special General Election just 20 days prior to the regularly-scheduled General Election, including any concerns with the voting machines and their associated hardware and software, and the need to hire additional workers?

What were the total costs associated with holding both the Special Primary Election and the Special General Election?

Division of Elections processes payments to counties following a review of submitted bills. At this time the total cost is not yet known.

What was the voter turn-out for both Elections?

Special Primary Election: 498,118  
Special General Election 1,352,269  
**Total Special Election: 1,850,387**

What plans did the division develop to avoid any difficulties with holding the Special General Election just 20 days prior to the regularly-scheduled General Election, including any concerns with the voting machines and their associated hardware and software, and the need to hire additional workers?

The Division of Elections immediately and continually maintained contact with the county election officials to advise and address any concerns raised during the Special and General Election cycle.

In prior years multiple elections have been held in similar time frames. An example being the Annual April School Elections held on the third Tuesday in April, followed by the May Non-partisan Elections held on the second Tuesday in May, and then again followed by the June Primary Elections held on the first Tuesday after the first Monday in June. The counties already had experience with the necessary procedures to conduct back to back elections. The State was prepared to supply additional staff if necessary and also gave the counties the option to utilize overtime and bring in their own additional staff as needed.

In conjunction with the Attorney General's Office and the County Commissioners of Registration a court order was obtained to conduct a recheck of the election results so the voting machines could be released early from the statutorily required 15-day impoundment period and be reprogrammed after the October Special Election and used for the November General Election. The State ensured that each County had sufficient resources to conduct the recheck and subsequently to prepare the voting machines on an expedited basis. These resources included additional trained staff if needed. A contingency plan was also put in place in case the recheck order was not granted. This plan included additional trained staff as well as additional transportation resources if needed.

The State did not have any concerns with the hardware or software of the voting machines but did make contingency arrangements with the voting machine vendor to rent additional voting machines if needed as well as additional voting machine cartridges if needed

## Discussion Points (Cont'd)

7. According to continuing budget language, in addition to the line-item amount specifically appropriated for Extending Polling Place Hours, there are appropriated such sums as are required to provide reimbursements to the county boards of election. As noted in discussion point 6, the Division of Elections received a supplemental appropriation of \$26 million in State Aid for Extended Polling Place Hours. As was also noted, the supplemental appropriation was dedicated for costs associated with holding the New Jersey Special Election for United States Senate, including the reimbursement of the county boards of election for the entire cost of the Special Primary Election and the Special General Election, and not just for Extended Polling Place Hours.

- **Question: What interpretation of the budget language supports a supplemental appropriation to reimburse for costs that do not appear to be the result of Extended Polling Place Hours? Please explain why, and under what authority, the county boards of election may be reimbursed for the entire costs associated with the New Jersey Special Election for United States Senate and not just for Extended Polling Place Hours.**

The budget language in question says “In addition to the amounts hereinabove appropriated for Extended Polling Place Hours, there are appropriated such amounts as are required to provide reimbursements to county Boards of Election, subject to the approval of the Director of Budget and Accounting.” (B-162 of appropriations handbook). Providing reimbursement to county Boards of Election for election costs is thereby authorized by the plain language of this provision, which accompanies the line in the budget where dollars are appropriated for state aid for elections.

8. In FY 2012, the New Jersey Sports and Exposition Authority (NJSEA) received a supplemental appropriation of \$27.4 million in operational aid pursuant to budget language authorizing the Executive to approve funding to maintain NJSEA core operating functions. The FY 2015 recommended budget recommends \$15 million (Interdepartmental Accounts, p. D-426), for NJSEA operations and continues the same language so that this funding can be increased. The NJSEA will thus receive an operating subsidy in addition to debt service appropriations for the fourth consecutive fiscal year. The budget does not provide any FY 2015 funding under the Department of State but includes the same language authorizing supplemental funding for core operating functions under Interdepartmental Accounts.

In response to an OLS discussion point on the FY 2013 budget, the NJSEA informed the Legislature that it had relied on State funding in its 2011 operating year (January-December) of \$19 million, or 6 percent of its CY 2011 operating resources; and that it anticipated receiving a similar amount which would, due to changes in operating costs from racetrack privatization, comprise about 14 percent of total operating resources. The NJSEA was unable to project a need for FY 2013 State funding at that time; it indicated that it expected the need for assistance to decline “going forward” but that that the amount could change significantly depending on organizational changes and cost trends.

In FY 2014, the NJSEA is projected to receive supplemental appropriations totaling \$47.3 million, with \$34.3 million of that total approved as of April 14, 2014.

In response to an OLS discussion point on the FY 2014 budget, the NJSEA informed the Legislature that the loss of rental income from the Stadium lease signed in 2006 “significantly challenged the NJSEA operations,” and that the restructuring of racing has “increased costs in the short-term but will result in better income and expenditure positions in the future.” The NJSEA also noted that additional assistance was needed during 2013 to fund the NJSEA’s racetrack lease obligations and one-time capital

**Discussion Points (Cont'd)**

upgrades, the most significant being electrical upgrades associated with hosting WrestleMania and the Super Bowl.

- **Question:** What percentage of the NJSEA total operating resources on a budgetary basis, and for which NJSEA fiscal years, were provided by State FY 2012 funding, FY 2013 funding, and were/will be provided by State FY 2014 funding and State FY 2015 funding, respectively? Please provide a copy of the NJSEA's operating budget or financial plan as adopted and as concluded for CY 2013. Please also provide a copy of the NJSEA approved or proposed budgets or operating plans that support the level of State operating support provided by FY 2014 and FY 2015 appropriations. What accounts for the decrease in State operating support from \$47.3 million to \$15 million? What impact will reduced state support have on the operations of the NJSEA?
- **Question:** If the NJSEA is "in, but not of" the Department of State, why isn't the funding included as a specific line-item under the department? Why is the NJSEA's budget reflected only in Interdepartmental Accounts?