

Repartyization: The Rebirth of County Organizations



ELEC WHITE PAPER



State of New Jersey

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Acknowledgment

White Paper Number 12 is the most recent entry in a highly regarded series that dates back to 1989. The Commission would like to take this opportunity to commend the staff persons who produced this significant study.

Deputy Director Jeffrey M. Brindle authored this report. As with his other work in this series, the narrative and analysis reveals the outstanding efforts of a person who has obtained significant mastery in the field of campaign financing. Indeed, this paper is pathbreaking in its critique of political party committees at the county level. Almost all studies in the field concentrate on the national or state level.

Systems Administrator Carolyn Neiman handled the chore of retrieving data used in this report and assisted in the computer analysis of that data. The Commission's veteran Research Assistant, Steven Kimmelman, provided essential help, while Legal Director Gregory E. Nagy served as a proofreader. Administrative Assistant Elbia Zeppetelli did a marvelous job of word-processing and some very creative design work. Thanks too must go to Pamela Kinsey and Darlene Kozlowski for their data entry work.

The editor of the White Paper Series, Executive Director Frederick M. Herrmann, once again served in that capacity. For further reading about the role of campaign financing in New Jersey's and the country's political systems, the Commission suggests referring to the revised edition of the COGEL Campaign Financing and Lobbying Bibliography compiled by him and published by the Council on Governmental Ethics Laws (COGEL) and ELEC.

Repartyization:

The Rebirth of County Organizations

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Chapter 1

County Party Organizations:

An Historical Perspective

By the mid-1980's there was general agreement that a once strong party system in New Jersey, dominated by powerful county organizations, had become weak.

Even though the United States Constitution does not mention political parties, because the founding fathers were anxious about the adverse effects of faction, a strong and competitive party system nevertheless emerged fairly quickly in New Jersey.

President George Washington, upon leaving office following his second term, warned against the ill effects of faction in his farewell address to the nation. While James Madison, considered by many the father of the Constitution, accepted the reality of parties, he was not enamored of their existence and sought ways to control them. In The Federalist Papers he writes: "The inference to which we are brought is that the causes of faction cannot be removed and that relief is only to be sought in the means of controlling its effects."¹ That "means" is found in the republican form of government established by the Constitution.

Even though the United States Constitution does not mention political parties, because the founding fathers were anxious about the adverse effects of faction, a strong and competitive party system nevertheless emerged fairly quickly in New Jersey.

Despite the skepticism of the founding fathers, the people of New Jersey soon organized the politics of the State into a political arrangement at the heart of which was the two-party system.

According to Maureen W. Moakly, "the first popular, statewide contests, the Congressional elections of 1789, laid the groundwork for partisan politics. During this election, a group of political leaders from West Jersey (which would evolve into the federalist party) successfully organized a statewide slate of candidates that became known as the 'Junto' ticket. Shortly, thereafter, an opposition party emerged in more industrial Essex County, when a group of prosperous Newark citizens organized the Republican Society (which would evolve into the Democratic - Republican party). By 1800, organized parties dominated the entire electoral process, with thriving local, county, and state organizations established throughout the State."²

Eventually politics and the party system in New Jersey grew stronger and became structured on the basis of county lines.

The county-based party system in the state is the stuff of legend. Until about thirty years ago, the chairmen of the controlling party dominated the county's political landscape. One party or the other dominated politics in just about all 21 counties in the State, controlling jobs, patronage, nominations, and elections for county and municipal offices. This dominance extended to State politics and government as well, with county leaders having a strong hand in selecting legislative and gubernatorial candidates.

In a strong party system, the party label has a strong appeal for voters. Moreover, the party leadership decides who will be candidates and runs their election campaigns. Further, the party leadership and faithful of the party in power dominate all branches of government. Hudson County's one time boss Frank Hague, and Atlantic County's Hap Farley, are two of the better known county party leaders who were instrumental

in perpetuating such a strong county party system in New Jersey.

Strong county party organizations maintained their paramountcy over politics and government within the counties until the 1960's when several developments converged to alter the power arrangements within the State and weaken county political party organizations. In fact, as time passed, these once powerful party organizations became less and less significant. They were no longer the players they once were.

According to Stephen A. Salmore, two important "social and demographic changes" were important determinants in the weakening of the strong party system in New Jersey. In an article published in The Political State of New Jersey, Salmore wrote:

Suburbanization weakened party organizations in several ways. Democratic city organizations were hurt as their adherents moved to the suburbs. Most former urban residents retained their party affiliations, but did not become part of the local organizations in their new suburban hometowns, which often had at least nominally nonpartisan governments. On the other hand, the increasing numbers of exurbanites weakened what were once largely rural-based Republican county organizations. The net result was an increase in self styled independents and in ticket-splitting.

At the same time, voter turnout fell. The decline had many causes, but it was at least partially related to the reduced impact of party loyalty, which had given more reason to vote, and to greater mobility, which now made it more complicated for voters to register.³

In addition to suburbanization and decreasing voter turnout, other developments also contributed to the decline in party strength and influence. As Maureen Moakley has noted: "Reapportionment decisions of the late 1960's and early 1970's were an equally critical factor in the decline of county influence."⁴

Prior to these court decisions, legislative districts were drawn on the basis of county lines. Whereas each county historically was apportioned legislative representation on the basis of population within the county, these court decisions required that legislative districts be drawn on the basis of one-person-one-vote, essentially eliminating county boundaries as the foundation for establishing state legislative districts.⁵ The end of a system wherein county lines determined the makeup of representation in the State Legislature contributed substantially to the weakening of the party system in New Jersey.

Other changes in election laws also hastened the erosion of strength in county party organizations. In 1981, the open primary law went into effect, which prevented party organizations throughout the State from officially endorsing candidates in primary elections. As noted above, the ability of party leaders to control the nomination and subsequent election of candidates is a primary source of strength of party organizations. Stripping party leaders of this ability further weakened once powerful county party organizations in the State.

The systematic and steady enfeebling of the county parties led in part to a further decline in their influence. Whereas county party organizations once controlled the campaigns of their candidates because of their financial and volunteer resources, campaigns now became candidate-centered and money-centered while being increasingly run by professionals. Fundraising efforts were undertaken by candidates themselves, with less reliance on the anemic parties, and professional consultants increasingly participated in managing campaigns for Governor and Legislature, eventually filtering down to the county and local levels.

As the party system weakened and money and the high technology it bought for media and polling became more important with volunteers becoming much less important, political action committees (PACs) proliferated. These PACs, providing

substantial sums of money to candidates, gained in influence at the expense of the parties.

Finally, the introduction of gubernatorial public financing in 1977 in response to the Watergate scandal, which in part resulted from a candidate-centered presidential campaign detached from the national party, further eroded county party influence in New Jersey. As Maureen Moakly said, "public financing of gubernatorial primaries and elections, instituted in 1977, and changing campaign techniques, relegated the county party to a minor role in the statewide political process."⁶ No longer controlling the funds, county party influence over gubernatorial campaigns waned.

The decline in participation and effectiveness of county party organizations hit its lowest point in the mid to late 1980's. As will be demonstrated in this study, county party organizations by that time had minimal involvement in local and statewide campaigns. This situation, however, began to change in the 1990's, with county party organizations becoming much more involved in the campaign process. Court decisions and statutory reform served as catalysts for the reemergence of county party organizations onto the electoral stage. This reemergence phenomenon will be called repartyization.

On February 22, 1989, the United States Supreme Court made a landmark decision that would impact the role of party organizations in New Jersey. In that case, in which the San Francisco County Democratic Central Committee challenged a California law banning primary endorsements by parties, the Supreme Court decided that the prohibition was unconstitutional.

The decision held that a ban on primary endorsements violated the First and Fourteenth Amendments, and that restrictions on the organization and makeup of political parties was unconstitutional.⁷

Subsequent to this decision, a determination by the New Jersey Superior Court determined that this United States Supreme Court decision was indeed applicable to New Jersey. Effectively, the 1981 open primary law, with its ban on primary endorsements by parties, was deemed unconstitutional. This ruling strengthened political parties by putting them directly back into the nomination process.

Another major change in the political dynamic resulted from the reform of the state's campaign finance laws in 1993. For the first time, nongubernatorial candidates were subjected to limits on contributions. Contribution limitations had applied to campaigns for governor since the inception of the gubernatorial public financing program in 1977. Moreover, nongubernatorial candidates, once unlimited in the number of fundraising committees they could control, now were restricted to one candidate committee and/or joint candidates committee. While contribution limits were broad in scope, involving all players in the electoral game, they were much more restrictive with regard to candidates than with regard to the parties. In other words, the law contained built-in advantages for the political parties, both in terms of what they could receive and in terms of what they could contribute. Whereas candidates could receive \$1,500 per election from individuals, corporations, and unions, and \$5,000 per election from PACs, the state and county party committees could receive up to \$25,000 per year from any of these contributors. Each of these limits have now been adjusted upward pursuant to law. What is more, these party committees are unlimited in the amount of money they can contribute to candidates or spend on their behalf. Finally, federal law permits these committees to establish federal accounts. Contributors, in addition to the contributions they can make to the state accounts, are also able to give additional amounts to the federal accounts. The National Party Committees have also been known to use the county committees as conduits for their funding for the purpose of helping their federal candidates. Obviously, these reforms have resulted in a county party system that is stronger than at any time in recent years.

The strengthened position of the county party organizations and their perceived new found influence, even at the gubernatorial level, was made apparent in the proposal by Democratic State Chairman Thomas Byrne in the spring of 1997. Mr. Byrne's proposal called for potential gubernatorial candidates to come before a screening committee of leading Democrats for the purpose of forming a party consensus as to whom the Democratic nominee for governor should be. According to the proposal, if one candidate received the support of 65 percent of the county leaders, all county organizations would agree to endorse that candidate. This proposal, while criticized by some and not receiving enthusiastic support from the perspective candidates, did receive the backing of the 21 Democratic county chairmen. This proposal, designed to give the county leaders more say in the nominating process, indicated that county party organizations were again perceived to be important players in the electoral process. Moreover, in backing this proposal, the county leaders had shown that they perceived themselves to be the leaders of party organizations that were growing in influence.

A recent decision by the United States Supreme Court in Colorado Republican Federal Campaign Committee v. FEC may also impact favorably the party organizations in New Jersey.⁸ The Supreme Court said that the Colorado Committee could make independent expenditures in primary elections. Thus, it may spend unlimited amounts of money in ways that benefit certain candidates. In the end, this decision may ultimately redound to the benefit of the parties in New Jersey vis-a-vis gubernatorial campaigns.

While the Election Law Enforcement Commission maintains that the State's gubernatorial public financing law regulates how much money party committees can contribute to or spend on behalf of gubernatorial candidates, it is yet unclear how this decision that parties can make independent expenditures in primary elections will affect the operations of county party committees. Certainly the county party organizational strength proved to be central to the outcome of the Democratic gubernatorial primary

in 1997. County committees may prove to be even more influential in the future if ultimately they are judged to be independent of the candidate campaigns and able to spend unlimited amounts of money on behalf of certain candidates.

This study will examine the role of the county party organizations in the electoral process in New Jersey. In doing so, the study will focus on party financial activity beginning in 1986 and ending in 1996. It is the contention of this work that the county party organizations, once power brokers, only to become poor relations in the mid-1980's, are again emerging as strong players on the electoral stage. In a word, a repartyization process is ongoing in New Jersey with the county party organizations a central part of this process.

The study, in Chapter 2, provides an overview of financial activity by the county party organizations in all 21 counties between 1986 and 1996. In Chapters 3 and 4 it analyzes, in depth, the activities of county committees in eight of New Jersey's 21 counties. This indepth analysis includes three Democratic controlled counties, three Republican dominated counties, and two competitive counties. The counties were classified in this manner by examining election results in county elections between 1986 and 1996. The indepth study also sought to select counties that represented the various regions of the state, north, south, and central. Hudson, Middlesex, and Camden counties have been selected as representatives of Democratic controlled counties. The Republican counties are Bergen, Somerset, and Atlantic and the competitive counties are Passaic and Mercer. The organizations in these counties also evidenced considerable financial activity.

It is the goal of this study to demonstrate that repartyization is now a driving force behind New Jersey politics and elections and, in particular, that county party organizations for a time weakened, and perhaps inconsequential to the electoral process, have again become a prominent player in that process, though perhaps in a different form, and for different reasons, than was traditionally the case.

NOTES

1. James Madison, The Federalist Papers (No. 10), 1787.
2. Maureen W. Moakley, "Political Parties," in The Political State of New Jersey, Edited by Gerald M. Pomper (New Brunswick: Rutgers University Press, 1986), p. 46.
3. Stephen A. Salmore, "Voting, Elections, and Campaigns," in The Political State of New Jersey, Edited by Gerald M. Pomper (New Brunswick: Rutgers University Press, 1986), p. 69.
4. Moakley, p. 50.
5. See Frederick M. Herrmann, The Effects of New Jersey Case Law on Legislative and Congressional Redistricting, (Trenton: Office of Legislative Services, 1982).
6. Moakley, p. 51.
7. See Eu v. San Francisco County Democratic Central Committee, 489 U.S. 214, 109 S.Ct. 1013, 103 L.Ed 2d 271 (1989).
8. See Colorado Republican Federal Campaign Committee v. FEC, __ U.S. __, 116 S.G. 2309 (1996).

Chapter 2

Financial Landscape:

An Overview



hough historically dominant in local and state politics, New Jersey's county party organizations had come to play a relatively minor role in electoral politics by the 1980's. Beginning in the 1960's, apportionment decisions by the courts, statutory changes, suburbanization, lower voter turnout, a lessening of partisan identification by voters, and the increasing role of state government in public policy, in particular in providing funding to localities, all conspired to force county party committees into a secondary role in the campaign process, which became characterized by candidate centered campaigns. Writing in 1986 Stephen A. Salmore said:

Though historically dominant in local and state politics, New Jersey's county party organizations had come to play a relatively minor role in electoral politics by the 1980's.

The continued decline in the strength of the parties in New Jersey can best be seen in their complete loss of control of the nominating process for both governor and senator. Contested primaries have become the rule for both parties and the number of serious contestants in primaries has mushroomed. The nomination of Brendan Byrne in 1973, represented the last time that county party leaders were able to unite on a candidate and enforce that choice in primary elections.¹

In Chapter 1, it was suggested that county party organizations reached their lowest point in the mid-1980's. With candidate-centered campaigns the norm and with no control over the nominating process, the county party organizations demonstrated minimal, if any, involvement in the campaigns of their candidates.

County party organizations were recognized in the statute as legally constituted political organizations. As described in State Parties and Legislative Leadership Committees: An Analysis 1994-1995, "Title 19, Elections, sets forth standards for the establishment of political parties and provides general guidelines in terms of their powers, the organization of political parties, and their membership. It also sets forth disclosure requirements under the Campaign Act as well as other restrictions, including contribution limitations on contributions to political parties."²

County party committees are made up of the county committeemen and women from municipal party committees throughout the respective counties. The statute holds that these committee people are to be elected at the primary election. By law, the committee is to meet to reorganize on the Tuesday following primary election day. The committee then elects a county chair and vice chair. In addition, the county committees may adopt and amend a constitution or bylaws.

Even though county party committees are legally constituted organizations, they had been growing more and more irrelevant as time passed. In practice, as the decade of the 1980's entered its midpoint there was no clear and definite role for them in campaigns. At most, they were secondary to the campaigns of those candidates bearing the party label. They could not nominate, endorse, nor provide the organization line in the primary to any candidates. Moreover, they were not raising truly significant amounts of money and their volunteer base was shrinking. So was their influence.

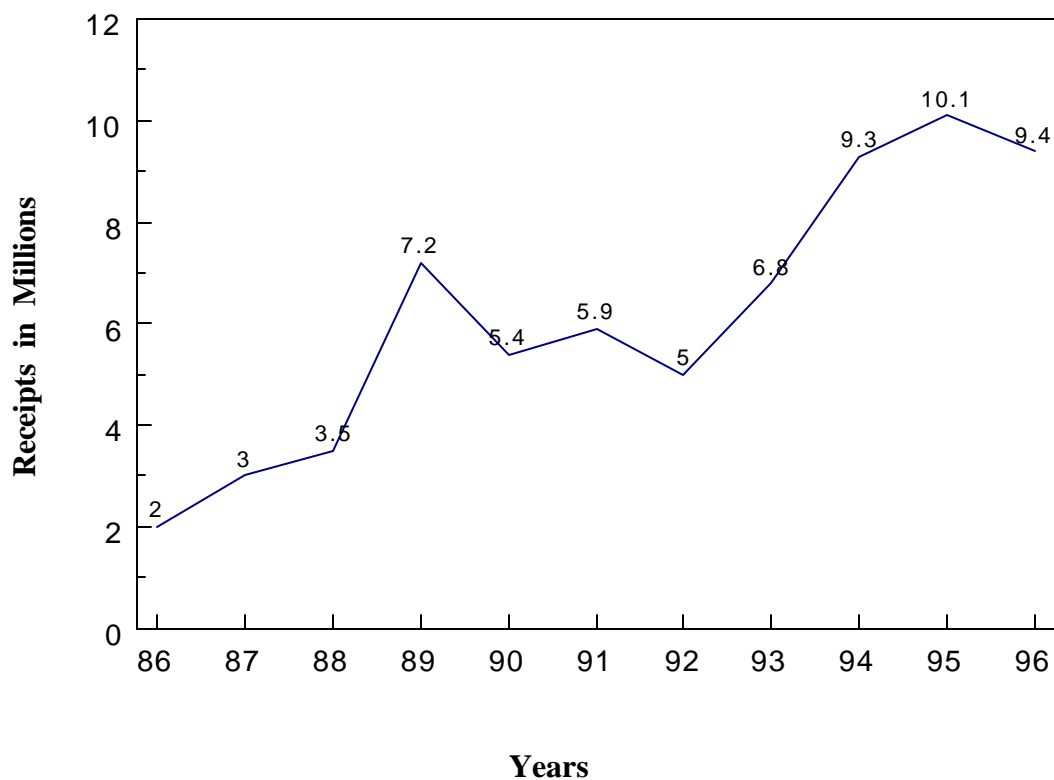
Matters began to change, however, as the 1990's approached. In fact, these county organizations are experiencing a significant comeback as the result of the most

recent court decisions and statutory reforms noted in Chapter 1. Ironically, the first of the recent court decisions to at least tangentially recognized the importance of political parties occurred in 1985, when county party organizations were at their lowest point. In Friends of Governor Tom Kean vs. ELEC, the New Jersey Supreme Court described the parties as intrinsic to the process.³ The decision stressed the importance of lower-level candidates being able to associate themselves with their gubernatorial candidate under the party label without affecting the gubernatorial candidate's expenditure limit. In its decision, the Court invalidated a Commission regulation that required gubernatorial candidates to allocate against their expenditure limits a proportionate cost of advertising whenever local parties or candidates mentioned their gubernatorial candidate in their advertisements.

While in hind sight the Kean case might have been an early signal as to where court decisions were heading, the real turning point came with the United States Supreme Court's Eu decision, which was followed by the Campaign Finance Reform Law enacted in New Jersey in 1993. These two events were the true catalysts for repartyization of New Jersey electoral politics, in particular at the county level.

There is perhaps no better gauge of the fortunes of county party committees than the trend evidenced in their financial activity over the past decade. As shown in Figure 1, county party committees experienced tremendous growth in fundraising activity between 1986 and 1996. Total receipts for these committees increased by 370 percent, from \$2 million in 1986 to \$9.4 million ten years later.

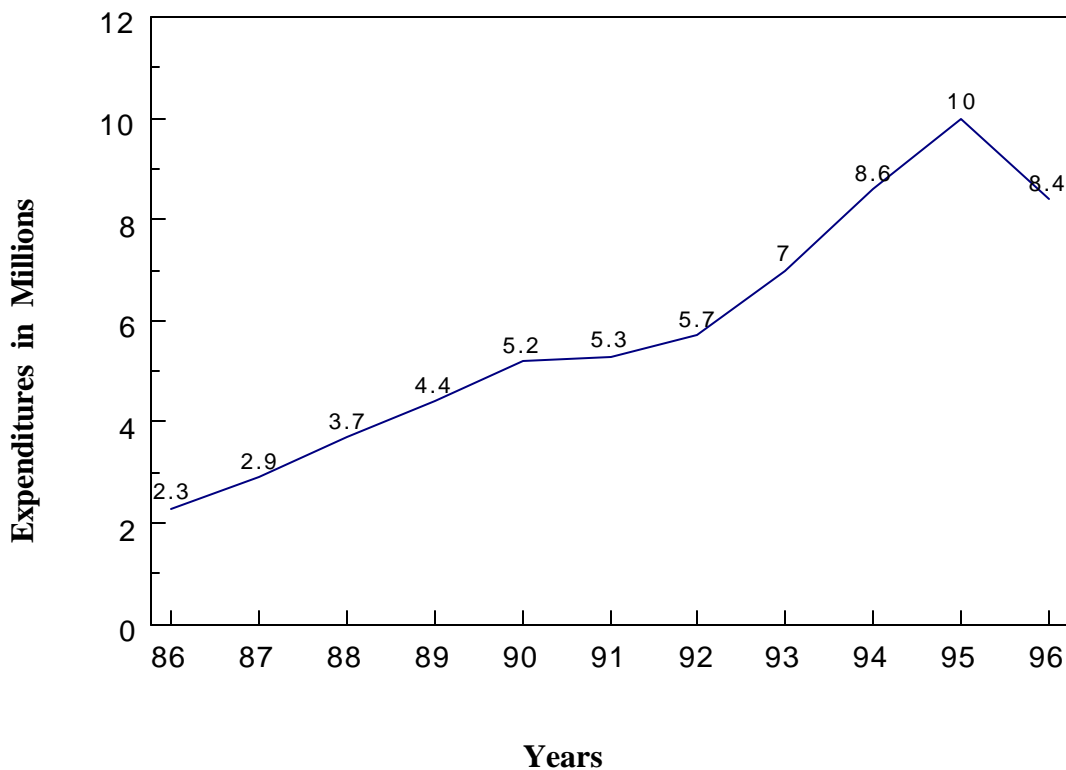
Figure 1
Total Receipts by all County Committees 1986-1996



Source Data: New Jersey Election Law Enforcement Commission

Similarly, Figure 2 indicates that expenditure activity followed the same pattern. County party organizations evidenced a 265 percent increase in spending from \$2.3 million in 1986 to 8.4 million in 1996.

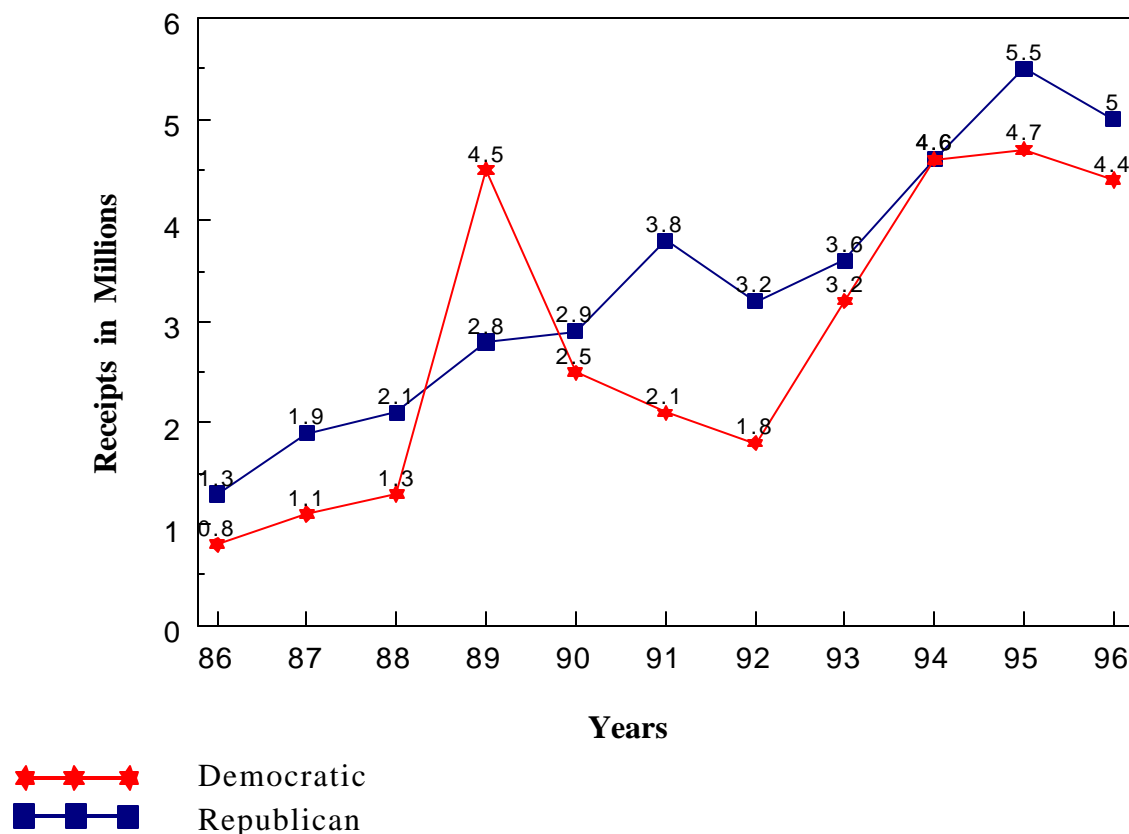
Figure 2
Total Expenditures by all County Committees 1986-1996



Source Data: New Jersey Election Law Enforcement Commission

While both Republican and Democratic county party committees underwent a period of significant growth in financial activity during this time, Figure 3 demonstrates that the 21 Republican county organizations raised the most money between 1986 and 1996. The GOP committees reported raising \$1.3 million in 1986 and \$5 million in 1996, for an increase of 285 percent. The 21 Democratic county committees, on the other hand, raised approximately \$800,000 in 1986 and \$4.4 million in 1996, an increase of 450 percent.

Figure 3
Comparison of County Organization Receipts by Party 1986-1996



Source Data: New Jersey Election Law Enforcement Commission

Though the Republican committees had more money to work with during these years, the data indicate that the Democratic county committees actually intensified their fundraising at a greater rate during this period. Among the Democratic county party committees, Camden, Hudson, and Middlesex contributed substantially to the increased fundraising activity, while responsibility for the boost in GOP numbers was more widespread. If any GOP party committees stand out, they are the ones in Mercer and Hudson counties. Tables 1 and 2 depict the fundraising activity within each county by 42 Democratic and Republican county party committees.

Table 1
Democratic Party Committee Receipts 1986-1996

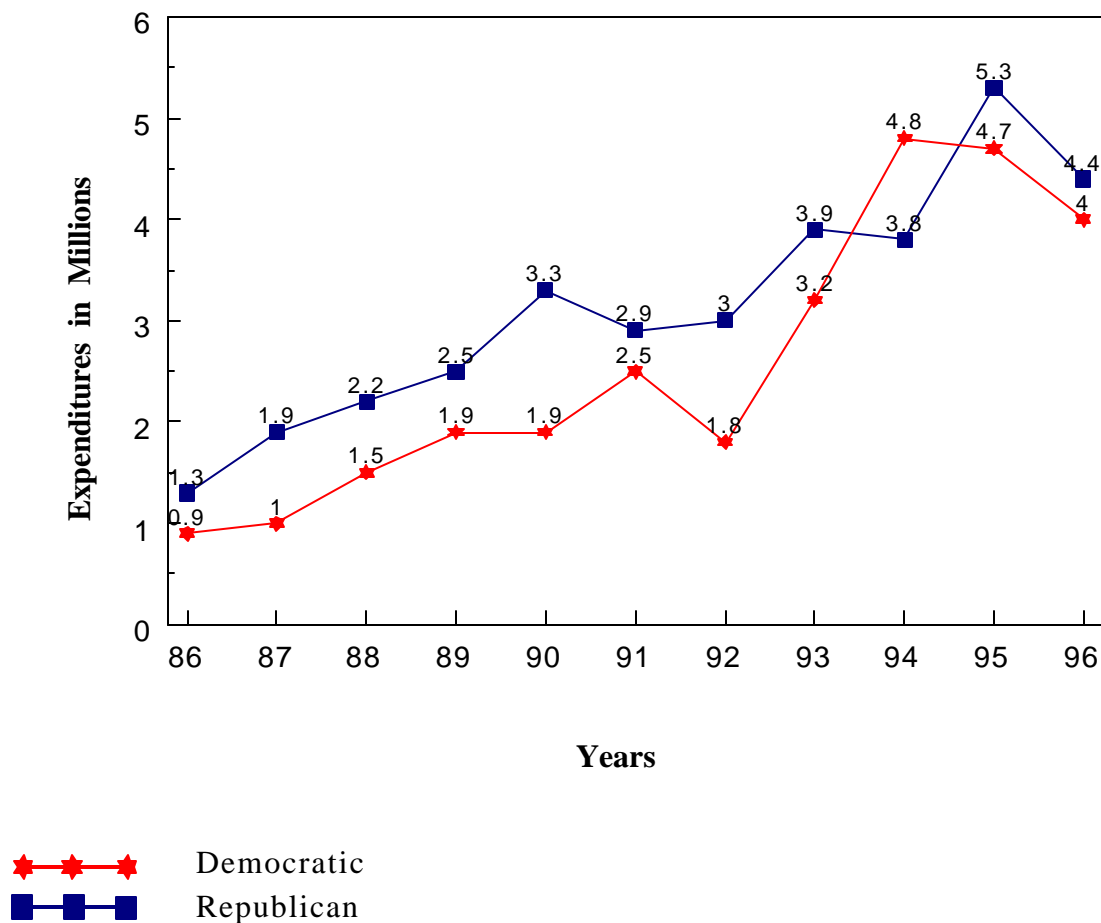
| COUNTY | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | Totals |
|-------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Atlantic | 70,375 | 90,370 | 34,370 | 165,417 | 132,827 | 72,030 | 9,898 | 228,833 | 140,835 | 90,754 | 27,720 | 1,063,429 |
| Bergen | 28,530 | 44,009 | 65,116 | 45,482 | 40,499 | 118,724 | 183,726 | 193,504 | 162,106 | 134,346 | 118,508 | 1,134,550 |
| Burlington | 13,810 | 37,894 | 18,954 | 7,920 | 8,365 | 5,750 | 14,343 | 21,454 | 225,303 | 205,176 | 26,423 | 585,392 |
| Camden | 54,319 | 63,259 | 108,334 | 83,415 | 80,177 | 161,939 | 203,837 | 1,087,262 | 1,666,256 | 1,411,434 | 804,950 | 5,725,182 |
| Cape May | 21,943 | 9,955 | 20,884 | 25,224 | 230,855 | 206,185 | 22,592 | 19,810 | 68,237 | 18,366 | 7,737 | 651,788 |
| Cumberland | 46,141 | 80,019 | 86,799 | 75,385 | 488,168 | 68,906 | 88,858 | 46,048 | 91,945 | 8,000 | 3,200 | 1,083,469 |
| Essex | 171,739 | 330,665 | 393,011 | 2,816,722 | 687,277 | 226,652 | 398,608 | 514,765 | 349,218 | 338,965 | 499,002 | 6,726,624 |
| Gloucester | 72,585 | 44,385 | 29,077 | 59,069 | 55,223 | 60,932 | 76,156 | 220,940 | 183,778 | 310,395 | 357,054 | 1,469,594 |
| Hudson | 9,612 | 0 | 24 | 394,633 | 29,454 | 0 | 0 | 0 | 0 | 804,358 | 639,657 | 1,877,738 |
| Hunterdon | 7,214 | 2,845 | 2,170 | 16,434 | 15,178 | 9,632 | 4,765 | 5,101 | 5,798 | 9,159 | 7,569 | 85,865 |
| Mercer | 17,529 | 86,806 | 90,693 | 118,969 | 123,100 | 56,286 | 35,365 | 53,266 | 557,685 | 40,693 | 107,675 | 1,288,067 |
| Middlesex | 67,155 | 102,724 | 127,186 | 144,327 | 120,900 | 538,811 | 327,722 | 270,073 | 757,664 | 882,603 | 1,082,867 | 4,422,032 |
| Monmouth | 32,350 | 0 | 106,307 | 87,583 | 112,550 | 160,144 | 109,165 | 127,048 | 132,073 | 84,448 | 165,841 | 1,117,509 |
| Morris | 1,730 | 24,320 | 24,120 | 61,218 | 40,439 | 76,495 | 48,341 | 43,278 | 34,413 | 32,298 | 88,369 | 475,021 |
| Ocean | 13,625 | 414 | 6,847 | 19,160 | 80,035 | 12,569 | 18,164 | 8,545 | 0 | 31,676 | 44,761 | 235,796 |
| Passaic | 86,408 | 44,723 | 84,794 | 90,504 | 48,524 | 133,621 | 67,532 | 71,602 | 55,259 | 58,353 | 30,497 | 771,817 |
| Salem | 14 | 23,291 | 29,706 | 30,572 | 54,842 | 42,557 | 31,948 | 66,473 | 29,003 | 19,199 | 31,404 | 359,009 |
| Somerset | 14,699 | 22,516 | 35,707 | 51,080 | 45,792 | 43,668 | 33,235 | 27,003 | 17,800 | 16,987 | 21,120 | 329,607 |
| Sussex | 9,562 | 9,514 | 6,761 | 37,939 | 12,463 | 25,486 | 3,999 | 3,925 | 1,567 | 10,983 | 16,330 | 138,529 |
| Union | 0 | 16,625 | 33,076 | 104,284 | 30,620 | 34,358 | 92,506 | 128,981 | 99,040 | 118,515 | 238,860 | 896,865 |
| Warren | 26,273 | 26,522 | 29,123 | 46,125 | 29,800 | 67,862 | 45,084 | 38,447 | 61,385 | 21,046 | 92,026 | 483,693 |
| TOTALS - D | 765,613 | 1,060,856 | 1,333,059 | 4,481,462 | 2,467,088 | 2,122,607 | 1,815,844 | 3,176,358 | 4,639,365 | 4,647,754 | 4,411,570 | 30,921,576 |

**Table 2
Republican Party Committee Receipts 1986-1996**

| COUNTY | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | Totals R |
|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Atlantic | 31,885 | 50,317 | 14,943 | 16,053 | 10,958 | 21,513 | 7,916 | 88,529 | 119,588 | 140,751 | 239,202 | 741,655 |
| Bergen | 203,950 | 182,269 | 410,537 | 585,176 | 915,847 | 952,215 | 746,159 | 512,227 | 588,970 | 676,358 | 719,435 | 6,493,143 |
| Burlington | 166,197 | 413,247 | 567,434 | 573,486 | 630,829 | 577,766 | 678,930 | 931,371 | 913,803 | 964,336 | 979,307 | 7,396,706 |
| Camden | 65,939 | 250,695 | 216,187 | 65,467 | 123,214 | 194,144 | 109,592 | 74,237 | 86,963 | 218,295 | 49,801 | 1,454,534 |
| Cape May | 44,928 | 5,120 | 59,508 | 841 | 149 | 1,061 | 34 | 3,011 | 25,158 | 0 | 61,900 | 201,710 |
| Cumberland | 170,907 | 263,265 | 155,417 | 216,098 | 122,224 | 137,872 | 162,458 | 120,159 | 176,550 | 171,078 | 270,040 | 1,966,068 |
| Essex | 6,500 | 38,129 | 40,777 | 119,308 | 102,737 | 192,671 | 107,148 | 108,896 | 145,383 | 134,693 | 144,295 | 1,140,537 |
| Gloucester | 9,250 | 5,710 | 7,960 | 10,543 | 4,400 | 10,297 | 0 | 10,150 | 4,730 | 5,000 | 10,565 | 78,605 |
| Hudson | 46,991 | 3,725 | 5,100 | 25,970 | 0 | 0 | 0 | 0 | 0 | 599,641 | 28,175 | 709,602 |
| Hunterdon | 35,408 | 44,333 | 45,400 | 55,112 | 82,622 | 82,301 | 114,373 | 71,264 | 74,336 | 68,366 | 71,656 | 745,171 |
| Mercer | 16,038 | 23,150 | 33,350 | 29,397 | 32,660 | 34,640 | 42,779 | 75,290 | 695,711 | 652,901 | 451,349 | 2,087,265 |
| Middlesex | 0 | 68,230 | 70,391 | 153,352 | 86,927 | 208,105 | 96,888 | 122,878 | 130,284 | 191,837 | 63,624 | 1,192,516 |
| Monmouth | 48,959 | 86,324 | 79,003 | 162,231 | 269,637 | 523,490 | 169,190 | 272,763 | 309,972 | 358,897 | 411,976 | 2,692,442 |
| Morris | 56,910 | 57,430 | 39,000 | 46,000 | 56,585 | 68,519 | 54,092 | 132,636 | 157,790 | 85,516 | 166,294 | 920,772 |
| Ocean | 1,591 | 5,150 | 7,864 | 11,380 | 8,248 | 397,606 | 342,563 | 240,401 | 247,577 | 319,128 | 399,894 | 1,981,402 |
| Passaic | 172,284 | 247,043 | 148,130 | 193,106 | 175,877 | 134,919 | 212,325 | 197,500 | 178,415 | 258,586 | 254,065 | 2,172,250 |
| Salem | 22,600 | 29,714 | 43,815 | 11,175 | 68,390 | 61,514 | 68,906 | 101,719 | 103,203 | 108,475 | 90,366 | 709,877 |
| Somerset | 37,971 | 15,300 | 41,106 | 267,060 | 66,329 | 29,495 | 32,710 | 236,897 | 350,918 | 242,458 | 217,265 | 1,537,509 |
| Sussex | 14,320 | 28,612 | 43,616 | 42,905 | 23,729 | 58,151 | 34,768 | 47,733 | 51,674 | 58,961 | 65,650 | 470,119 |
| Union | 71,636 | 65,573 | 58,101 | 129,070 | 68,175 | 94,209 | 122,877 | 172,697 | 193,525 | 205,541 | 165,459 | 1,346,863 |
| Warren | 23,087 | 28,961 | 43,384 | 35,572 | 45,036 | 30,471 | 52,719 | 97,284 | 75,234 | 62,775 | 92,927 | 587,450 |
| TOTALS-R | 1,247,351 | 1,912,297 | 2,131,023 | 2,749,302 | 2,894,573 | 3,810,959 | 3,156,427 | 3,617,642 | 4,629,784 | 5,523,593 | 4,953,245 | 36,626,196 |

Likewise, expenditure activity between the Republican and Democratic party committees proceeded along similar lines. Both parties increased their spending significantly between 1986 and 1996. Again, the Republican party organizations outspent the Democratic party committees. In 1986, the GOP organizations spent \$1.4 million, increasing this amount to \$4.4 million in 1996. The Democratic party organizations' expenditure activity rose from about \$900,000 to \$4 million during this period. Expenditure patterns are depicted in Figure 4.

Figure 4
Comparison of County Organization Expenditures by Party



Source Data: New Jersey Election Law Enforcement Commission

While the Republican county party committees spent more money overall, the data indicates that spending by the Democratic county organizations intensified at a slightly faster pace. Between 1986 and 1996, Democratic organization's increased their spending by 344 percent, while the Republican organizations spending grew by 238 percent. As with fundraising activity, the Democratic county committees in Camden, Hudson, and Middlesex were important to the surge in spending by Democratic county party committees. Responsibility for the increase in GOP party spending during this period is more dispersed, though the Mercer and Hudson county committees are most conspicuous. Tables 3 and 4 show expenditure activity in each county.

Table 3
Democratic Party Committee Expenditures 1986-1996

| COUNTY | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|---------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Atlantic | 73,219 | 97,035 | 34,083 | 160,385 | 132,980 | 163,641 | 6,381 | 219,582 | 160,591 | 82,964 | 25,357 |
| Bergen | 29,112 | 62,413 | 69,294 | 47,278 | 47,003 | 108,733 | 156,342 | 203,440 | 181,524 | 132,124 | 99,876 |
| Burlington | 17,601 | 39,157 | 49,009 | 9,553 | 11,117 | 6,039 | 16,508 | 7,723 | 276,448 | 209,117 | 27,214 |
| Camden | 52,240 | 33,590 | 116,801 | 99,440 | 79,406 | 368,091 | 204,538 | 1,103,269 | 1,703,056 | 1,420,142 | 592,708 |
| Cape May | 25,374 | 6,053 | 15,685 | 24,395 | 41,284 | 48,159 | 80,863 | 36,275 | 72,054 | 20,486 | 8,716 |
| Cumberland | 68,186 | 77,730 | 93,910 | 72,962 | 70,122 | 68,802 | 85,312 | 39,896 | 99,437 | 11,457 | 4,034 |
| Essex | 183,589 | 279,153 | 420,893 | 368,789 | 581,452 | 334,728 | 388,790 | 528,798 | 466,865 | 321,280 | 475,083 |
| Gloucester | 42,327 | 44,909 | 10,633 | 53,492 | 62,116 | 60,682 | 70,544 | 229,979 | 182,004 | 304,375 | 388,241 |
| Hudson | 24,638 | 1,530 | 0 | 277,477 | 74,521 | 0 | 0 | 0 | 0 | 832,639 | 632,749 |
| Hunterdon | 2,656 | 4,083 | 1,077 | 15,645 | 15,347 | 11,006 | 4,656 | 4,928 | 5,894 | 7,147 | 13,078 |
| Mercer | 95,847 | 96,969 | 93,442 | 104,385 | 131,572 | 56,546 | 40,215 | 53,868 | 514,457 | 38,927 | 100,362 |
| Middlesex | 55,700 | 92,459 | 197,123 | 186,338 | 114,363 | 551,840 | 315,741 | 279,311 | 740,252 | 907,219 | 981,381 |
| Monmouth | 52,194 | 120 | 118,710 | 75,493 | 238,147 | 148,997 | 111,017 | 117,689 | 100,936 | 77,323 | 164,514 |
| Morris | 2,754 | 24,553 | 19,881 | 39,691 | 46,089 | 35,325 | 52,757 | 43,308 | 37,873 | 30,059 | 87,689 |
| Ocean | 13,301 | 556 | 6,741 | 17,765 | 80,511 | 12,411 | 18,244 | 8,597 | 20 | 30,114 | 49,374 |
| Passaic | 92,806 | 30,140 | 85,525 | 90,020 | 33,487 | 87,890 | 72,485 | 73,896 | 45,480 | 57,566 | 25,471 |
| Salem | 0 | 22,521 | 30,296 | 29,145 | 56,292 | 273,232 | 62,778 | 61,251 | 35,647 | 20,494 | 17,373 |
| Somerset | 14,187 | 23,008 | 56,995 | 50,102 | 46,685 | 22,492 | 31,915 | 27,522 | 14,335 | 18,433 | 20,034 |
| Sussex | 9,967 | 25,924 | 7,334 | 37,913 | 12,658 | 25,740 | 3,194 | 3,857 | 8,000 | 6,710 | 14,816 |
| Union | 0 | 7,227 | 84,147 | 58,139 | 33,474 | 33,976 | 44,753 | 111,982 | 101,605 | 122,338 | 201,060 |
| Warren | 25,046 | 26,396 | 10,671 | 40,166 | 40,740 | 54,416 | 35,079 | 36,072 | 30,673 | 19,544 | 80,579 |
| TOTALS | 880,742 | 995,527 | 1,522,250 | 1,858,572 | 1,949,365 | 2,472,747 | 1,802,113 | 3,191,241 | 4,771,119 | 4,670,457 | 4,009,709 |

Table 4
Republican Party Committee Expenditures 1986-1996

| COUNTY | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|---------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Atlantic | 32,431 | 51,092 | 21,858 | 20,679 | 7,892 | 24,647 | 8,133 | 87,645 | 125,641 | 138,206 | 231,621 |
| Bergen | 239,133 | 157,732 | 408,178 | 368,506 | 985,078 | 544,215 | 730,875 | 553,889 | 580,816 | 689,594 | 717,725 |
| Burlington | 322,789 | 541,764 | 676,360 | 571,036 | 590,305 | 646,485 | 649,900 | 931,371 | 1,027,451 | 804,423 | 965,617 |
| Camden | 58,496 | 125,760 | 107,222 | 113,351 | 123,696 | 94,928 | 113,400 | 79,113 | 87,535 | 222,034 | 148,745 |
| Cape May | 14,023 | 29,455 | 62,904 | 1,383 | 3,682 | 830 | 200 | 15 | 13,559 | 0 | 47,438 |
| Cumberland | 99,822 | 295,566 | 173,271 | 290,882 | 582,070 | 130,677 | 170,005 | 122,706 | 175,108 | 171,536 | 260,201 |
| Essex | 13,928 | 22,994 | 35,739 | 123,165 | 121,691 | 93,398 | 109,158 | 107,532 | 147,212 | 108,118 | 76,310 |
| Gloucester | 7,129 | 6,817 | 12,783 | 5,944 | 4,328 | 10,459 | 734 | 8,620 | 3,821 | 0 | 0 |
| Hudson | 50,217 | 3,620 | 0 | 74,129 | 0 | 0 | 0 | 0 | 0 | 572,544 | 8,733 |
| Hunterdon | 32,084 | 36,615 | 98,437 | 51,802 | 86,823 | 68,709 | 63,183 | 70,917 | 69,707 | 69,202 | 80,173 |
| Mercer | 13,800 | 23,001 | 30,267 | 32,144 | 33,179 | 35,891 | 42,792 | 176,782 | 223,601 | 822,010 | 499,437 |
| Middlesex | 0 | 67,612 | 67,848 | 187,859 | 83,968 | 171,605 | 131,865 | 123,367 | 126,065 | 187,426 | 64,049 |
| Monmouth | 55,514 | 86,623 | 78,320 | 162,115 | 133,404 | 120,962 | 84,561 | 273,192 | 133,698 | 372,474 | 408,764 |
| Morris | 68,368 | 58,945 | 45,236 | 44,057 | 66,586 | 64,597 | 56,948 | 127,756 | 160,491 | 102,300 | 169,588 |
| Ocean | 1,049 | 6,490 | 7,890 | 12,031 | 8,898 | 395,813 | 335,002 | 247,684 | 245,155 | 307,630 | 384,344 |
| Passaic | 194,079 | 208,438 | 203,106 | 180,006 | 179,429 | 170,412 | 171,055 | 194,931 | 182,916 | 182,527 | 138,662 |
| Salem | 18,311 | 21,179 | 20,760 | 9,021 | 64,740 | 51,218 | 45,543 | 63,581 | 62,403 | 75,264 | 79,119 |
| Somerset | 32,186 | 28,200 | 34,427 | 42,974 | 57,460 | 65,576 | 32,390 | 189,612 | 160,234 | 229,007 | 264,946 |
| Sussex | 20,390 | 29,272 | 40,444 | 45,618 | 13,490 | 29,240 | 33,428 | 221,219 | 22,472 | 57,888 | 60,553 |
| Union | 84,308 | 92,350 | 58,089 | 142,961 | 72,904 | 88,248 | 128,029 | 164,473 | 163,928 | 219,356 | 200,214 |
| Warren | 41,346 | 19,527 | 35,259 | 32,825 | 43,741 | 44,011 | 38,434 | 106,744 | 81,243 | 48,489 | 87,914 |
| TOTALS | 1,399,401 | 1,913,054 | 2,218,399 | 2,512,488 | 3,263,365 | 2,851,920 | 2,945,634 | 3,851,149 | 3,793,057 | 5,322,140 | 4,383,830 |

As the data indicate a turning point for these county party committees in terms of financial activity and greater involvement in campaigns appears to be in 1989. Though between 1986 and 1987, fundraising by the 42 county committees jumped by 50 percent and then by another 17 percent between 1987 and 1988, it rose by a very significant 106 percent between 1988 and 1989. Receipts between 1988 and 1989 rose from \$3.5 million to \$7.2 million. Between 1986 and 1987, receipts went from \$2 million to \$3 million and from 1987 to 1988 they climbed from \$3 million to \$3.5 million. From 1989 forward, their fundraising activity continually reached \$5 million or more, peaking at \$10.1 million in 1995.

There are perhaps two reasons for the burst in financial activity by these county committees in 1989. In February, the United States Supreme Court issued the Eu decision. This decision invalidated a California law preventing political parties from endorsing candidates in the primary election and otherwise engaging in the campaign of any candidate. Most believed that New Jersey's open primary law would be found unconstitutional. Also, this change appears to have facilitated county party organizations in their efforts to become more active and successful in raising money.

The second reason for the upswing in fundraising stems from the effort by Democratic Gubernatorial Candidate Jim Florio to court county leaders, thereby involving the county organizations more in the campaign process.

Democratic county party committees were mostly responsible for this increase in fundraising activity. While GOP organizations in 1989 did increase fundraising by 33 percent over 1988 totals, the Democratic county committees' financial activity rose by 246 percent. Democratic committees raised \$4.5 million to \$2.8 million raised by GOP organizations.

A truly critical year, however, in the repartyization process involving county party organizations was 1993. In that year fundraising activity, though not peaking to 1989 levels, did reach \$6.8 million, reversing a downward trend. County party organizations jump started their fundraising by 36 percent between 1992 and 1993. At \$6.8 million in 1993, this amount compared with \$5 million in 1992. This trend of increased fundraising has continued since that time.

The jump in county fundraising activity in 1993 coincided with two important events. First, the Campaign Reform Law, which placed higher contribution limits on contributions to parties than on contributions to candidates, redirected money from candidate campaigns toward the county party organizations. The immediate impact of this law was to make the party organizations a very attractive vehicle for contributions, thereby further enhancing their role in the campaign process. And second, 1993 was a gubernatorial election year. Not only is voter interest intensified in these years, but the campaign law places across the board contribution limits on all gubernatorial candidates as well as expenditure limits on those who participate in the gubernatorial public financing program. Generally, all major party candidates participate in the program. The provisions of the program therefore encouraged party organizations to intensify their efforts vis-a-vis party building activities and generic advertising, which, of course, cost money to accomplish. Thus, the combination of the new campaign law and the gubernatorial election process were factors in making 1993 an important milestone in the improving fortunes of the county political party organizations.

Again, in 1993 as in 1989, it was the Democratic party committees that led the way in terms of the percentage increase in receipts. Democratic county committee organizations increased their activity by 78 percent between 1992 and 1993, for example from a four year low of \$1.8 million they increased their totals to \$3.2 million. The Republican county committees' fundraising increased by 13 percent from \$3.2 million in 1992 to \$3.6 million in 1993.

While fundraising activity jumped precipitously in 1989, then declined slightly until jumping again in 1993, expenditure activity followed a different course, rising more evenly. Though reaching, for that time, an historic high, expenditures in 1989 increased by 19 percent over the previous year, from \$3.7 million to \$4.4 million. Exhibiting a different pattern from fundraising, however, expenditure activity by the county party organizations increased in almost each successive year since 1989. Only in 1996, was there a decline in expenditure activity from the previous year. From 1992 to 1993, for example, expenditures increased by 23 percent, \$5.7 million to \$7 million. From 1993 to 1994, expenditures again rose by 23 percent, \$7 million to \$8.6 million, and from 1994 to 1995 by 16 percent, \$8.6 million to almost \$10 million. They declined in 1996 by 16 percent down to \$8.4 million from the \$10 million total the previous year. All told, however, expenditure activity by the county parties increased by 91 percent between 1989 and 1996, from \$4.4 million to \$8.4 million.

The expenditure activity of the Democratic county committees was an important factor in the expenditure efforts of the county parties during this period. Between 1992 and 1993, they increased spending by 78 percent, from \$1.8 million to \$3.2 million. During the next year, they again increased their spending significantly, this time by 50 percent, from \$3.2 in 1993 to \$4.8 million in 1994. The GOP county party committees, by comparison, spent about \$3.9 million in 1993, for a 30 percent increase over their 1992 output of approximately 3 million. The GOP expenditure activity dipped slightly in 1994, reaching \$3.8 million.

Not to be outdone, the Republican county party committee increased their spending by 39 percent between 1994 and 1995, from \$3.8 million to \$5.3 million. These same committees, however, spent less in 1996 than in 1995, declining by 17 percent to \$4.4 million.

The Democratic county party committees registered declines in expenditure activity in both these years. In 1995, Democratic party activity decreased by 2 percent, from \$4.8 million to \$4.7 million. In 1996, expenditures by the Democratic county committees dipped again, from \$4.7 million to \$4 million, a 14 percent drop.

The above discussion of the overall trend in financial activity by the 42 county party committees points to repartyization at the county level. This fact will be further evidenced in Chapter 3 through the analysis of the contribution activity by the eight county party organizations targeted for a closer look.

In conclusion, the increased financial activity of recent years points to an enhanced role for the county party organizations in the campaign process. From irrelevance bordering on obscurity in the early to mid-1980's these county party committees are reclaiming their place in the political landscape. Due to the primary system, which still prevents them from totally controlling the nomination process, less party loyalty, less opportunities for patronage, and more state party involvement, these county party organizations will probably never regain completely their past glory. Nevertheless, because of judicial renderings and statutory reforms they are playing a much more critical role in the process than would have been predicted only a few short years ago. Much like the state parties did several years ago, these county organizations are now

providing candidates with consultant services in the way of fundraising, polling, advertising, and election-day activities. They are becoming professionalized.

In the following chapters, indepth analysis of fundraising and expenditure activity will be taken of sixteen county party committees. Through this closer look at their financial activity, we will further trace the process of repartyization at the county level.

NOTES

1. Stephen A. Salmore, "Voting, Elections, and Campaigns," in The Political State of New Jersey, Edited by Gerald M. Pomper. (New Brunswick: Rutgers University Press, 1986), p. 81.
2. New Jersey Election Law Enforcement Commission, White Paper No. 11, State Parties And Legislative Leadership Committees: An Analysis 1994-1995, (Trenton: The Commission, 1996), p. 41.
3. Friends of Governor Tom Kean vs. ELEC, 114 N.J. 33 (1989).

Chapter 3

A Closer Look:

Fundraising

In A Delicate Balance, Paul Light states that "a political party is a broad membership organization designed to win elections and influence government, in part by helping citizens decide how to vote."¹ Light then defines three essential roles of political parties: 1) to contest elections, 2) to organize government, and 3) to help voters decide how to vote.²

What should be added here, though, is that modern-day political parties, in order to carry out these essential roles, must be successful fundraisers. In other words, the effectiveness of today's parties in engineering electoral victories for their candidates, and in organizing government, is highly dependent upon their ability to raise money.

This Chapter will address this question as it relates to the county party organizations in New Jersey. Through an analysis of the fundraising side of the financial activity undertaken by the sixteen county party organizations targeted for review, this Chapter will explore how viable they have become in the area of fundraising. Out of this their effectiveness, in terms of performing the essential roles of political parties, can be gauged.

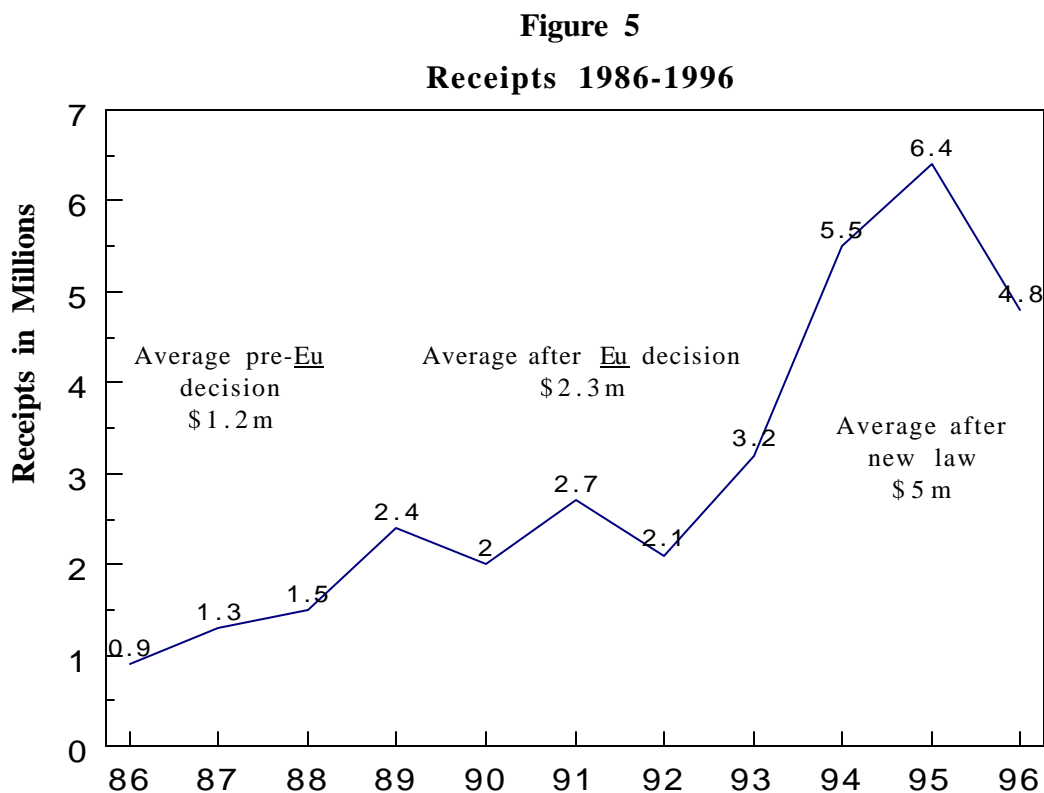
What should be added here, though, is that modern-day political parties, in order to carry out these essential roles, must be successful fundraisers.

Trends in Fundraising

As mentioned in Chapter 1, county party committees in all 21 counties throughout New Jersey combined to raise about \$2 million in 1986. Ten years later, in 1996, these county organizations raised \$9.4 million, equalling a 370 percent increase in fundraising activity.

Not surprisingly, the sixteen targeted county party committees experienced similar gains in fundraising activity. Over the span of years between 1986 and 1996, these county party organizations intensified their fundraising by 444 percent, raising \$923,685 in 1986 and \$4.9 million in 1996.

Figure 5 depicts this trend in fundraising by the sixteen county party committees between 1986 and 1996.



Source Data: New Jersey Election Law Enforcement Commission

Following a period of modest increases after the issuance of the Eu decision in 1989, the county political parties increased their fundraising efforts dramatically as the result of campaign finance reform in 1993.

Between 1989 and 1992, when the Eu decision began to impact political parties, these county party organizations raised \$9.3 million, a figure that constituted 28 percent of the total \$33 million raised between 1986 and 1996. During this period, these committees averaged \$2.3 million in receipts per year.

Compare this fundraising effort to that undertaken between 1993 and 1996, the period following the enactment of the new campaign law. During these years, the sixteen targeted county party committees raised \$20 million, or 61 percent of the total funds raised between 1986 and 1996. During this period, these organizations averaged \$5 million in receipts per year. Clearly, campaign finance reform in New Jersey had a truly significant impact on the fortunes of the county party committees.

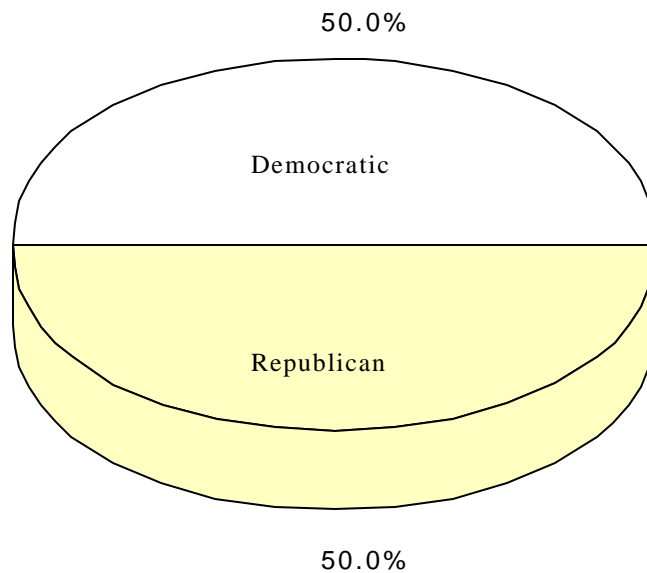
Notably, these county party organizations averaged just \$1.2 million in receipts per year between 1986 and 1988. At a time when county parties were a weak link in the electoral chain, these organizations, from 1986 to 1988, raised only \$3.7 million, or 11 percent of the total receipts reported during the period under study.

Without question, campaign financial activity by all entities involved in the electoral process has increased, and dramatically, over time. Some of this increase may be due to inflationary pressure, but for the most part the increasing importance of money in the process is due to the changing nature of campaigns and to changes in the electoral system itself. Certainly, inflationary pressure is one factor that must be considered vis-a-vis county organizational fundraising efforts, but in the end changes in the electoral rules, such as those noted above, are principally responsible for this intensification and for the enhanced role of these organizations in campaigns.

Democratic Organizations Raise Slightly More Money

It was very close but in the eight counties under study, the Democratic county party organizations outraised the Republican county party organizations. Between 1986 and 1996, the Democratic party organizations raised \$16.6 million compared with \$16.4 million raised by the Republicans. The differential in receipts being statistically insignificant, Figure 6 indicates that the Democratic county organizations and the Republican organizations each raised about 50 percent of total funds raised.

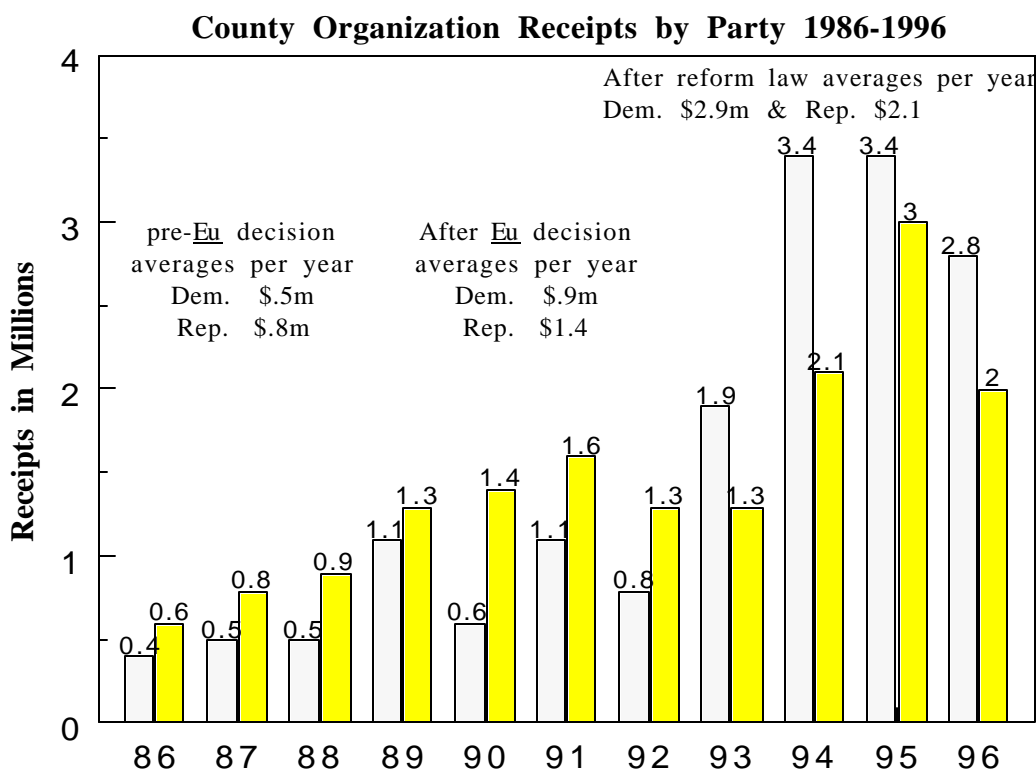
Figure 6
Percentage of Total Funds Raised by Party



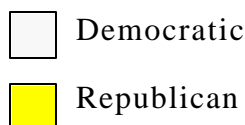
Source Data: New Jersey Election Law Enforcement Commission

What is more meaningful is the fact that the eight Democratic county committees under study intensified their fundraising activity at a rate more significant than that of the Republican organizations. In other words, the increase in receipts reported by the Democratic committees overtime was much greater than that of the Republican committees. Moreover, as Figure 7 demonstrates, though the Republican committees' per year totals were higher through 1992, the Democratic committees outdistanced them in fundraising in all four years between 1993 and 1996.

Figure 7



Source Data: New Jersey Election Law Enforcement Commission



Between 1986 and 1988, for instance, the eight Republican county committees averaged about \$800,000 in receipts per year to approximately \$500,000 per year for the eight Democratic county committees. For the period 1989 through 1992, the Republican county organizations averaged \$1.4 million annually in receipts to the Democratic county organizations' annual average of about \$900,000. Now, compare the annual averages for the period 1993 through 1996, when the Democratic organizations outpaced the Republican ones. During these years, the Democratic county party committees averaged \$2.9 million in receipts annually to the Republican county party annual average of \$2.1 million.

The significance of these findings should not be overlooked. It appears that the Democratic county party committees, which are urban based, have at least initially benefited the most from campaign finance reform in 1993 and are thereby leading the way in the process of repartyization as it affects the county level of politics in New Jersey.

Who Contributed To The County Party Organizations

It should be noted that the effort to categorize individual contributor items was painstaking. Each contribution item, and there were thousands over the course of eleven years, had to be individually coded. Once the contributions were coded they were tabulated to determine the number of contributions in each category in each year under review. Needless to say, this process took months.

The contributor coding system utilized is the same system that was used in State Parties and Legislative Leadership Committees: An Analysis 1994-1995. The categories are: individuals, business/corporations, business/corporate PACs, professional trade association PACs, unions, union PACs, ideological PACs, political parties, candidates, political committees, and legislative leadership committees.

Finally, it should be noted that because of time and staffing restraints only contributions made to county party committees in the last two quarters of each year were coded. Therefore, the total amounts recorded in each contributor category when added together will not equal the total receipts figure listed previously in this Chapter. A substantial amount of financial activity occurred during the third and fourth quarters of each year, however, and it is with confidence that the data is presented as an accurate scenario of contributor activity.

As shown in Table 5 below, which lists the total amount of contributions made by each contribution type between 1986 and 1996 as well as the percentage of total contributions represented by each category, businesses and corporations contributed the most money to the county organizations highlighted in this study. Business and corporations contributed over \$5.5 million to the county organizations between 1986 and 1996, or 40 percent of all contributions made to these party committees during this time. The second largest contributor category was individuals, who gave \$3.3 million to the county parties, or 24 percent of all contributions. Other political parties, in particular the state parties, and candidate committees made 11 percent of total contributions each to the county party organizations under study. Political parties gave approximately \$1.5 million to the county organizations as did candidate committees. As the table illustrates all other entities, except ideological PACs, made between one and six percent of contributions. Giving by ideological PACs was negligible.

Table 5
Contributors to County Party Committees
Third and Fourth Quarters 1986-1996

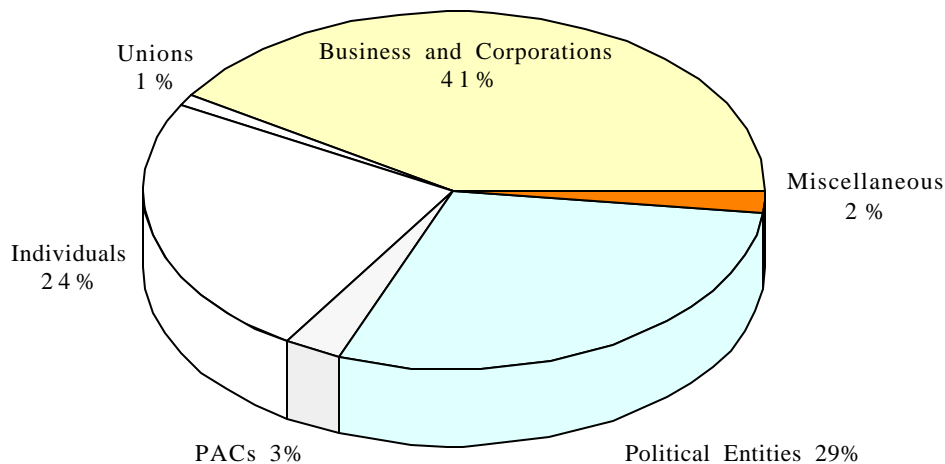
| | <u>Amount</u> | <u>Percent</u> |
|-------------------------|----------------|----------------|
| Individual | \$3,310,393 | 24 % |
| Business/corporations | 5,511,501 | 40 % |
| Business/corporate PACs | 194,340 | 1 % |
| Personal/trade PACs | 22,925 | 0 % |
| Unions | 133,910 | 1 % |
| Union PACs | 179,205 | 1 % |
| Ideological PACs | 25,823 | 0 % |
| Parties | 1,478,194 | 11 % |
| Candidates | 1,518,212 | 11 % |
| Political Committees | 855,599 | 6 % |
| Legislative Leadership | 120,153 | 1 % |
| Miscellaneous | <u>304,340</u> | 2 % |
| | 13,654,595 | |

Source Data: New Jersey Election Law Enforcement Commission

Sources of Contributions: Different Perspectives

In Figure 8 and Figure 9, the sources of contributions to the county party committees are depicted in two different ways in order to provide the reader with a more complete understanding of how these committees have been funded through the years.

Figure 8
Sources of Contributions to County Party Committees
1986-1996



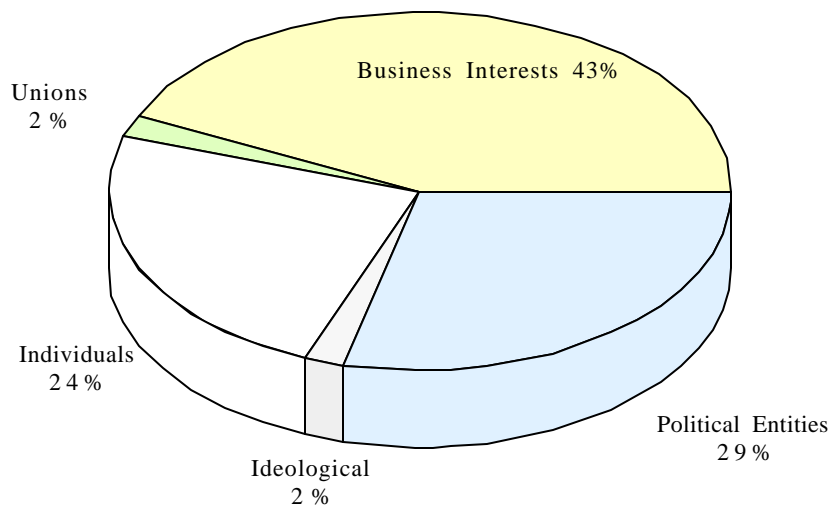
Source Data: New Jersey Election Law Enforcement Commission

In figure 8 all types of political committees have been grouped together to demonstrate the extent of involvement with the county party committees by special interest PACs, be they business oriented, union oriented or ideological in nature. As the figure indicates only three percent of total contributions to the county party committees between 1986 and 1996 were made by special interest PACs. Political entities, including parties, candidates, political committees and political committees, when categorized together, constituted 29 percent of contributors during this period. Unions only provided one percent of contributions while individuals and businesses and corporations provided the remaining amounts. Individuals made 24 percent of the contributions while businesses and corporations made 40 percent of the contributions.

In Figure 9 below, another perspective on the sources of contributions to county

political party committees is presented. In this figure, all business interests, including political action committees, are grouped together, as are union interests. Viewed in this manner, business interests constituted 43 percent of all contributions to the county party committees between 1986 and 1996, while union interest made up just two percent of all contributions. Figure 9 shows also that ideological PACs constituted two percent of all contributions. Individuals and political entities, as noted above, contributed 24 and 29 percent respectively to the county party committees during this period.

Figure 9
Sources of Contributions to County Party Committees



Source Data: New Jersey Election Law Enforcement Commission

Sources of Contributions: Party Differences

The sixteen Democratic and Republican county committees raised a total of \$13.7 million during the third and fourth quarters of each year beginning in 1986 and

ending in 1996. As noted above, contributions could only be coded for the third and fourth quarters of each year due to staffing and time restraints. This figure does not represent the total amount raised by these committees. Out of the \$13.7 million in categorized contributions, the Democratic County Committees raised \$7.7 compared with \$6 million by the Republican county committees. Table 6 below breakdown the sources of contributions to county party committees on the basis of party and provides the proportion of receipts represented by each contribution category listed.

| Table 6 | | | | |
|--|--------------------|----------------|--------------------|----------------|
| Contributors to Democratic and Republican County Party Committees | | | | |
| Third and Fourth Quarters 1986-1996 | | | | |
| | Democrat | | Republican | |
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| Individual | \$1,835,457 | 24 % | \$1,474,936 | 25 % |
| Business/corporations | 3,087,047 | 40 % | 2,424,454 | 41 % |
| Business/corporate PACs | 90,429 | 1 % | 103,911 | 2 % |
| Professional/trade PACs | 18,175 | 0 % | 4,750 | 0 % |
| Unions | 100,435 | 1 % | 33,475 | 1 % |
| Union PACs | 128,990 | 2 % | 50,215 | 1 % |
| Ideological PACs | 25,323 | 0 % | 500 | 0 % |
| Parties | 543,162 | 7 % | 935,032 | 16 % |
| Candidates | 1,032,709 | 13 % | 485,503 | 8 % |
| Political Committees | 500,093 | 6 % | 355,506 | 6 % |
| Legislative Leadership | 117,200 | 2 % | 2,953 | 0 % |
| Miscellaneous | <u>226,420</u> | 3 % | <u>77,920</u> | 1 % |
| | \$7,705,440 | | \$5,949,155 | |

Source Data: New Jersey Election Law Enforcement Commission

When reviewing the table, it becomes clear that there are more similarities than differences in the sources of contributors to the county committees of the two parties. Differences only emerge in the categories parties and candidates. The Republican county committees, for instance, received 16 percent of their contributions between 1986 and 1996 from other parties. Most of these party contributions derived from the state party. The Democratic county committees on the other hand, received seven percent of their contributions from other party organizations.

Differences emerged as well in the category involving candidate contributions to the county party organizations. This time, it was the Democrats receiving 13 percent of their contributions between 1986 and 1996 from candidate committees that outpaced the Republicans. Republican county committees received eight percent of their contributions from candidate committees.

As shown in the table, in virtually every other contribution category, i.e., individuals, businesses/corporations, business PACs, union PACs, professional/trade PACs, ideological PACs, unions, political committees, and legislative leadership committees, the results were virtually identical.

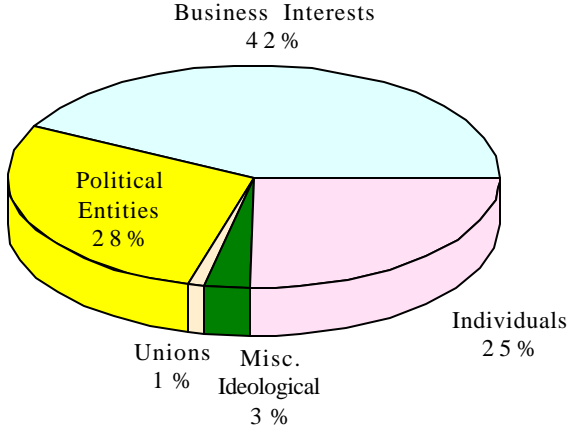
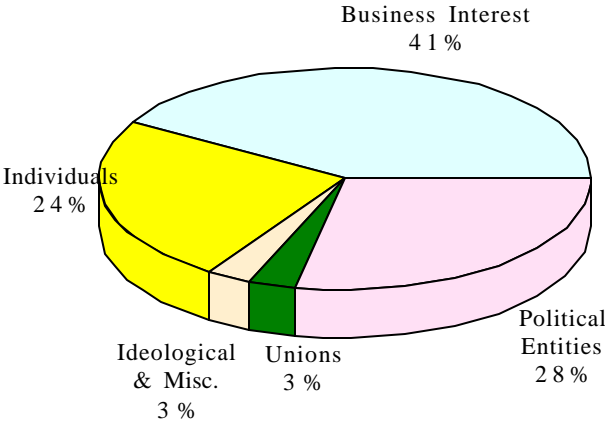
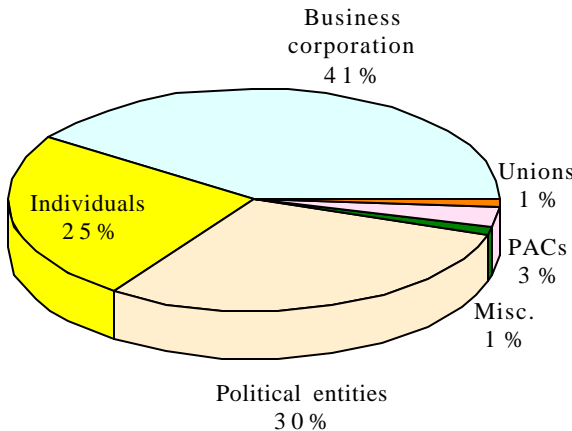
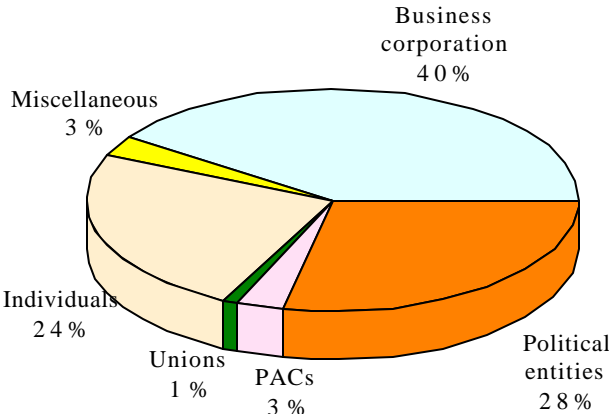
Sources of Contributions to Each Party: Different Perspectives

In Figure 10, as was done earlier, the sources of contributions to the county party committees are depicted in two different ways. In this figure, the Democratic county organizations are depicted separately from the Republican county committees.

Figure 10
Comparison of Contributions by Party

Sources of Contributions to Democratic
County Committees
1986-1996

Sources of Contributions to Republican
County Committees
1986-1996



Source Data: New Jersey Election Law Enforcement Commission

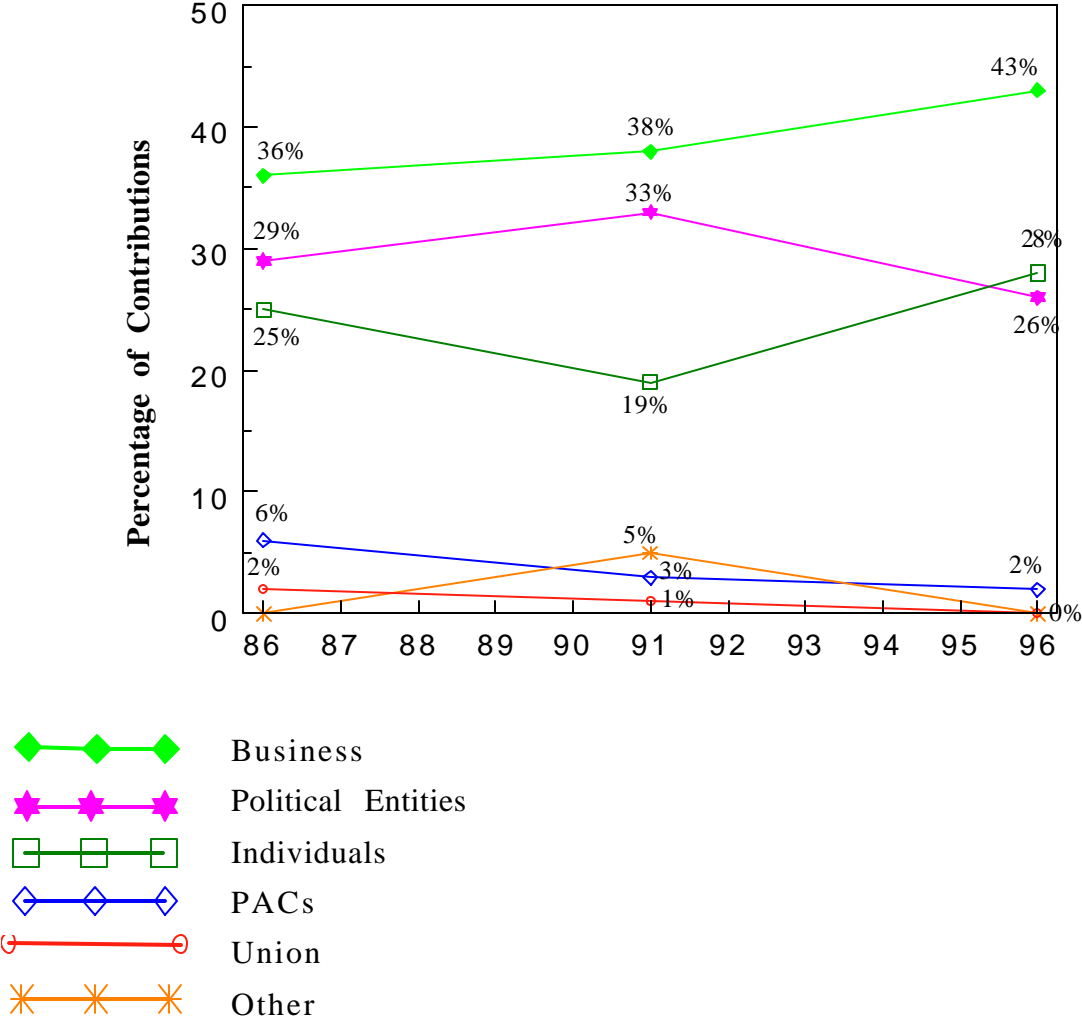
Shown in these two ways, the data reveals no real differences between the Democratic and Republican county committees in terms of their sources of contributions. When grouped together, PACs contributed about three percent of receipts to both the Democratic county committees and the Republican county committees. Political entities, when grouped together made up 28 percent of contributions to the county committees of both political parties. In addition, business interests, when categorized together, provided 40 percent of contributions to the Democratic county committees and 41 percent of contributions to the Republican county party committees. Finally, even when unions and their PACs were grouped together, the differences between the two parties was slight. Union interests gave three percent of contributions to the Democratic county committees and one percent to the Republican county party committees.

Sources of Contributions Over Time

As indicated in Figure 11 below, the proportion of contributions made to the county party committees over time by various contributor types has remained fairly consistent.

If the period 1986 to 1996 is broken down into three stages, business interests consistently made the highest proportion of contributions to the county committees. Political entities, which include the state party committees, the legislative leadership committees and candidate committees, made the second highest proportion of contributions between 1986 and 1988 and 1989 and 1992. By a slim margin, however, this contribution type fell below individual contributors into third place between 1993 and 1996. Except for the period 1993-96, individual contributors consistently made the third highest percentage of contributions to the targeted county party committees. Unions and special interest PACs comprised a minimal proportion of total contribution activity throughout the entire period.

Figure 11
Distribution of Sources of Contributions Over Time
1986-1996



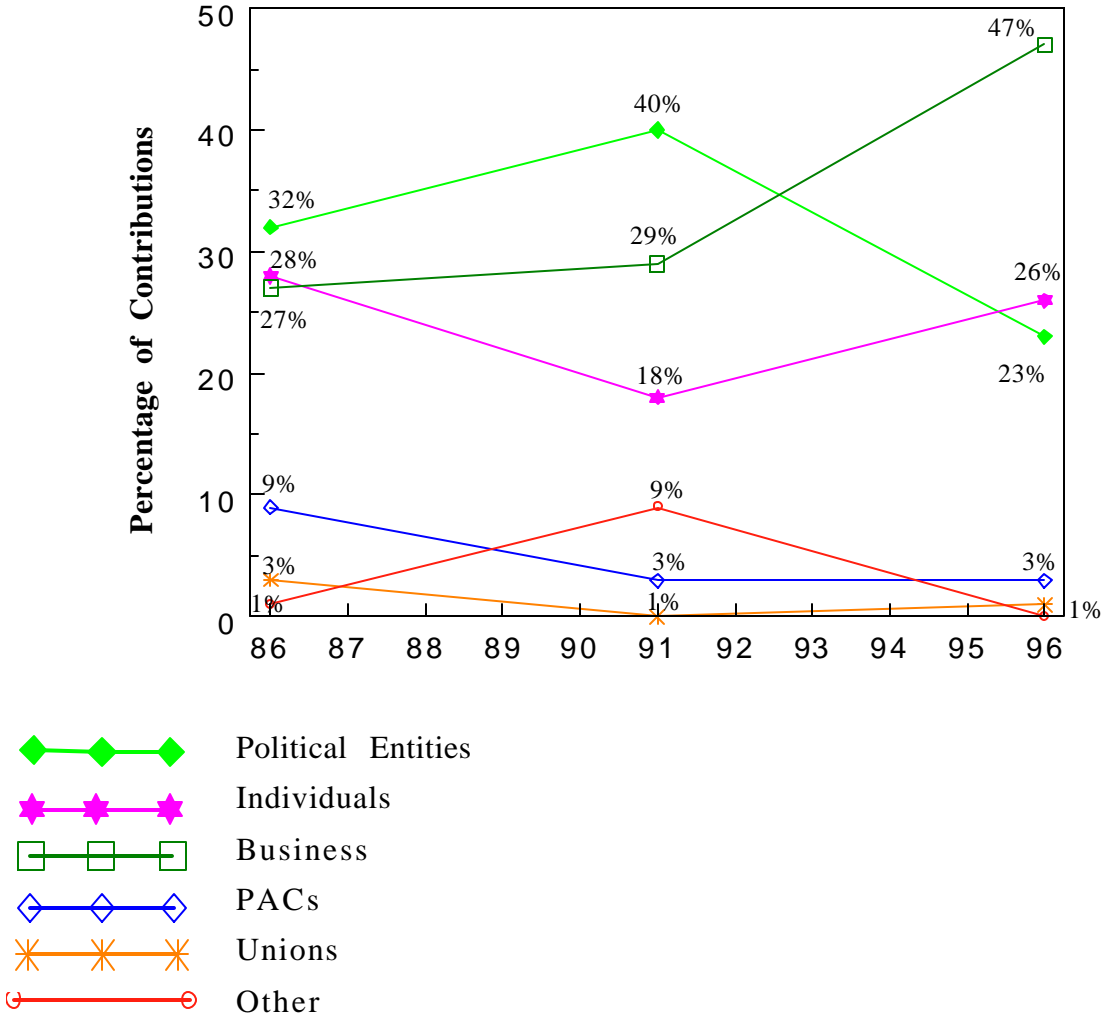
Source Data: New Jersey Election Law Enforcement Commission

As shown in Figure 11 above, during the three periods between 1986 and 1996, business and corporate interests consistently made between 36 and 43 percent of contributions to the county party committees. Political entities made between 26 and 33 percent of the contributions, whereas individual contributors ranged from 19 to 28 percent. The proportion of contributions to the county party organizations by special interest PACs and unions was consistently under ten percent.

Partisan Distribution of Sources of Contributions Overtime

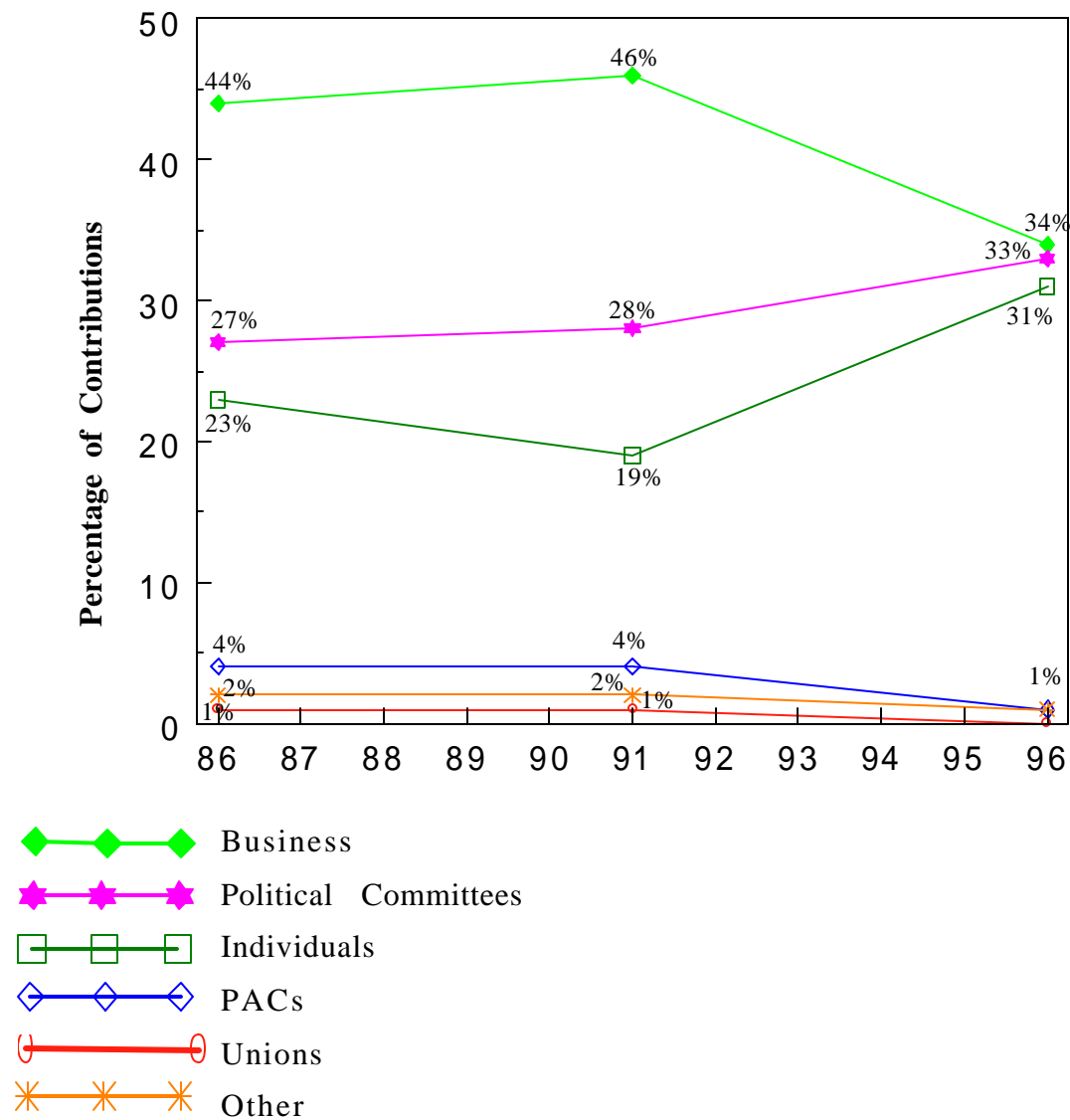
When the data pursuant to the Democratic county party committees and the Republican county party committees was examined separately, however, certain differences in the distribution of sources of contributions over time do emerge. These differences are highlighted in figures 12 and 13 below.

Figure 12
Distribution of Sources of Contributions Over Time by Democratic County Committees
1986-1996



Source Data: New Jersey Election Law Enforcement Commission

Figure 13
Distribution of Sources of Contributions Over Time by Republican County Committees
1986-1996



Source Data: New Jersey Election Law Enforcement Commission

The data indicates that political entities delivered the largest proportion of contributions to the Democratic county organizations between 1986 and 1988 and 1989 and 1992 but declined to third place between 1993 and 1996. During this later period, the proportion of contributions to the Democratic organizations by business and corporate interests jumped precipitously. Whereas the proportion of business/corporate contributions ranged between 27 and 29 percent during the earlier periods, following the enactment of the new campaign law in 1993 the percentage of business contributions to the Democratic county committees increased to 47 percent of all contributions. Conversely, the proportion of contributions by political entities ranged between 32 and 40 percent between 1986 and 1992 but dropped to 23 percent between 1993 and 1996.

The proportion of individual contributions to the Democratic county committees reached 28 percent between 1986 and 1988, declined to 18 percent between 1989 and 1993, and rebounded to 26 percent between 1993 and 1996.

Special interest PAC contributions to the Democratic county party organizations reached nine percent between 1986 and 1988 and declined to only three percent of contributions from 1989 through 1996. The proportion of contributions from unions to the Democratic political party committees remained at three percent or lower during the entire period 1986 to 1996.

The Republican county party committee, on the other hand, received the largest proportion of their contributions from business and corporate interests throughout the entire period, though this proportion did decline during the period following enactment of the new law. The proportion of business contributions ranged from 44 to 46 percent between 1986 and 1993, but declined to 34 percent after 1993. Political entities made between 27 and 33 percent of contributions over the span of time to the Republican party organizations.

Finally, the proportion of total contributions represented by individuals ranged between 19 and 31 percent over the entire period while the proportion of Republican contributions represented by special interest PACs and unions amounted to less than 5 percent between 1986 and 1996.

Throughout this chapter, which has provided a thorough analysis of contribution activity on the part of the sixteen targeted county committees, it has been made clear that a repartyization process is occurring in New Jersey. By analyzing the data vis-a-vis these county committees, it has been illustrated that this repartyization very much includes party activity at the county level. Moreover, the data, while demonstrating that repartyization includes both major political parties, suggests that it has been the Democratic county committees that have led the way in furthering this process in the years succeeding the enactment of the new law, which has proved to be such a catalyst to repartyization.

NOTES

1. Paul Light, A Delicate Balance, (St. Martin's Press, Inc., 1997), p. 91.
2. Ibid., p. 93.

Chapter 4

A Closer Look:

Spending

In State Parties and Legislative Leadership Committees: An Analysis 1994-1995, and Legislative Candidates: How They Spend Their Money, two detailed analyses of expenditure activity were completed. In these studies, the spending patterns of the party entities and of legislative candidates were explored. This chapter will undertake a similar analysis of the sixteen county party committees given a closer look.

This study of spending by party organizations at the county level not only provides insight into the spending strategies of these organizations, but through an exhaustive statistical analysis also provides a glimpse of how the role of these party organizations in the campaigns of their candidates has changed since 1986.

As noted in the earlier works, the investigation into the expenditure activity of these committees has not been easy. The categorization of these expenditures was difficult. Much of the information reported was accurate and complete. However, a significant amount of the information disclosed was difficult to classify. In these situations, judgement was exercised as diligently and carefully as possible. Thus, in reviewing the expenditure activity of sixteen county party organizations between 1986 and 1996, no claim is made that the expenditure analysis

This study of spending by party organizations at the county level not only provides insight into the spending strategies of these organizations, but through an exhaustive statistical analysis also provides a glimpse of how the role of these party organizations in the campaigns of their candidates has changed since 1986.

contained in this chapter is exact in every respect. Full confidence, however, is expressed in the belief that the chapter presents a general picture of how the county party committees have spent their funds during the period under review.

As noted, the expenditures examined in this chapter occurred between 1986 and 1996 and includes those made by the county party organizations in Essex, Bergen, Passaic, Somerset, Middlesex, Mercer, Camden, and Atlantic counties. This study of spending activity by the Republican and Democratic county party committees spans a period which includes the prior campaign finance law and the current one. Thus, in analyzing the spending strategies of these organizations, the impact of the new law on the electoral viability of these local party organizations can be measured. Through studying the expenditure patterns of these committees during this period, it will become even more apparent that the new law, in combination with recent judicial decisions, truly impacted the county party organizations favorably, bringing them back on to the stage as important actors in the day-to-day drama of election campaigns.

Total Spending

To put matters into perspective, spending by party organizations in all 21 counties equalled \$8.4 million in 1996. The previous year's spending was even higher, peaking to \$10 million. These figures are up from the \$2.3 million figure reported in 1986.

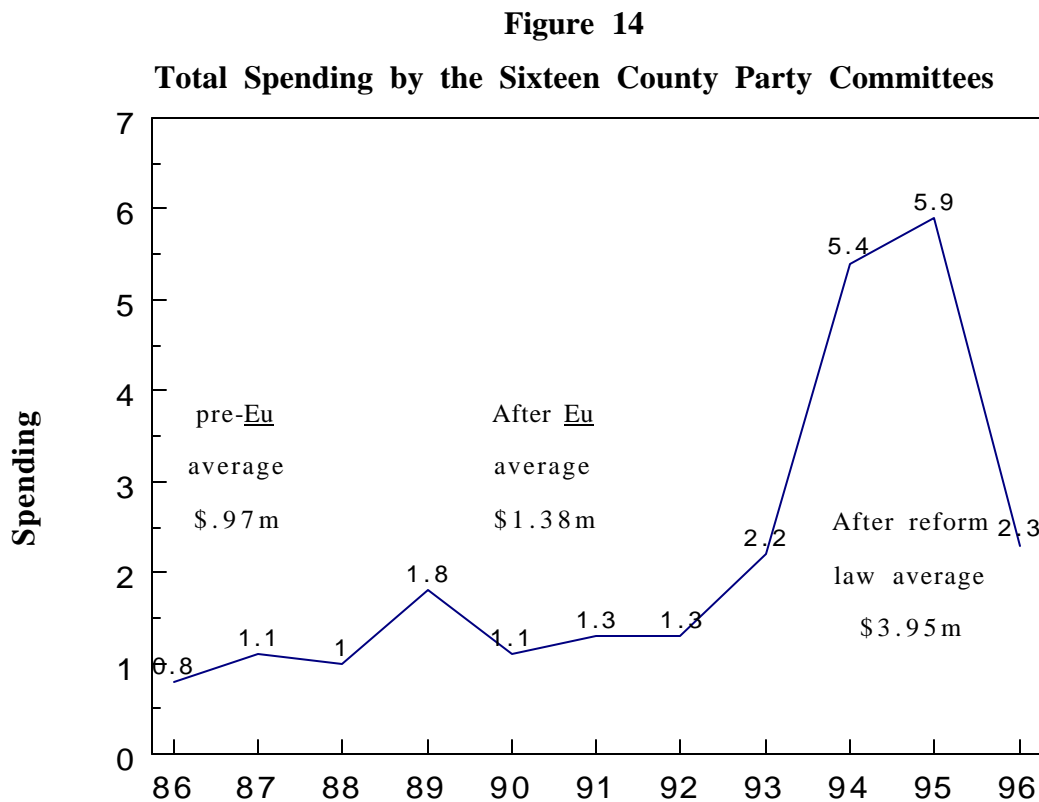
The party organizations in the eight counties under study followed much the same pattern. In 1986, the sixteen county party committees spent \$785,010. In 1996, these organizations spent \$2.3 million, 187 percent more than ten years before. What's more in 1994 and 1995 these organizations spent as much as \$5.4 million and \$5.9 million respectively.

Most of the spending by the sixteen party committees occurred during the four-year period of 1993-1996, following the enactment of New Jersey's new campaign law

in 1993. These organizations expended a total of \$15.9 million during this period, or 66 percent of the \$24.2 million in expenditures the sixteen made during the entire period 1986-1996.

Following the Eu decision in 1989 and through 1992, these organizations spent \$5.5 million, or 23 percent of the ten-year expenditure totals. While the amount spent during this four-year period does not match expenditures made during 1993 through 1996, the activity during this period nevertheless was significant and suggests that the Eu decision had a modest impact on county party activity.

Figure 14 compares total expenditure activity by the sixteen county party committees from 1986 through 1996.



Source Data: New Jersey Election Law Enforcement Commission

The analysis in this section corroborates the theory that county party organizations are resurgent and that New Jersey's Campaign Finance Reform law, along with the Eu decision, has been a central part of repartyization at the county level.

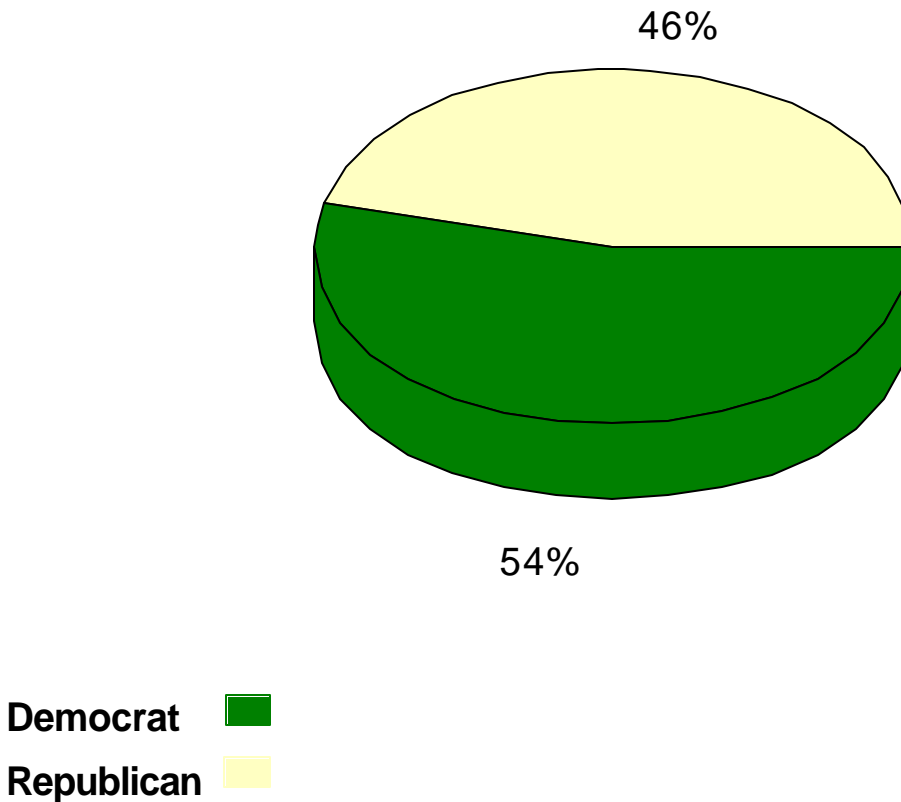
Democratic Committees Spend Most

In 1986, the Democratic county party organizations in the sixteen counties under study spent \$101,033. Ten years later, these same organizations spent \$950,426, a monumental increase in activity.

The Republican committees in these counties, on the other hand, spent \$683,978 in 1986 and \$1.4 million in 1996, representing a less substantial increase of 100 percent.

Overall, the Democratic county party committees in the counties being studied outspent the Republican county organizations. Figure 15 compares the proportion of total spending undertaken by the Democratic county committees between 1986 and 1996 with that of the Republican county party organizations.

Figure 15
Percent of Total Spending by Party
1986-1996



Source Data: New Jersey Election Law Enforcement Commission

The Democratic committees spent approximately \$13.1 million over the ten years span, or 54 percent of the \$24.2 million spent by all sixteen organizations. The Republican committees spent \$11 million, or 46 percent of total expenditures.

Unsurprisingly, most of the spending by both parties occurred from 1993 through 1996. Democratic organizations did 76 percent of their spending during this period, \$9.9 million. The Republican committees did 53 percent of their spending during this period, \$5.9 million.

From 1989 through 1992, Democratic organizations spent \$2.5 million, a figure that represents 19 percent of their overall spending. Between 1986 and 1988, these committees expended \$624,242, or 5 percent of their ten-year spending.

The sixteen Republican committees did 27 percent of their spending between 1989 and 1992, \$3.0 million. Between 1986 and 1988, the Republican organizations spent \$2.2 million, or undertook 20 percent of their total spending for the entire period.

How did the County Committees Spend their Money

To analyze spending by the county party committees between 1986 and 1996, eleven categories were established. Each expenditure was then individually coded by category. The categories were: mass communication, election-day activities, fundraising, consultants, charity, contributions, refunds, miscellaneous expenses, administration, entertainment, and polls.

Expenditures for mass communication, polls, fundraising, and consultants, in particular, involve in-kind contributions to candidates as well. Election-day activities involve all get-out-the-vote efforts, including election-day money for workers and telephone canvassing. Charity includes all expenditures made to charitable or volunteer organizations as well as flowers for weddings and funerals. Incidental expenses includes lunches, dinners, etc. for organizational staff and other party supporters. Finally, administration involves salaries, rent, utilities, and other overhead costs.

Table 7 summarizes spending in each category between 1986 and 1996 by the sixteen county party committees under study.

Table 7
County Party Committees Spending
1986-1996

| | <u>Amount</u> | <u>Percent</u> |
|-------------------------|----------------|----------------|
| Mass communication | \$6,030,658 | 25 % |
| Election day activities | 935,843 | 4 % |
| Fundraising | 1,513,755 | 6 % |
| Consultants | 2,450,058 | 10 % |
| Charity | 237,425 | 1 % |
| Direct contributions | 6,693,936 | 28 % |
| Refunds | 180,821 | 1 % |
| Miscellaneous Expenses | 417,004 | 2 % |
| Administration | 4,635,536 | 19 % |
| Incidental Expenses | 909,132 | 4 % |
| Polls | <u>201,731</u> | 1 % |
| | 24,205,899 | |

Source Data: New Jersey Election Law Enforcement Commission

Over the period 1986-1996, the sixteen county party committees made the largest proportion of their expenditures in the form of direct contributions to candidates. About \$6.7 million, or 28 percent of all expenditures, involved monetary contributions to county and municipal candidates and municipal party organizations.

Spending on mass communications, a large amount of which was allocated to candidates as in-kind contributions, was the second largest category of spending. These expenditures, which include radio and cable TV advertising, newspaper advertising, and direct mail, equalled 25 percent of all expenditures, or a little over \$6 million.

An additional 19 percent of expenditures, or close to \$4.6 million, was spent by the sixteen county party committees on administration. Spending on consultants constituted \$2.5 million, or 10 percent of expenditures, whereas fundraising absorbed six percent of the funds expended by the county party committees, or about \$1.5 million. Spending on entertainment comprised four percent of total county party committee spending, \$909,132; polls one percent, or \$201,731; and, election-day activity four percent, or \$935,843. Charity, refunds, and miscellaneous expenses made up a combined four percent of the spending at \$237,425; \$180,821; and, \$417,004 respectively.

All in all, the sixteen county party committees under study applied about 75 percent of their expenditures to purposes directly related to campaigns and elections. About 25 percent of expenditures went for administration, charity, refunds, miscellaneous expenses, and entertainment. And, even these expenditures can be construed to be expenditures working toward the purpose of advancing the party's candidates in elections.

Patterns of County Party Spending by Party

As in the preceding table, Table 8 summarizes patterns of county party committee spending, only this time, by party. The table includes total spending in each category by the two parties during the period under study.

Table 8
Distribution of Spending by County Parties
1986-1996

| | Democrat | | Republican | |
|-------------------------|-----------------|----------------|-------------------|----------------|
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| Mass communication | \$2,261,805 | 17 % | \$3,768,853 | 34 % |
| Election day activities | 591,792 | 5 % | 344,051 | 3 % |
| Fundraising | 880,897 | 7 % | 632,858 | 6 % |
| Consultants | 2,079,509 | 16 % | 370,549 | 3 % |
| Charity | 111,459 | 1 % | 125,966 | 1 % |
| Direct contributions | 4,575,419 | 35 % | 2,118,517 | 19 % |
| Refunds | 138,751 | 1 % | 42,070 | 0 % |
| Miscellaneous Expenses | 145,264 | 1 % | 271,740 | 2 % |
| Administration | 1,872,607 | 14 % | 2,762,929 | 25 % |
| Entertainment | 214,675 | 2 % | 694,457 | 6 % |
| Polls | <u>181,684</u> | 1 % | <u>20,047</u> | 0 % |
| | \$13,053,862 | | \$11,152,037 | |

Source Data: New Jersey Election Law Enforcement Commission

During the period under review, the eight Democratic county committees outspent their Republican counterparts by 17 percent, about \$13.1 million to \$11.2 million. In certain categories, differences in the spending patterns of the two parties emerged. In many categories, however, the manner in which money was spent was similar.

Republican county committees, for instance, made 34 percent of their expenditures on mass communication. The eight Democratic county committees under review spent 17 percent of their money for mass communication. The Republicans spent \$3.8 million compared with \$2.3 million by the Democrats.

In terms of expenditures on political consultants, the Democratic party organizations both proportionately and in real dollars outspent the Republicans by a sizeable margin. The Democratic organizations expended \$2.1 million, or 16 percent of their expenditures on consultants. The Republican county party committees committed just three percent of their expenditures, or \$370,549 to this purpose.

Genuine differences appeared in their respective approaches toward making direct monetary contributions to their candidates and municipal affiliates. The Democratic county committees contributed \$4.6 million directly to candidates and local party committees, a figure which constituted 35 percent of their expenditures. Republicans, on the other hand, made 19 percent of their expenditures, approximately \$2.1 million in the form of direct contributions.

In other categories of spending, differences in approach and strategy surfaced as well. The Democratic county party committees spent more money on polls for instance, than their Republican counterparts. One percent of Democratic expenditures, or \$181,684, went for polls as compared with \$20,047, or zero percent, expended by the Republican committees. The Republican county party organizations, for their part, committed \$694,457, six percent of expenditures, to entertainment, whereas, Democrats expended only \$214,675, or two percent of their expenditures, for that purpose.

Expenditure activity vis-a-vis administration differed between the two parties. The Democratic county party committees made 14 percent of their expenditures for administrative purposes, \$1.9 million, while the Republican committees placed greater

emphasis on administration, expending \$2.8 million for that purpose, or 25% of their total expenditures.

Fundraising expenditures constituted \$880,897, or seven percent of Democratic expenditures. Similarly, Republicans spent \$632,858 for fundraising, six percent of their expenditures. Charity, refunds, and miscellaneous expenditures made up three percent of Democratic expenditures, \$111,459; \$138,751; and, \$145,264 respectively. Republican county party organizations made four percent of their expenditures for these purposes, \$125,966; \$42,070; and, \$271,740 respectively.

Finally, spending on election-day activities, such as get-out-the-vote operations, was fairly consistent between the two parties. Democratic county committees made five percent of their expenditures, \$591,792, for this purpose compared with the Republican committees, which dedicated \$376,853, or three percent of their expenditures, for this purpose.

This analysis of county party spending indicates that the approaches taken by Democratic organizations and Republican ones were not always the same. Democratic organizations have placed a higher priority on consultants and direct monetary contributions than Republicans did. The Republican organizations have emphasized more greatly mass communication. Both have spent proportionately higher amounts on administration than their state party counterparts have done recently, however. All in all, county party organizations seem to have spent their money appropriately on election-related purposes that served to advance the interests of their candidates.

Mass Communication Expenditures

In Legislative Candidates: How They Spend Their Money and State Parties and Legislative Leadership Committees: An Analysis 1994-1995, it was demonstrated that both the candidates and the party entities spent the greatest proportion of their mass

communication dollars on direct mail. The expenditure data analyzed in this study reveals that the sixteen county party committees being studied spent the largest proportion of identifiable mass communication dollars on direct mail as well. The county party committees did not spend for direct mail to the same extent that legislative candidates and state level party entities did, however. In contrast to these candidates and state party entities, though, they did spend proportionately more money on print advertising and broadcast advertising, in particular, cable television.

Table 9 shows total spending levels between broad categories of mass communication from 1986-1996. It also depicts the patterns of mass communication spending undertaken by the two political parties.

| Table 9 | | | | | | |
|---|-----------------|----------------|-------------------|----------------|------------------|----------------|
| Mass Communication Spending by County Party Committees | | | | | | |
| 1986-1996 | | | | | | |
| | Democrat | | Republican | | Total | |
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| Broadcast | \$563,016 | 25 % | \$329,054 | 9 % | \$892,070 | 15 % |
| Direct mail | 714,789 | 32 % | 732,696 | 19 % | 1,447,485 | 24 % |
| Print | 167,754 | 7 % | 139,969 | 4 % | 307,723 | 5 % |
| Unidentified | <u>816,246</u> | 36 % | <u>2,567,134</u> | 68 % | <u>3,383,380</u> | 56 % |
| | 2,261,805 | | 3,768,853 | | 6,030,658 | |

Source Data: New Jersey Election Law Enforcement Commission

Similar to previous studies, there were many mass communication expenditures reported by the county committees that were unable to be identified. Again, categorization was difficult. In spite of this limitation, however, it is clear that among identifiable expenditures the county party committees spent most of their mass communication dollars on direct mail, a medium that permits them to better target their audience, tailor their message to fit local concerns, and make the most effective use of their money.

Direct mail constituted 24 percent of total mass communication spending, about \$1.4 million between 1986 and 1996. In considering only identifiable expenditures, direct mail accounted for 55 percent of them.

Broadcast media spending comprised 15 percent of mass communication expenditures, or almost \$892,070. The bulk of broadcast media spending was for cable television, which was again a way of targeting voters. Through cable TV, these county organizations could reach a large number of local voters with a specialized message, thus getting the most for their money. Spending on print media advertising, primarily newspapers, was negligible. Five percent of county party committee mass communication dollars, \$307,723 went for print media advertising. Finally, 56 percent, about \$3.4 million of mass communication spending could not be categorized.

In truth, the vast majority of expenditures unclearly identified were reported by the Republican county party organizations under review. About \$2.6 million in mass communication expenditures, or 68 percent of their total media spending, went unidentified by the Republican county party committees. This fact may account for the differing levels of spending in each category between the parties. Whereas 68 percent of total mass communication dollars were not clearly identified by the Republicans, 36 percent of media expenditures were left somewhat vague by the Democrats, or \$816,246.

The Democratic county party committees made 32 percent of their expenditures, about \$714,789, for direct mail compared with Republican county organizations, which spent 19 percent of their mass communication dollars for this purpose, \$732,696. Broadcast, mostly cable, constituted 25 percent, \$563,016 of mass communication spending by Democrats and nine percent of Republican expenditures, \$329,054. Finally, print media advertising involved 7 percent, \$167,754, of Democratic mass communication expenditures, and four percent of Republican mass communication spending at \$139,969.

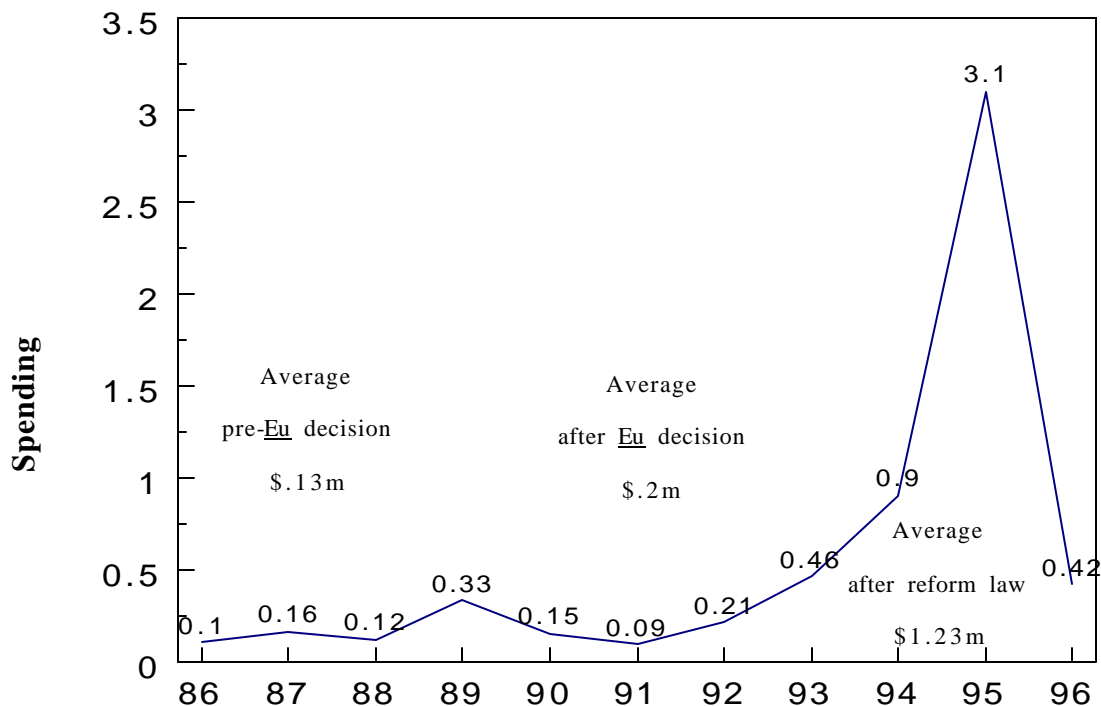
The data indicates that while the county party organizations favored direct mail, which can be fine tuned to the point of addressing the parochial concerns of a variety of demographic groups within communities, they nevertheless spent considerable amounts on other forms of local advertising, such as cable television.

Mass Communication Spending Over Time

The increase in mass communication expenditures by the sixteen county party organizations as the period 1986-1996 progressed is indicative of their intensified involvement in campaigns and their influence within the campaign and political processes.

Figure 16 depicts the trend in mass communication expenditures during this period.

Figure 16
Mass Communication Spending
1986-1996



Source Data: New Jersey Election Law Enforcement Commission

As indicated above, spending on mass communication rose by 293 percent, from \$107,152 to \$420,578, between 1986 and 1996. It should be pointed out that expenditures for mass communication reached \$3.1 million in 1995 and almost \$900,000 in 1994. As a percentage of total expenditures, the 1986 mass communication figure amounts to 14 percent of total spending compared with 17 percent in 1996. If compared with 1995, however, this 14 percent of total expenditures represented by mass communication spending in 1996 pales in comparison to the 51 percent of total expenditures represented by mass communication in that earlier year.

Earlier in this chapter, in the subsection on Mass Communication Expenditures, spending on categories of mass communication was broken down. It was demonstrated that direct mail spending constituted the largest proportion of identifiable mass communication expenditures, broadcast advertising spending the second largest proportion, and print advertising the smallest proportion of these expenditures.

This pattern of mass communication spending remained consistent between years, though the data indicates that the parties did begin to spend increasing amounts on broadcast media, especially cable TV, as the years passed. The county parties made few expenditures for TV or radio early on. Very little was spent for this purpose until 1993. Then things changed. Between 1993 and 1996, the committees had spent \$864,839 on broadcast media, primarily, cable TV.

With regard to direct mail, prior to 1993 the county parties spent a total of \$414,998 for this purpose. After 1993, the county party organizations spent a combined total of \$1 million on direct mail.

Spending on print media advertising was minimal throughout the entire period.

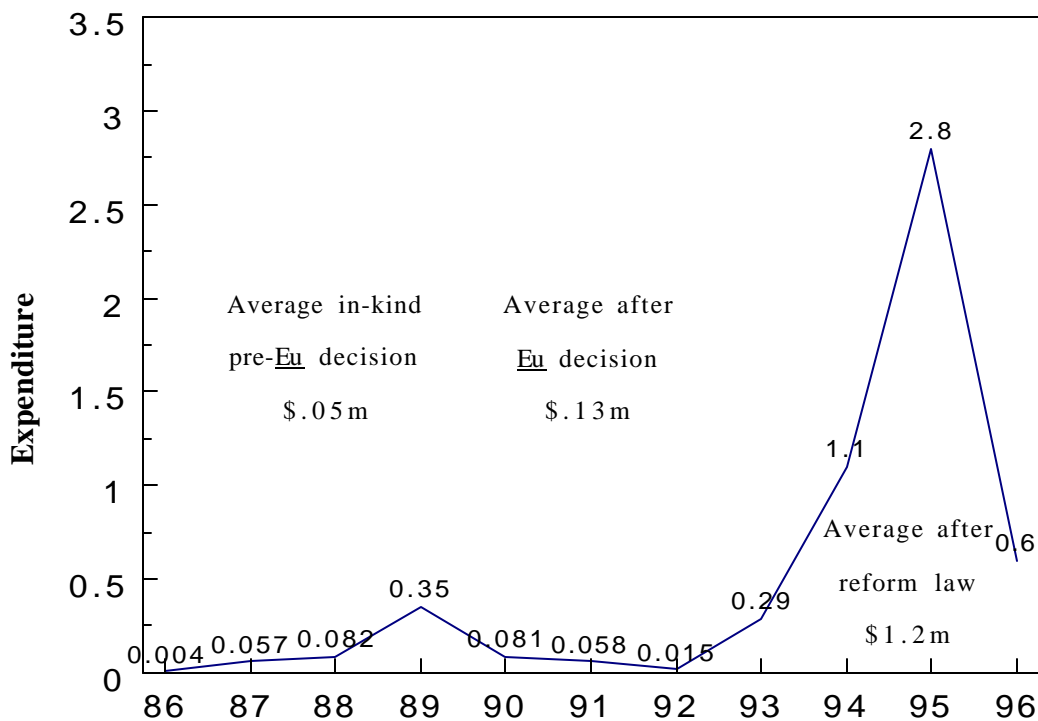
All in all, these statistics support the thesis of this study that county party organizations are playing an increasingly important role in political campaigns in New Jersey. In this modern era of media-based campaigns, the county party organizations have demonstrated a tendency to spend more and more money on mass communication as the years progress, a sure indication that they are becoming increasingly influential in the politics of the State and more directly involved in campaigns.

In-kind Expenditures

Another clue to the increasingly significant role of the county party organizations in campaigns is their heightened tendency to make in-kind contributions to candidates, or in other words spend money on behalf of them.

Figure 17 shows the trend in in-kind expenditures during the ten-year period.

Figure 17
In-kind Expenditures
1986-1996



Source Data: New Jersey Election Law Enforcement Commission

In 1986, in-kind expenditures totalled just \$4,357. Ten years later, in 1996, in-kind expenditures rose to \$596,002. Even more impressive was the fact that in 1994 and 1995 spending on in-kind expenditures reached \$1.1 million and \$2.8 million respectively. Moreover, within the in-kind expenditure category, most of which were made after 1993, about 50 percent of the total were put toward mass communication and 36 percent of the total went toward consultants. Thus, the majority on in-kind expenditures went for purposes that clearly indicate that county party organizations were very much involved in campaigns.

In conclusion, the fact that county organizations are spending significantly more dollars on behalf of candidates rather than in the form of direct contributions to those candidates, attests to their new found influence over the process. In-kind contributions represent a means for the county parties to control how the money is being spent, while a direct contribution leaves spending to the discretion of the recipient candidates.

Chapter 5

Back In The Game



in State and Local Government David C. Safell and Harry Basehart write:

State regulation of parties can be divided into three periods. The first period, from the founding of parties through the beginning of the 1880's, contained no regulation, parties were considered to be private political associations.

The second period, characterized by extensive regulation of parties, started in the 1880's and lasted into the 1970's. . . .

The third period of state regulation, which began in the 1970's and continues today is actually one of deregulation. Political parties should be treated as private associations, as they once were. This is not to say that states no longer regulate parties: they do. But the necessity of these regulations is being questioned because they are viewed as contributing to the weakening of political parties as a link between voters and their government.¹

It took slightly longer for New Jersey to begin to ease restrictions on political parties and to change its campaign laws to their advantage. Nevertheless, as the 1990's dawned, New Jersey too hopped a fast moving train toward party revitalization, albeit one that is taking a different route than in days past.

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In 1989, the United States Supreme Court issued the Eu decision, which recognized the private nature of political parties and declared a California law which prevented parties from endorsing candidates in a primary election to be unconstitutional. Soon thereafter, following a New Jersey Superior Court decision, a similar law in New Jersey was invalidated on the basis that the Eu decision applied to it. Thus, the repartyization process in New Jersey was begun. Now, county party organizations, for example, would be able to support candidates in the primary and exercise control over ballot position. In other words, they could grant the all important organizational line to the candidates of their choice, an advantage in a primary election that cannot be underestimated. The efficacy of this power was made abundantly clear, for example, in the Democratic gubernatorial primary in which support from county party organizations was pivotal to Candidate Jim McGreevey's success.

Repartyization in New Jersey, however, got an even bigger boost when the Legislature passed the campaign finance reform law in 1993. Effectively, this law benefited the parties by placing less restrictive limits on contributions to parties (and also placing no limits on how much they can spend on their candidates) than on contributions to individual candidates. With this law, donations began to flow increasingly toward the parties, which in turn caused them to assume an increasingly important role in the campaign process.

As this study has demonstrated, no where is this point better illustrated than through the changing role evidenced by the county party organizations between 1986 and 1996.

As indicated in Chapter 2, the 42 county party organizations increased their fundraising activity by 370 percent between 1986 and 1996, raising about \$2 million in 1986 and \$9.4 million in 1996. The sixteen county party committees being scrutinized in this study, the party committees in the eight counties of Atlantic, Bergen, Camden, Hudson, Mercer, Middlesex, Passaic, and Somerset, followed suit. These party organizations raised 444 percent more in donations in 1996 than they did ten years earlier in 1986. Raising \$923,685 in 1986, this figure pales in comparison to the \$4.9 million raised in 1996.

Unsurprisingly, the expenditure activity of these party organizations followed the same path. Spending by all 42 county party organizations amounted to \$2.3 million in 1986 and \$8.4 million ten years later in 1996. This increase equals 265 percent.

The spending by the sixteen county party committees followed the same pattern. In 1986, these organizations spent \$785,010 compared with \$2.3 million in 1996, a 187 percent increase.

How the Eu decision and campaign finance reform directly impacted repartyization in New Jersey is best understood by breaking down the period 1986 to 1996 into three time intervals; pre-Eu decision, post-Eu/pre-reform, and post-reform.

Regarding fundraising by the sixteen county party organizations, it is clear that the campaign finance reform law of 1993 had a tremendous impact on this activity. More than any single factor vis-a-vis repartyization, reform of New Jersey's campaign disclosure law, which imposed much higher limits on contributions to parties than on contributions to individual candidate committees and permitted parties to spend unlimited amounts on their candidates, was the most significant. Following the enactment of the new law in 1993, the sixteen county party organizations averaged \$5 million in receipts per year.

Fundraising activity was also impacted by the Eu decision, but not to the extent that the new law affected it. Between 1989 and 1992, the years immediately following the United States Supreme Court's decision, the average amount raised per year was \$2.3 million. In the earliest period, between 1986 and 1988, prior to either one of these events, the sixteen county party committees averaged \$1.2 million per year in fundraising.

Spending, as expected, paralleled the fundraising pattern. Spending by the sixteen county party organizations averaged \$4 million from 1993 through 1996. Prior to campaign finance reform but after the Eu decision, between 1989 and 1992, the sixteen county party organizations together averaged \$1.4 million in spending activity per year. Between 1986 and 1988, the three years prior to the Eu decision, the sixteen county committees averaged less than a million dollars in spending.

This study contends that there is a repartyization process underway in New Jersey and that an integral part of this process is the greatly strengthened role of the county party organizations in the campaigns of their candidates. While relatively dormant in the early and mid-1980's, these county party organizations began to rebound following the Supreme Court's Eu decision in 1989. They subsequently become a key player in election campaigns at all levels when the money began to flow to them as the result of campaign finance reform in 1993. This reform placed stricter contribution limit standards on donations to individual campaign committees than on the parties.

There is no better indication of the key role county party organizations now play in campaigns than to observe the trends in mass communication spending and in-kind expenditures over time. Of those mass communication expenditures that could be identified as reported between 1986 and 1996, 55 percent went for direct mail, 34 percent for broadcast advertising, and 12 percent for print advertising.

More importantly, the overwhelming proportion of these mass communication expenditures were made between 1993 and 1996, the years following campaign finance reform. The average amount spent on mass communication in the years following campaign reform was \$1.2 million compared with \$200,000 after the Eu decision but before campaign finance reform and \$130,000 prior to the Eu decision.

In-kind expenditures, those expenditures made by the county party committees on behalf of their candidates, showed the same pattern. After campaign finance reform, in-kind expenditures by the county organizations averaged \$1.2 million per year compared with \$130,000 between 1989 and 1992, and just \$5,000 prior to the Eu decision, 1986 to 1988. Thus, taken together, these statistics involving mass communication spending, mainly undertaken in the form of in-kind expenditures made on behalf of their candidates, provides strong evidence that repartyization has taken root in New Jersey. As a result of this pattern, a party strengthening process, the county party organizations now are increasingly involved in the modern-day campaigns of their candidates. What this portends for the future of candidate-centered campaigns remains to be seen. Nevertheless, it seems clear that the county party organizations are once again influential in the political and governmental life of New Jersey.

In White Paper Number 11, State Parties And Legislative Leadership Committees: An Analysis 1994-1995, it was stated:

Political party committees are broad based and while they represent a general philosophical point of view, they are not single issue committees or special interest committees. They are an integral part of our political system and can effectively offset the influences of special interest politics. To the extent that they can do that they should be, through campaign finance laws, encouraged to do so. They must be able to raise enough money to promote their candidates and to communicate the party's general message to the voters.

At the same time that parties should be able to accomplish the above, it is also important for them to be free of the perception if not reality, of undue influence. In order to permit political parties to balance the influences of special interest groups over candidates, they must, of course, be able to raise substantial amounts of money. Simultaneously, however, they must be beyond the suggestion that they themselves are susceptible to undue influence.²

The same applies to county party organizations. That is why recommendations made in White Paper Number 11 vis-a-vis the state party committees will be made here. First, the limit relative to contributions made to the county party committees, which is now set at \$30,000 per year should be lowered to \$10,000 per year. Secondly, it is recommended that the county party committees continue to not be restricted in terms of what they can contribute to or spend on their candidates. And third, the state parties should not be limited vis-a-vis the amount of money they can give to county organizations. Taken together, these provisions will enable the county party committees to raise enough money to be effective in supporting their candidates to publicize the party's message, to undertake get-out-the-vote operations and other party building efforts, and to be an influential part of today's election campaigns. At the same time, these provisions, by reducing the amount of money donors can give to the county parties, will work toward softening the perception, if not reality, of undue influence over these committees and the individuals who lead them. Finally, these provisions will strengthen the relationship between the county party committees and the state party committees, further offsetting the influence of the special interest PACs over the electoral process.

NOTES

1. David C. Saffell and Harry Basehart, State and Local Government: Politics and Public Policies, Sixth Edition, (McGraw Hill, 1998), pp. 70-71.
2. New Jersey Election Law Enforcement Commission, White Paper Number 11, State Parties and Legislative Leadership Committees: An Analysis 1994-1995, (July, 1996), p. 73.

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