



# ELEC *tronic*

An Election Law Enforcement Commission Newsletter

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## Comments from the Chairman

**Eric H. Jaso**

On November 13, six days after the general election, ELEC approved disbursing \$338,329 in public funds to the Republican candidate for Governor, Lt. Gov. Kim Guadagno.

You might well ask: how can a candidate – indeed, the losing candidate -- receive public matching funds after the election is over?

It happens because the law permits participating candidates to continue raising money for six months following a primary or general election.

So far, the Guadagno campaign has received a total of \$3,700,485 in public funds for the general election. Candidates participating in the Gubernatorial Public Financing Program in the general election are eligible to receive a total \$9.3 million in public funds.

Governor-elect Phil Murphy received the maximum \$9.3 million in public funds.

Money raised after the election continues to be subject to contribution limits and is contingent upon adherence to certain rules.

First, contributions received may not exceed \$4,300 and cannot have come from a previous contributor whose contributions in the aggregate would be more than \$4,300.

Second, all contributions received can only be spent to pay debts and to reimburse expenses incurred during the general election campaign.

Following the date of the general election, payments may be made for debts incurred prior to and through the day of the election. Payments made using public funds may be made only for the purposes allowed under the public financing law. Such purposes include purchase of T.V. and radio advertising, direct mail, telephone, and professional services including legal and accounting.

Private funds may also be used to pay debts incurred prior to the election, such as outstanding obligations involving travel expenses and lodging, for example.

Under certain circumstances, however, and with the approval of the Commission, outstanding obligations occurring after the date of the election may be paid. For example, debts for legal/professional fees that relate to the campaign may be satisfied.

ELEC’s Public Financing staff scrutinize all post-election contributions submitted for match with the same diligence as during an election cycle.

Therefore, it is just as important after the election for campaigns to ensure that all matching funds are spent in compliance with the law.

Participating candidates, win or lose, may retain public funds for six months following the general election. After that period, campaigns must repay any remaining public funds to the State.

Further, after six months candidates must repay all remaining non-public funds; however, candidates are not required to repay any amounts that exceed the total amount of public funds received by the candidate.

This election year the Public Financing Program was as important as ever. Without public funding, the candidates’ voices would have been virtually drowned out by the record-breaking amount of independent spending: over \$40 million was spent by independent groups during the primary and general elections.

Once again, ELEC staff did an outstanding job to ensure that campaigns complied with the law, and that public funds were distributed efficiently.

## “Furthering the Interest of an Informed Citizenry”

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Eric H. Jaso, Chairman  
Stephen M. Holden, Commissioner  
Marguerite T. Simon, Commissioner  
Edwin R. Matthews, Legal Counsel

## Executive Director's Thoughts

### Jeff Brindle

## More Independent Spending and Weaker Parties May Contribute to Lower Voter Turnout

Reprinted from InsiderNJ.com

In November 1993, incumbent Democratic Governor James J. Florio faced off against Republican Christie Todd Whitman.

During that election, 65 percent of registered voters turned out to vote.

Twenty-four years later, preliminary figures suggest that only 36 percent of New Jersey's registered voters cast ballots in this year's gubernatorial contest.

One of the major changes during this period is the rapid growth of special interest groups spending independently of parties and candidates.

In 1993, the two state parties, four legislative leadership committees and 42 county party committees spent 68 times more than independent committees. Preliminary figures indicate that this year, the same group of party committees spent less than a third of the outlays of so-called "outside:" committees.

This power shift from the parties to special interests may help explain why voter turnout has dropped 46 percent during the past quarter-century.

It is clear that the increasing disinterest and disengagement of voters stems partly from the consistent weakening of party identification among voters.

An Eagleton Institute poll in 1999 indicated that 55 percent of respondents identified with one of the major parties or the other. Independents accounted for 25 percent of those polled while 19 percent either identified with a third party or had no opinion.

A similar Eagleton poll in 2015 showed that 54 percent of those surveyed still identified as Republican or Democrat but that 45 percent now considered themselves independent.

Other surveys taken in New Jersey and nationally show a similar loosening of ties to political parties and a significant increase in independents, particularly when the data is traced to the 1950's.

This trend toward weakened party identification correlates with the decrease in voter turnout. In other words, the more voters disassociate with political parties, the less likely they are to vote.

During the past two decades, party organizations have taken a beating because of legislation enacted nationally and in New Jersey, and due to federal court decisions.

The Bipartisan Campaign Reform Act of 2002, known as McCain Feingold, cut off soft money to national parties and redirected it toward independent groups. This reform, along with the U.S. Supreme Court's decision in Citizens United (2010), served as a catalyst for the growth in

independent spending at the national level, which since has filtered down to the State and even local levels.

In New Jersey, an overly complicated pay-to-play law enacted in 2005 made matters worse for the state's political party entities. Though well intended, it had the effect of redirecting public contractor money to special interest PACs and independent groups. These groups are exempt from the law.

No better illustration of the current state of affairs can be found than in this year's gubernatorial and legislative elections. In the general election, with only 35 percent of voters turning out, over \$30 million was spent by independent groups in the gubernatorial and legislative contests.

If the primary election and pre-primary period are included in this calculation, more than \$41 million was spent by outside groups- a new high. Keep in mind that the final number will be higher when late spending is tallied up.

The majority of independent spending took place in five legislative districts, with the bulk of that spending targeted toward the 3<sup>rd</sup> legislative district, where at least \$12.6 million was spent by outside groups. Even though the spending total for the district still is preliminary, the figure already has more than doubled the previous state high for spending in a legislative district.

The gubernatorial contests also attracted significant independent spending, primarily by the Republican Governors Association and the Democratic Governors Association. They spent \$10.6 million.

Millions of dollars of independent issue ad spending even took place in the pre-primary period by groups supporting six potential and actual candidates.

The \$41 million in spending by independent groups so far on this year's elections dwarfs that of spending reported by the two state party committees, the four legislative leadership committees and the 42 county party committees. Combined spending by these entities totaled \$12 million through September 30.

Did the fact that independent groups spent more than triple the party committees have anything to do with the 36 percent turnout?

Skeptics should consider that when 65 percent of all voters turned out for the 1993 gubernatorial election, party committees spent 68 times more than independent groups- \$38 million versus \$536,837 in 2017 dollars.

This trend in increased independent group influence should be alarming to those concerned with accountability in elections as well as with the increasingly anemic voter turnout in New Jersey.

One way of counteracting this growing influence of outside, independent groups is to strengthen political parties, require registration and disclosure by independent organizations and reform pay-to-play.

As a link to voters, political parties provide people with a guide to voting. In addition, political parties are regulated under the law and are accountable to the public because they disclose their contributions and expenditures. Moreover, in terms of

voter turnout political parties have always been instrumental in getting people to the polls.

Voters do not identify with independent, often anonymous groups. Independent groups are not a guide to voting and their main purpose is not to get-out-the-vote. In fact, they may be suppressing interest in voting.

Under current New Jersey law, independent groups are not required to disclose their contributors and only under narrow circumstances are required to disclose their expenditures. They are not accountable to the public and carry with them none of the benefits to the public of a healthy party system.

While perhaps not a total cure-all, the Election Law Enforcement Commission has set forth proposals to offset the influence of independent groups by strengthening political parties. In turn, enactment of these proposals may very well contribute to greater turnout of voters.

The proposals include: exempting political parties from pay-to-play, including special interest PACs under pay-to-play, increasing party contribution limits, permitting county parties to contribute to each other, and permitting state parties to participate in gubernatorial elections.

In addition, the recommendations include requiring registration and disclosure by independent groups and disclosure of contractor donations to them.

These and other reforms would bring sanity back to elections in New Jersey, serving the public's interest through

accountability and transparency. And as a by-product more people may even participate in the process at the most basic level of voting.

## 2018 Meeting Schedule

Unless otherwise indicated in the future, meetings will be held at the Commission's offices at **25 South Stockton Street, 5<sup>th</sup> Floor, in Trenton.** It is anticipated that meetings will begin at 11:00 a.m., unless otherwise indicated.

|                 |    |
|-----------------|----|
| January .....   | 16 |
| February .....  | 20 |
| March .....     | 20 |
| April .....     | 17 |
| May .....       | 15 |
| June .....      | 19 |
| July.....       | 17 |
| August.....     | 21 |
| (if needed)     |    |
| September ..... | 18 |
| October.....    | 16 |
| November .....  | 20 |
| December .....  | 18 |



**25 South Stockton Street, 5<sup>th</sup> Floor  
Trenton, NJ 08608**

## 2017 Gubernatorial Election Spending

Fueled by record independent spending for a gubernatorial election and significant candidate self-financing, 2017 ranked as the second most expensive gubernatorial election not accounting for inflation, according to the latest reports filed with the New Jersey Election Law Enforcement Commission.

Candidates for governor spent \$34.3 million on the primary and \$20.3 million on the general election, while independent groups spent \$9.1 million on pre-primary and primary spending along with \$15.3 million during the general election. The grand total including candidates and independent groups: \$79.1 million.

“The \$24.5 million spent independently on the election not only sets a new record but reflects the growing dominance of these groups in national and New Jersey elections,” said Jeff Brindle, ELEC’s Executive Director.

“However, public disclosure rules for these committees are woefully outdated. Some of these groups deserve credit because they voluntarily disclose their contributions and expenditures. But New Jersey’s current law is so inadequate that most independent spending can be done without voters ever knowing who provided the funds. We continue to urge both parties to consider passing ELEC-recommended legislation that would correct this massive loophole,” he said.

The 2017 election was 57 percent higher than the 2013 combined total. However, the 2005 clash between Democrat Jon Corzine and Republican Doug Forrester remains history’s top gubernatorial race so far at \$88.1

million (\$111.3 million inflation adjusted).

**Table 1**  
**Total Spending on Gubernatorial Election through November 24, 2017**  
**(Includes Pre-Primary, Primary and General)**

| YEAR | CANDIDATES   | INDEPENDENT  | TOTAL        | INFLATION ADJUSTED |
|------|--------------|--------------|--------------|--------------------|
| 2005 | \$87,724,988 | \$ 407,748   | \$88,132,736 | \$111,311,239      |
| 2017 | \$54,328,897 | \$24,476,688 | \$79,065,332 | \$ 79,065,332      |
| 2009 | \$56,099,909 | \$14,080,168 | \$70,180,077 | \$ 80,689,244      |
| 2001 | \$41,233,708 | \$ 6,783,119 | \$48,016,827 | \$ 66,915,111      |
| 2013 | \$26,821,334 | \$20,620,091 | \$47,441,425 | \$ 50,232,636      |
| 1989 | \$25,978,338 | \$ 287,000   | \$26,265,338 | \$ 52,247,476      |
| 1997 | \$25,793,621 |              | \$25,793,621 | \$ 39,640,697      |
| 1993 | \$22,868,517 | \$ 326,000   | \$23,194,517 | \$ 39,593,281      |
| 1981 | \$19,493,157 | \$ 14,600    | \$19,507,757 | \$ 52,935,554      |
| 1985 | \$10,459,473 |              | \$10,459,473 | \$ 23,977,370      |

**Table 2**  
**General Election Campaign Finance Activity through November 24, 2017**

| CANDIDATE                           | PARTY        | RAISED       | SPENT               | CASH-ON-HAND |
|-------------------------------------|--------------|--------------|---------------------|--------------|
| Murphy, Phil                        | Democrat     | \$14,715,173 | \$14,517,279        | \$ 197,895   |
| Guadagno, Kimberly                  | Republican   | \$ 5,748,740 | \$ 5,616,120        | \$ 132,621   |
| Kaper-Dale, Seth                    | Green        | \$ 104,321   | \$ 114,221          | \$ -2,701    |
| Genovese, Gina                      | I            | \$ 52,146    | \$ 50,558           | \$ 0         |
| Rohrman, Peter**                    | Libertarian  | \$ 7,765     | \$ 6,142            | \$ 1,623     |
| Riccardi, Matthew                   | Constitution | NA           | NA                  | NA           |
| Ross, Vincent*                      | I            | NA           | NA                  | NA           |
| <b>TOTAL - CANDIDATES</b>           |              | \$20,628,145 | \$20,304,320        | \$ 329,438   |
| Independent Committees – General    |              |              | \$15,353,317        |              |
| <b>TOTAL – GENERAL</b>              |              |              | \$35,657,637        |              |
| Primary/Pre-Primary                 |              |              |                     |              |
| Candidates                          |              |              | \$34,284,324        |              |
| Independent Committees              |              |              | \$ 9,123,371        |              |
| <b>TOTAL – PRIMARY/ PRE-PRIMARY</b> |              |              | \$43,407,695        |              |
| <b>TOTAL- ENTIRE ELECTION</b>       |              |              | <b>\$79,065,332</b> |              |

\*Does not expect to spend more than \$5,100

\*\*From 11-day pre-election report

That campaign, which was won by Corzine, was marked by heavy personal spending by both candidates. Unlike more recent campaigns, there was very little independent spending by special interest groups. The 2009 campaign also is slightly higher than 2017 when comparing inflation-adjusted figures.

Brindle said heavy spending was inevitable this year with Governor Chris Christie not running for reelection. "In addition, the fact that only New Jersey and Virginia had gubernatorial campaigns drew national interest and was reflected in the surge in independent spending."

As he did throughout the campaign, Democratic Governor-Elect Phil Murphy easily eclipsed all challengers during the general election. His \$14.5 million in general election spending was more than twice the six other contestants combined. Ranking second was Republican Lt. Governor Kimberly Guadagno, who spent \$5.6 million.

Murphy also enjoyed the bulk of the support from special interest groups spending independently of the candidates and parties.

Several candidates this year tapped personal funds for their campaigns. But Murphy towered

over all competitors by spending an estimated \$22.5 million from his own pocket, mostly either prior to the primary or during the primary election. He took part in the gubernatorial public financing program for the general election.

The bulk of Murphy's spending, which he did jointly with his wife Tammy, went to his primary campaign- \$16.3 million. He also spent \$6.2 million on

two non-profit groups, New Start New Jersey and New Way for New Jersey, mainly before the primary. These groups helped promote his agenda and raised his public profile before the campaign officially began. He and his wife also gave \$4,300 checks to his general election campaign.

While his self-financing total is a huge sum, it ranked seventh among the

**Table 3**  
**Spending by Independent Committees - Related to Gubernatorial Campaign**  
**(Ranked by Spending)**

| SUPPORTS           | INDEPENDENT COMMITTEES                            | SPENT               | NOTE                                  |
|--------------------|---|---------------------|---------------------------------------|
|                    | <b>GENERAL</b>                                    |                     |                                       |
| Murphy, Phil       | Committee to Build the Economy                    | \$ 6,549,875        |                                       |
| Murphy, Phil       | Our New Jersey (Democratic Governors Association) | \$ 2,449,330        | Gave \$1 million to Build the Economy |
| Guadagno, Kimberly | Republican Governors Association                  | \$ 2,355,445        |                                       |
| Murphy, Phil       | Growing Economic Opportunities (Laborers)         | \$ 1,500,000        | Gave to Build the Economy             |
| Murphy, Phil       | Garden State Forward (NJEA)                       | \$ 1,500,000        | Gave to Build the Economy             |
| Murphy, Phil       | Carpenters Fund for Growth and Progress           | \$ 500,000          | Gave to Build the Economy             |
| Murphy, Phil       | NJ League of Conservation Voters Victory Fund     | \$ 241,698          |                                       |
| Murphy, Phil       | New Start NJ                                      | \$ 125,842          |                                       |
| Murphy, Phil       | Planned Parenthood Action Fund of New Jersey      | \$ 119,472          |                                       |
| Murphy, Phil       | New Jersey Working Families                       | \$ 11,655           |                                       |
|                    | <b>TOTAL GENERAL</b>                              | <b>\$15,353,317</b> |                                       |
|                    | <b>TOTAL- PRIMARY/PRE-PRIMARY</b>                 | <b>\$ 9,123,371</b> |                                       |
|                    | <b>TOTAL – ENTIRE ELECTION</b>                    | <b>\$24,476,688</b> |                                       |

**Table 4**  
**Top Ten New Jersey Candidates Who Self-Financed Campaigns**

| CANDIDATE           | YEAR        | OFFICE          | AMOUNT              | INFLATION ADJUSTED  |
|---------------------|-------------|-----------------|---------------------|---------------------|
| Corzine, Jon        | 2000        | US Senate       | \$60,198,967        | \$86,230,301        |
| Forbes, Steve       | 1996        | President       | \$37,394,000        | \$58,787,229        |
| Forbes, Steve       | 2000        | President       | \$38,675,038        | \$55,398,960        |
| Corzine, Jon        | 2005        | Governor        | \$43,135,570        | \$54,480,026        |
| Forrester, Doug     | 2005        | Governor        | \$29,927,189        | \$37,797,902        |
| Corzine, Jon        | 2009        | Governor        | \$27,460,000        | \$31,572,018        |
| <b>Murphy, Phil</b> | <b>2017</b> | <b>Governor</b> | <b>\$22,537,081</b> | <b>\$22,537,081</b> |
| Lautenberg, Frank   | 1982        | US Senate       | \$ 5,100,000        | \$13,036,076        |
| Forrester, Doug     | 2002        | US Senate       | \$ 7,485,000        | \$10,262,771        |
| MacArthur, Tom      | 2014        | House           | \$ 5,000,000        | \$ 5,209,664        |

New

Jersey residents who have self-financed all or part of their campaigns.

The most personal wealth ever expended on a gubernatorial race was the \$144.2 million spent by Margaret “Meg” Whitman in her unsuccessful 2010 bid for the California governorship, according to information available from the National Institute on Money in State Politics.

Under a program enacted in 1974, New Jersey candidates who prove their viability by raising above a certain threshold can receive two dollars in public funds for every \$1 in private funds they raise up to limits adjusted higher every four years. This year, candidates were eligible for up to \$4 million in public funds for the primary, and \$9.3 million for the general.

Murphy received the most from the program by reaching the maximum \$9.3 million during the general election. However, public funds amounted to just 26 percent of his total spending. Guadagno ranked second with \$5.9 million in total public funds received. Public funds helped underwrite 66 percent of her combined spending in the two elections.

**Table 5**  
**Public Funds Received by**  
**2017 Gubernatorial Candidates**

| CANDIDATE         | PRIMARY            | GENERAL             | TOTAL               | PARTY      |
|-------------------|--------------------|---------------------|---------------------|------------|
| Murphy, Phil      | None               | \$ 9,300,000        | \$ 9,300,000        | Democrat   |
| Guadagno, Kim     | \$2,254,295        | \$ 3,700,485        | \$ 5,954,780        | Republican |
| Johnson, James    | \$2,055,175        | None                | \$ 2,055,175        | Democrat   |
| Wisniewski, John  | \$1,299,886        | None                | \$ 1,299,886        | Democrat   |
| Ciattarelli, Jack | \$1,096,760        | None                | \$ 1,096,760        | Republican |
| <b>TOTALS</b>     | <b>\$6,706,116</b> | <b>\$13,000,485</b> | <b>\$19,706,601</b> |            |

Brindle said New Jersey was the first state to provide public funding for its gubernatorial elections and its program has won national praise and has been adopted in other states.

“As an example, in 2013, the program cost New Jersey taxpayers about \$2.56 each. This seems a small price for gubernatorial campaigns that have a tradition of being scandal-free and issue-oriented, while also reducing direct candidate reliance on contributions from special interest groups,” Brindle said.

The analysis of gubernatorial candidate reports is based on 20-day post-election reports received by noon on November 28, 2017. Independent spending totals reflect activity reported through noon November 27, 2017.

**HOW TO CONTACT ELEC**

[www.elec.state.nj.us](http://www.elec.state.nj.us)

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