



ELEC *tronic*

An Election Law Enforcement Commission Newsletter

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Comments from the Chairman

Ronald DeFilippis

Through the years, the Commission has maintained 95 percent compliance with campaign finance reporting.

While violators of campaign finance disclosure rules get most of the publicity, it is important to point out that the vast majority of candidates, political party entities, and PACs are in compliance with the law.

But this high compliance rate doesn't happen by magic. It results from a significant amount of effort on the part of our staff.

Over the course of last year, staff processed over 33,000 reports from all manner of filers. In addition to candidates, party entities and PACs, the Commission receives multiple reports from lobbyists, public contractors, and fundraisers.

These reports are scanned or electronically inputted into the Commission's website and in 48-hours are available to the public for viewing.

It's then that data entry goes to work to provide detailed contributor reports on Statewide and local candidates, all levels of political parties, and legislative leadership committees.

Moreover, reports are made available for lobbyist quarterly reports and annual financial reports. As part of the computer upgrade, lobbyist can now file both annual and quarterly reports electronically. Pay-to-play reports are also made available on an annual basis and are filed electronically.

But putting all of the above aside, the reason that the Commission can provide such thorough disclosure is because of the cooperation by the filing community. And the filing community is aided by the efforts of staff in the area of compliance.

For example, the Commission has made outreach to the filer community a top priority.

During the course of the year, numerous seminars are held both in the Commission's offices in Trenton and in remote locations throughout the State.

These seminars, which are advertised on the Commission's website and in its electronic monthly newsletter, draw candidates and treasurers, party and PAC treasurers, lobbyists, and business people engaged in public contracting.

The training sessions are an invaluable part of the Commission's efforts toward maintaining high compliance rates.

But this is not all the staff does in an attempt to maintain and even increase compliance with the disclosure laws.

(Continued on page 2.)

"Furthering the Interest of an Informed Citizenry"

COMMISSIONERS:

Ronald DeFilippis, Chairman
Edwin R. Matthews, Legal Counsel

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There is a vast amount of information on the Commission's website (www.elec.state.nj.us), including a training video that is very helpful for the filing community.

Beyond this, compliance officers are available between the hours of 9:00 a.m. – 5:00 p.m., Monday through Friday to discuss filing issues either in person or on the telephone.

These individualized sessions are unseen but have been very useful in helping filers comply with a thicket of campaign finance rules and regulations that can sometimes be dizzying.

Efforts in compliance and enforcement have worked hand-in-hand to help the Commission maintain this high compliance rate and to fulfill its mission of disclosure.

By taking a measured approach, balancing strong compliance with enforcement, the Commission is able to accomplish the twin goals of ensuring compliance with the laws while creating an environment that encourages people to involve themselves in politics.

Executive Director's Thoughts Jeff Brindle

ELEC Bruised, Not Broken

Reprinted from observer
politickernj.com

A flurry of recent stories, columns and editorials have spotlighted the fact that the Election Law Enforcement Commission (ELEC) lacks a sufficient number of commissioners to hold a meeting.

While true, these accounts may have left the false impression that the Commission is a "paper tiger."

Nothing could be further from the truth. Actually, ELEC is more like a tiger with a sore paw- one that is expected to heal very quickly.

Even though slightly wounded, the agency continues to perform nearly all of its functions. Commission staff continues to do the public's business.

In a recent television story, one reporter represented that "there is a handful of professional staff there [ELEC] that handles basically processing what they call ELEC reports."

Though probably not intended as a slight, the off-handed remark greatly short-changed the important work of the commission. The agency's 69 professional and clerical staff members do much more than just shuffle reports.

During the last six weeks alone the staff has produced several analytical press releases and columns highlighting trends in spending by big six committees, county parties, political action committees (PACs), and U.S. Supreme Court decisions.

A release on last year's legislative activity by lobbyists will be published soon.

Our hard working legal staff has been preparing a matter before the appellate court scheduled for November 1st, even working on weekends.

In addition, legal staff continues to prepare complaints as well as work closely with the investigative staff on ongoing investigations.

For those interested, complaints and other updates to enforcement are published on the Commission's website every first and third Wednesday. Just yesterday (9/7/16), 11 were made public.

The public should know that while final decisions cannot be approved at this time these matters are not falling into a deep hole and forgotten. Those who would ignore ELEC's regulations do so at their own peril.

As soon as commissioners are appointed, any pending enforcement actions will be finalized.

Fortunately, despite publicity about ELEC's vacancies, candidates, treasurers, lobbyists, political parties, fundraisers and PACs, haven't

forsaken their responsibility to comply with state law.

As an example, during the recent primary election in June, candidates filed their disclosure reports at the traditional rate of 95 percent.

Moreover, the big six committees, as well as county and municipal party committees and PACs filed diligently in July.

In many ways this is a testament to the ongoing efforts of ELEC’s compliance staff. It conducts seminars and training sessions as well as assists members of ELEC’s community of filers on a day-to-day basis, both via phone and in person.

Last year, public assistance requests topped 9,500. Unlike some bureaucracies, ELEC has a longstanding reputation as a service agency that is courteous and helpful.

Further, the administration of the Gubernatorial Public Financing Program has already begun, with training sessions offered to potential candidates and their staff. Newly hired gubernatorial staff are being trained in order to assure the public that there will be no interruption in the administration of the state’s highly regarded gubernatorial program.

The highly skilled Information Technology (IT) staff is in the process of completing a comprehensive upgrade of the Commission’s computer system. In doing so, it is providing electronic filing for candidates, lobbyists, and ultimately

political parties and PACs, as well as upgrading the system’s infrastructure.

Soon a press conference will be called to unveil a newly designed website that will be easier to access using smartphones, tablets and laptops.

The efforts of IT, along with Data Entry’s coding and customizing functions, allows for the public to view reports of candidates, parties, PACs, lobbyists, fundraisers, and public contractors.

Of course, plenty of paper and electronic reports have to be reviewed, coded and sometimes scanned by our staff. Last year alone, they received 25,000 campaign finance reports.

Lobbyists last year filed nearly 6,000 quarterly and annual reports filed by lobbyists.

In addition, public contractors filed more than 2,400 disclosure reports earlier this year that need staff review and organization.

All of the above functions constitute far more than simply “receiving reports” and shuffling them around.

Finally, staff continues to work closely with members of both sides of the legislative aisle to bring about much needed campaign finance and pay-to-play reform.

To confuse the temporary vacancies with the notion that the Commission is a “paper tiger,” or to use the worn out phrase “toothless watchdog,” is

not only a mistake but a serious mischaracterization of the current state of the Commission.

ELEC is comprised of hardworking public employees, and chaired by a smart, dedicated public servant, Ron DeFilippis, whose efforts are totally voluntary.

Rest assured that the Commission will continue functioning effectively, and at full strength, until the current situation is rectified.

Training Seminars

R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING	
10/5/2016	10:00 a.m.
TREASURER TRAINING FOR POLITICAL COMMITTEES AND PACS	
12/14/2016	10:00 a.m.

2016 QUARTERLY LOBBYING REPORT ANALYSIS (Abridged Version)

The state budget and bills regulating health insurance networks have prompted the most intense lobbying activity so far this year, according to a new analysis by the Election Law Enforcement Commission (ELEC).

Other issues drawing significant attention include a bill that would boost the state’s minimum wage, a ballot question proposal to require full funding of the state pension system, paid sick leave legislation and legislation replenishing the state’s transportation trust fund.

“Most of these bills are both controversial and significant. So you wouldn’t expect them all to be sailing

right through the legislature,” said Jeff Brindle, ELEC’s Executive Director. “The budget is the only bill on the list so far to become law.”

Brindle said approval of legislation can take time because legislative leaders, often working with the governor, try to build a consensus by resolving conflicts among various special interest groups.

“If an issue is highly controversial, it is likely to be important to the public. Therefore, compromise can be difficult. Especially since with many of these bills, there are powerful interests on both sides,” he said.

“Some groups are trying to kill the bills outright. Others are trying to push through the legislation, or just want changes to address particular issues. Sometimes it can take years to

get certain bills through the legislature.”

Lobbyists are required by law to file both annual and quarterly reports with ELEC. Annual reports list fees, salaries, major expenditures and other information. Quarterly reports are filed every three months by each registered lobbyist. The reports detail efforts to influence legislation or executive branch actions, such as permits, regulations or fines.

Starting in April 2016, lobbyists were required to file their quarterly reports electronically. Those reports and information collected from them can be searched via ELEC’s website (www.elec.state.nj.us). This analysis of lobbying activity was based on reports filed for the 1st and 2nd quarters of this year. It focuses just on legislative lobbying.

Table 1
2016 Bills with Most Reported Lobbying Activity Based on Number of Represented Entities

RANK	ISSUE	BILL NUMBERS	OFFICIAL CONTACTS	ENTITIES
1	State budget 2015-2016	A4000/S17	301	92
2	Out-of-network health insurance	A1952/S1285	141	61
3	Minimum wage	A15/S15	108	50
4	Paid sick leave	S799	74	40
5	Transportation trust fund	A10/S2412	83	33
6	Transportation trust fund	A11/S2411/A12	69	27
7	Tiered network health insurance	A887/S634	67	26
8	Tiered network health insurance	A2329/S296	57	23
8	Corporate business tax	A3632/S982	44	23
9	Tiered network health insurance	A2328/S635	55	22
10	Smart Container	A2281/A1079/S1850	27	21
10	Telemedicine	A1464/S291	45	21
10	Tiered network health insurance	A886/S1075	53	21

Not surprisingly, it found that the state budget bill (A4000/S17), which appropriated \$34.8 billion this year to finance thousands of public programs, has been the single biggest focus of lobbying. Budget-related issues like hospital charity care payments, state aid, and funding for tax credits are annual topics of debate and tradeoffs.

Another hot topic has been the issue of “tiered network” health insurance. At least seven bills pending in the current legislature were introduced to address concerns over tiered networks. Four made the top ten list based on number of groups lobbying.

The seven bills together generated 331 official contacts from 34 different hospitals, health insurers and other interested parties. By comparison, the budget drew 301 official contacts from 92 different groups.

Table 2
Lobbying Activity on “Tiered Network” Health Insurance Bills Ranked by Official Contacts

BILL NUMBERS	OFFICIAL CONTACTS	ENTITIES
A887/S634	67	26
A2329/S296	57	23
A2328/S635	55	22
A886/S1075	53	21
A888/S1512	43	17
A2585/S1511	32	15
A3558/S1934	24	9
Total	331	

Tiered networks are intended to reduce the cost of health insurance by limiting access to a select group of hospitals chosen by the health insurance company. Participating hospitals agree to charge less in

exchange for more patients. However, hospitals that would be excluded from the networks fear they could be hurt financially, and perhaps even closed down.

The issue didn’t generate much controversy until Horizon Blue Cross Blue Shield of New Jersey announced in September 2015 that it wanted to adopt a tiered network plan. Aetna, AmeriHealth and other New Jersey insurers already had been using them.

Another health insurance bill (A-1952/S-1285) that addresses how much insurers can charge for “out-of-network” medical care was introduced months before Horizon officials announced the company’s tiered network plan. It also has drawn strong interest, ranking second to the state budget in terms of the number of groups (61) and amount of lobbying activity (141).

A bill (A-15/S-15) that would have raised the state’s minimum wage to \$15 in 2021 also drew heavy lobbying activity. Gov. Chris Christie vetoed the bill on August 30. Senate President Stephen Sweeney (D-3) is expected to introduce a bill that would seek a constitutional amendment on the issue next year.

Paid sick leave legislation (S799), another health-related issue that placed fourth this year, was the most lobbied bill in 2014 in ELEC’s first analysis of quarterly lobbying reports released last summer.

The New Jersey Business and Industry Association reported making the most official contacts in 2016.

Table 3
Top Ten Represented Entities by Number of Official Contacts in 2016

ENTITY	OFFICIAL CONTACTS
New Jersey Business and Industry Association	475
New Jersey Education Association	291
New Jersey Association of Realtors	225
Affiliated Physicians and Employers Master Trust AMT	185
New Jersey State League of Municipalities	172
Horizon Blue Cross Blue Shield of New Jersey	103
New Jersey Bankers Association	92
New Jersey Gasoline C-Store Automotive Association	85
American Cancer Society Cancer Action Network	80
New Jersey Hospital Association	73

REPORTING DATES

	Inclusion Dates	Report Due Date
General (90 day start date: 8/10/2016)*** - 11/8/2016		
29-day Preelection Reporting Date	6/25/16 - 10/7/16	10/11/2016
11-day Preelection Reporting Date	10/8/16 - 10/25/16	10/28/2016
20-day Postelection Reporting Date	10/26/16 - 11/25/16	11/28/2016
48 Hour Notice Reports Start on 10/26/2016 through 11/08/2016		
Runoff (December)** - 12/6/2016		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	10/26/16 - 11/22/16	11/25/2016
20-day Postelection Reporting Date	11/23/16 - 12/23/16	12/27/2016
48 Hour Notice Reports Start on 11/23/2016 through 12/6/2016		
PACs, PCFRs & Campaign Quarterly Filers		
1st Quarter	1/1/16 - 3/31/16	4/15/2016
2nd Quarter	4/1/16 - 6/30/16	7/15/2016
3rd Quarter	7/1/16 - 9/30/16	10/17/2016
4th Quarter	10/1/16 - 12/31/16	1/17/2017

** A candidate committee or joint candidates committee that is filing in a 2016 Runoff election is not required to file a 20-day postelection report for the corresponding prior election (May Municipal or General).

*** Form PFD-1 is due on April 14, 2016 for Primary Election Candidates and June 17, 2016 for Independent General Election Candidates.

Note: A fourth quarter 2015 filing is needed for Primary 2016 candidates if they started their campaign prior to 12/9/15.
A second quarter 2016 filing is needed by Independent/Non-Partisan General Election candidates if they started their campaign prior to 5/11/2016.

HOW TO CONTACT ELEC

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