

New Jersey Citizens' Clean Elections Commission

Preliminary Report

Submitted to the
Legislature of the State of New Jersey



Bill Schluter, Chairman
February 7, 2006

<p>HONORABLE BILL SCHLUTER <i>Chairman</i></p> <p>STEVEN LENOX Vice Chairman</p> <p><i>Senate</i></p> <p>ANTHONY BUCCO</p> <p><i>Assembly</i></p> <p>BILL BARONI LINDA R. GREENSTEIN</p> <p><i>Public Members</i></p> <p>VICTOR DeLUCA HONORABLE CAROL MURPHY CURTIS TAO</p>	<div data-bbox="824 289 951 443" data-label="Image"> </div> <p data-bbox="634 478 1146 541" data-label="Section-Header"> <i>New Jersey State Legislature</i> </p> <p data-bbox="443 552 1279 579" data-label="Section-Header"> NEW JERSEY CITIZENS' CLEAN ELECTIONS COMMISSION </p> <p data-bbox="748 581 989 651" data-label="Text"> STATE HOUSE ANNEX PO BOX 068 TRENTON NJ 08625-0068 </p>	<p data-bbox="1365 363 1490 382" data-label="Text"> FRANK J. PARISI </p> <p data-bbox="1338 399 1528 472" data-label="Text"> <i>Office of Legislative Services Commission Secretary (609) 292-9106 (609) 777-2998 fax</i> </p>
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February 7, 2006

Honorable Richard J. Codey,
President of the Senate

Honorable Joseph J. Roberts, Jr.
Speaker of the General Assembly

Members of the New Jersey Legislature:

Ladies and Gentlemen:

I am pleased to transmit with this letter the preliminary report of the New Jersey Citizens' Clean Elections Commission, as required by P.L.2004, c.121. The commission, which first met on March 2, 2005, held 13 subsequent meetings in different parts of the State and heard testimony from more than 50 witnesses, including all of the candidates who qualified, or sought to qualify, as clean elections candidates.

I would like to thank each of the individuals who appeared before the commission and shared with us their experiences and findings. The commission owes special gratitude to Dr. Frederick M. Herrmann, Executive Director of the New Jersey Election Law Enforcement Commission, and his staff, who provided us with especially valuable information. Ms. Ingrid Reed, of the Eagleton New Jersey Project, Rutgers University, and the New Jersey Clean Elections Academic Study Group deserve special thanks for the invaluable polling information, research and advice that they provided to the commission. Note must also be made of the financial assistance provided to the study group by the New Jersey Chamber of Commerce, the Taub Foundation and the Fund for New Jersey.

The following report is the product of much hard work on the part of the commissioners, all of whom worked very well together. Each of the members brought to their task a great deal of experience in the New Jersey electoral process and a desire to bring meaningful change to how elections are financed in this State. I have enjoyed serving with these individuals and am very pleased with their efforts.

The work of the commission could not have been accomplished without the support provided by the Office of Legislative Services. Frank Parisi, who serves as Commission Secretary, and Gina Winters, who serves as Assistant Secretary, did an excellent job of assisting the commission and helping to prepare this report. Special thanks also goes to the OLS Hearing Reporter Unit for recording and providing transcripts of the commission meetings in a timely and expert manner.

The findings presented in this report comply with the requirements established in P.L.2004, c.121 that this commission review the experience of the 2005 clean elections pilot project. Accordingly, we have identified many areas in which the pilot project was successful and many areas in which improvements need to be made when it is re-authorized for the primary and general elections in 2007. Exactly what those recommendations are will be the subject of the final report of this commission which, as required by P.L.2004, c.121, will be presented to you in May 2006.

Sincerely,

Bill Schluter
Chairman

WES:jb

Members of the
New Jersey Citizens' Clean Elections Commission

Honorable Bill Schluter, Chairman

Mr. Steven Lenox, Vice Chairman

Senator Anthony Bucco

Senator Nicholas P. Scutari (resigned, November 2005)

Assemblyman Bill Baroni

Assemblywoman Linda R. Greenstein

Mr. Victor DeLuca

Honorable Carol Murphy

Mr. Curtis Tao

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Introduction:

This is the preliminary report of the New Jersey Citizens' Clean Election Commission (NJCEC) on the New Jersey Fair and Clean Elections Pilot Project, as required pursuant to P.L.2004, c.121. This report: 1) provides 18 preliminary findings that are based on NJCEC's monitoring of the pilot project since its inception, the testimony of candidates and individuals who appeared before the commission and the commissioners' own views on clean elections; 2) examines the public financing of elections in New Jersey and other states and the origins of the statute which created the pilot project, P.L.2004, c.121; and 3) reviews the activities of the NJCEC since its initial meeting and the experience of candidates who participated in the clean elections pilot project. The report also offers 19 issues of concern identified by the commission that deserve more consideration and deliberation by the commission, candidates, representatives of advocacy groups and members of the public. The NJCEC, as required by statute, will issue a final report to the Legislature on its findings and recommendations relative to the pilot project in May 2006.

The candidates who participated in the pilot project are as follows:

District 6:

Assemblyman Louis Greenwald (D)	Assemblywoman Pamela Rosen Lampitt (D)
Ms. Jo Ann Gurenlian (R)	Mr. Marc Fleischner (R)

District 13:

Assemblyman Samuel Thompson (R)	Assemblywoman Amy Handlin (R)
Mr. Michael Dasaro (R)	Mr. Bill Flynn (R)
Mr. Mike Hall (G)	Mr. Greg Orr (G)

Executive Summary:

The following are the key findings of the New Jersey Citizens' Clean Elections Commission:

1) The Fair and Clean Elections pilot project is worth continuing. The experience of the 2005 pilot project offered promise, and was positive and informative.

2) Participating clean elections candidates were required to collect too many qualifying contributions.

3) There was no supportable rationale for having two qualifying contribution amounts at \$5 and \$30.

4) The time permitted by law was not sufficient for participating candidates to collect the number of contributions required to become certified clean elections candidates.

5) The \$3,000 seed money limit for participating candidates was too low.

6) There was confusion in regard to what constituted an in-kind contribution to a participating candidate.

7) The paperwork required by current law to make a contribution to a participating candidate was burdensome and counterproductive.

8) By awarding to certified clean elections candidates the public funds that were forfeited by an unsuccessful participating candidate in the same district, the law penalized those participating candidates who tried to become certified clean elections candidates but were unsuccessful.

9) The pilot project lacked specificity and clarity with respect to the requirements of participating candidates to report qualifying contributions to the Election Law Enforcement Commission (ELEC).

10) Individuals who made a qualifying contribution were not provided with sufficient information as to the ultimate disposition of that contribution, nor were they provided with sufficient information about what happened to the contribution if the candidate for whom it was given did not qualify as a certified clean elections candidate.

11) The pilot project gave no rationale for providing a third-party or independent candidate who became a certified clean elections candidate with half the amount of public funding provided to a major party candidate.

12) There was a need for greater public awareness of the clean elections pilot project.

13) The pilot project requirement that a voter's guide be created was insufficient to inform the general public about the candidates and their campaigns.

14) There was a need to increase the number of financial instruments, including cash and credit cards, available to make a financial contribution to a participating candidate.

15) The pilot project should apply to the primary elections.

16) It is essential that the pilot project be reauthorized and expanded for 2007.

17) There was a need for ELEC to administer the pilot project and to provide adequate public information about the project.

18) The New Jersey Citizens' Clean Election Commission (NJCCCEC) should continue to perform its vital functions after the issuance of its final report in May 2006.

Preliminary Findings:

Based on the experience of the New Jersey Fair and Clean Elections Pilot Project, the commission has developed 18 findings. They are the product of the commission's monitoring of the pilot project since its inception, the testimony of candidates and individuals who appeared before the commission and the commissioners' own views on clean elections.

1) The Fair and Clean Elections pilot project is worth continuing. The experience of the 2005 pilot project offered promise, and was positive and informative. Among members of the public who were aware of the program because of the efforts of the candidates and the NJCCEC, there appears to have been widespread support for it and its continuation, with modifications. Editorial comments by newspapers showed they were almost universally in favor of the concept of clean elections.

Despite the difficulties that each participating candidate experienced in seeking to become a certified New Jersey Clean Elections candidate, every candidate who appeared before the commission said it was a positive experience and all continued to believe in the purpose of clean elections.

The validity of the project is also evident from the fact that all of the candidates eligible to participate in the program, including members of minor political parties, chose to do so. Several of the candidates stated that the experience was among the most rewarding of their political lives because it brought them into closer contact with the people they were seeking to represent.

All believed that modifications in the program are necessary for its continuation, but not one thought it should be abandoned. Ms. JoAnn Gurenlian, Republican candidate in the 6th district, said when asked if she would participate in the pilot project again: "I would do it again because I believe in the intent of

the program . . . I think it's an honorable intent and I think it's greatly needed in New Jersey.”

The participating candidates noted that the project demanded a great deal of explaining to the public and potential contributors. However, as members of the public became informed and understood the goals of the pilot project, a significant portion were supportive. It is notable that although popular media, especially newspaper, comment about the project was initially skeptical or absent, eventually all of the major newspapers that covered the State supported the concept of clean elections in their editorial pages. It is also notable that opinion polls conducted by Fairleigh Dickinson University's Public Mind Poll and Rutgers University's Eagleton Center for Public Interest Polling in late October found that 44 percent of likely voters in the clean elections districts were “somewhat confident” that public financing will reduce the influence of large donors on the political process, while eight percent were very confident in public financing for a total of 52 percent (or a majority of respondents) expressing confidence.

2) Participating candidates were required to collect too many qualifying contributions (1,000 \$5 contributions and 500 \$30 contributions) by P.L.2004, c.121, the law that created the pilot project. The consensus of those individuals who testified before the NJCCEC was that the number of qualifying contributions should be reduced.

3) There was no supportable rationale for having two qualifying contribution amounts. It led to confusion among contributors.

P.L.2004, c.121 defines a qualifying contribution as “any contribution of money made to a participating candidate by any individual: a.) who is a voter registered to vote in the legislative district the candidate represents or seeks to represent; b.) contributed during the designated qualifying period and received

with the knowledge and approval of the candidate; c.) that is acknowledged by a written receipt that identifies the name and mailing address of the contributor, and the occupation of that person and the name and mailing address of the person's employer on forms provided by the commission; and d.) that equals for a candidate seeking election to the office of member of the General Assembly in 2005, at least 1,000 contributions of \$5 and at least 500 contributions of \$30 in the form of a check or money order payable to the fund in support of a participating candidate.”

The intent behind establishing two mandatory contribution amounts may have been to show that the candidate has the support of a significant number of individuals in his or her district and to raise a portion of the funds that would be used to finance qualifying clean elections candidates. Clearly, setting the number too low risked allowing candidates to be supported with public money who could not garner sufficient support to undertake a viable campaign for office. Yet raising the number too high also brought with it the risk that it would be difficult, if not impossible, for any candidate to qualify for public funding.

The commission believes that P.L.2004, c.121 did not provide a workable medium between these two points. As Assemblyman Sam Thompson, Republican candidate in the 13th district noted, the \$5 and \$30 amounts appeared to be arbitrary. If they were set to show support, they were unnecessary because a lesser number of \$5 contributions would have been adequate for that purpose. If anything, the qualifying amount established by the law proved to be too difficult to achieve for incumbents and particularly for challengers, who are usually lesser-known to the electorate and may have more difficulty raising contributions.

Although P.L.2004, c.121 was based, in part, on the clean elections programs in Arizona and Maine, those programs did not provide exact models that could be used in New Jersey because New Jersey differs so significantly from Arizona and Maine. In Maine, for example, 50 contributions of \$5 are required to

be collected and each member of the Maine House of Representatives represents 8,443 constituents, giving the state among the smallest districts in the nation. In New Jersey, by contrast, each district is represented by two Assembly members and each district has a population of approximately 220,000 residents, or about 110,000 residents per member.

Assembly Speaker Joseph Roberts summarized the views of many who followed him when, testifying before the commission on November 22, he noted that the qualifying amounts were “reached after receiving substantial input from New Jersey’s reform groups. On paper, it did not sound unrealistic for a candidate to identify 100 supporters, each to get 15 friends or neighbors to contribute these small amounts of money to qualify. For some candidates, it was, in fact, not unrealistic. The Democratic candidates in the 6th District managed to qualify . . . and their Republican challengers came within 70 percent . . . Nonetheless, we need to revisit and make changes to a program in which two candidates qualified and eight others failed.”

At the same time, having contributions in two amounts tended to be problematic for many contributors. Ms. JoAnn Gurenlian, Assemblyman Louis Greenwald, and many other participating candidates noted that contributors were confused by the amounts being set at \$5 and \$30. Some wanted to give more than \$5 but not as much as \$30, and were told that the contribution would not count unless it was an exact amount—even though the check or money order was deposited into the Clean Elections Fund.

4) The 71 days permitted by law was not sufficient for participating candidates to collect the number of contributions required to become certified New Jersey Fair and Clean Elections candidates. The fact that these days occurred during the summer was equally burdensome.

Not having enough time to collect the required number of qualifying contributions was another serious problem identified by all participating candidates. The consensus among them was that the time period was too short for many reasons including: 1) it fell during the summer when many potential contributors were away on vacation; 2) most voters do not focus on political campaigns until October, well after the qualifying period ended; 3) there was very little media attention given to the project until the end of the qualifying period; and 4) because the participating districts were not selected until late June, the participating candidates had relatively little time to develop the campaign literature and strategies necessary to mount a successful fund raising effort.

The starting date for the collection of qualifying contributions under P.L.2004, c.121 was June 29, the first date for a candidate to file a declaration of intent to participate in the pilot project, and the end date was September 7. It appears likely that the reason that the June 29th date was selected was that it was approximately three weeks following the primary election on June 7th, enough time for a recount to occur in any of the potential participating districts designated by P.L.2004, c.121.

In contrast to P.L.2004, c.121, clean elections candidates in Arizona have up to eight months to collect 210 contributions, thus candidates there have three times the amount of time allowed under New Jersey's pilot project to collect just over 1/7th the number of contributions. In Maine, candidates who are members of a major political party have between January 1 and April 15 and candidates who are members of minor political parties have between January 1 and June 2.

As noted above, the difficulty of qualifying by the deadlines established by P.L.2004, c.121 was recognized by the candidates and observers inside and outside of State government within two months after the qualifying districts were selected and the candidates began seeking contributions. Accordingly, ELEC responded to a request by the candidates to make the collection of contributions

easier by permitting contributions to be made by check cards after August 30th and online soon afterwards. On August 31, Governor Richard Codey assisted by issuing issued Executive Order Number 51, which extended the September 7th deadline two weeks to September 28th.

Despite these efforts, Mr. William Flynn and Mr. Michael Dasaro, the Democratic candidates in the 13th district, withdrew from the program on the day of the original deadline, while Assemblyman Sam Thompson and Assemblywoman Amy Handlin, the Republican candidates in the district, were unable to raise half of the 3,000 checks required to qualify for public funds. Ultimately, 80 percent of the eligible participating candidates did not qualify. The Republican candidates in the 6th district, Ms. JoAnn Gurenlian and Mr. Marc Fleischner, did, however, come close. Without the benefit of a strong party organization in the district, they collected over 2,000 contributions, reaching 70 percent of their goal of 3,000. As Assembly Speaker Roberts noted: “[one] can only wonder, had there been more time, whether [the actions of ELEC and Governor Codey] could have promoted even greater participation in the program.”

5) The \$3,000 seed money limit for participating candidates was too low. The consensus among those individuals who testified before the NJCCEC was that this amount should be increased.

The purpose of seed money under P.L.2004, c.121, and in the Arizona and Maine clean elections programs, is to allow a candidate to collect a modest amount of money that the candidate could use to fund his or her campaign to collect the required number of qualifying contributions. Under the State’s project, this money could be collected in amounts of up to \$200 from any contributor, including the candidate or the candidate’s spouse and not just from individuals residing in the district the candidates sought to represent.

In New Jersey at least, the \$3,000 in seed money permitted by law proved to be inadequate for most candidates to pay the expenses of a serious fund raising effort for legislative office, including printing mailings and other materials, renting campaign office space, setting up phones and hiring a professional campaign manager. Assemblyman Greenwald noted that while the seed money amount was limited, it did allow him to do a targeted mailing to 4,000 Democratic voters that resulted in 400 contributions, a 10 percent return. Assemblywoman Amy Handlin, told the commission that the amount of seed money needed to be modest to cut down on costs, but she was unsure that the amount permitted was adequate.

At the same time, several of the candidates were not sure from whom seed money could be collected or how it could be used. Some of the candidates were uncertain whether it needed to come only from in-district or in-State contributors or if contributions from outside of New Jersey were permissible. There was also confusion as to whether certain non-financial contributions, such as donation of a space to hold a fundraiser, was or was not counted against the seed money cap.

6) There was confusion in regard to what constituted an in-kind contribution to campaigns and how such a contribution interacted with P.L.2004, c.121.

Many of the candidates expressed confusion with respect to what constituted a in-kind contribution, especially in regard to the activities of volunteers. Assemblyman Greenwald noted that he had considered hosting a concert in a park where someone would donate the services of a band, but did not do so because he was uncertain whether it would be considered an in-kind contribution. Ms. JoAnn Gurenlian noted that she hosted and baked for “coffees” herself because she was uncertain whether she could accept baked goods given to her for such an event. Assemblywoman Handlin expressed the belief that defining what constitutes an in-kind contribution was one of the first issues that needed to be settled before the program could move forward.

It is instructive to note that the term “in-kind contribution” is not used in P.L.2004, c.121. The term is defined in N.J.A.C.19:25-1 et seq., the administrative code that governs the activities of ELEC, as a “contribution of goods or services received by a candidate, candidate committee, joint candidates committee, political committee, continuing political committee, political party committee or legislative leadership committee, which contribution is paid for by a person or entity other than the recipient committee, but does not include services provided without compensation by an individual volunteering a part of or all of his or her time on behalf of a candidate or committee.”

Given this regulation and the fact that P.L.2004, c.121 provides only for qualifying contributions of \$5 and \$30 and seed money contributions of \$200 per individual, ELEC apparently concluded that any type of contribution other than one specified by the law could not be made to or accepted by a participating clean elections candidate. In other words, in-kind contributions of any kind were prohibited.

Whether it was caused by this interpretation or the inadequacy of P.L.2004, c.121, the commission believes that most of the candidates were confused about exactly what constituted an in-kind contribution. Apparently, whenever possible, the candidates obeyed the law and avoided anything which appeared to be an in-kind contribution.

7) The paperwork required by current law to make a contribution to a clean elections candidate was burdensome and counterproductive. There was no significant purpose served by a contributor providing the identity of his or her employer.

As noted above, P.L.2004, c.121 is very specific as to who can make a legal qualifying contribution, when such a contribution can be made, how it must

be acknowledged, the form the contribution can take (check or money order) and to whom it must be addressed. These requirements were mirrored in the administrative rules proposed by ELEC on May 16 and adopted on July 21, and in the forms that the agency developed for contributors. Contributions could not be made by any other means until late August when ELEC issued Advisory Opinion No. 03-2005 permitting electronic checks, check cards and online contributions using check cards.

The resulting burden of paperwork required for an individual to give a contribution to a participating candidate was a difficulty cited repeatedly by all candidates. They were forced to spend a great deal of time explaining rules and procedure that they themselves found confusing and onerous. Assemblyman Greenwald told the commission that if the purpose of the project “was to inspire [people] to be involved in the democratic process, asking people to write out a check after you educated them [about] clean elections, and then [to complete] a detailed form . . . [turned] people off to the political process, as opposed to engaging them and bringing them in.” He noted there was more paperwork involved in making a \$5 or \$30 clean elections contribution than there was in making a \$2,000 contribution under the traditional method of campaigning. His opponent, Ms. JoAnn Gurenlian, noted an example of the difficulty posed by the paperwork requirements was that when Assemblyman Greenwald and his wife made contributions to Ms. Gurenlian and her running mate, Mr. Marc Fleischner, the contributions were not considered valid because the signatures on the checks did not exactly match their names as listed in the voter registration rolls for Camden County. This notwithstanding, the checks were deposited in the Clean Elections Fund, but they did not count toward the number needed by candidates Gurenlian and Fleischner.

Listing the name and address of the contributor’s employer was another paperwork requirement individuals and candidates found intrusive and pointless. Many contributors felt the information was not the State’s business or that it could

possibly be used against them by an employer that did not share their views. An example cited by Assemblyman Greenwald highlighted this difficulty. He noted a contributor listed his occupation as “goose chaser” because he owned a business where he used dogs to chase geese from grassy areas such as golf courses. The contribution was initially disallowed, but later permitted by ELEC after an explanation.

8) By awarding to certified New Jersey Fair and Clean Elections candidates the public funds that were forfeited by an unsuccessful participating candidate in the same district, the law penalized those participating candidates who tried to become certified New Jersey Fair and Clean Elections candidates but were unsuccessful. The law did not differentiate between candidates who attempted to become certified but failed to qualify, and those candidates who did not attempt to participate in the program.

P.L.2004, c.121 provides that if “the certified candidates seeking election...are opposed for election from the legislative district in which they seek office by nonparticipating candidates, each such certified candidate shall receive from the [Clean Elections] fund an amount of the money equal to the amount of money that would have been issued to each nonparticipating candidate from the fund . . . if that nonparticipating candidate had been a certified candidate.” The law does not provide any exemption for this mandate, no matter whether a participating candidate attempted to collect the requisite number of contributions and fell short by one or 1,000. It is possible that the drafters of P.L.2004, c.121 included this provision to promote the participation of all candidates and parties in the participating districts. It may have also been based on the assumption that a nonparticipating candidate would raise and spend more money than a participating candidate and, by giving the participating candidate more funding, it may be possible to provide a more level playing field between the two candidates.

The commission recognized at its second meeting, held on April 26, that this provision could penalize a participating candidate who tried earnestly but was unsuccessful at collecting the necessary number of contributions. Commission members expressed this concern to Dr. Frederick Herrmann, Executive Director of ELEC, who noted that the law was specific on this provision and could not be changed without action by the Legislature. He also remarked that while such legislative change was possible, changing the rules of the project at that point could lead to confusion among the candidates and delay its implementation. The commission instructed the Secretary to draft a formal letter to ELEC expressing its concern about this provision. The letter was produced, approved by the commission and transmitted to ELEC, but no change was made in its regulation regarding this provision.

As has been noted, the Republican candidates in the 6th district found themselves in precisely the situation identified by the commission when they raised 70 percent of the required number of contributions but could not qualify in the time allowed. To address this situation, Assemblyman Greenwald and his running mate Assemblywoman Pamela Rosen Lampitt donated \$75,516 to candidates Gurenlian and Fleischner on October 14 from the additional \$130,200 they received because the Republican candidates were unsuccessful—an amount equal to the percentage (58 percent) of the valid contributions they collected. Although Ms. JoAnn Gurenlian told the commission she and her running mate were grateful to Greenwald and Lampitt, some of her supporters objected to public money being given to the opposing candidates if one group of candidates did not qualify despite their best efforts.

9) P.L.2004, c.121 was not specific and clear with respect to the requirements of candidates to report qualifying contributions to ELEC.

10) Individuals who made a qualifying contribution were not provided with sufficient information as to the ultimate disposition of that contribution, nor

were they provided with sufficient information about what happened to the contribution if the candidate for whom it was given did not qualify as a certified New Jersey Fair and Clean Elections candidate.

The directions in P.L.2004, c.121 for the reporting of qualifying contributions by participating candidates state only that they shall be submitted “in accordance with procedures developed by [ELEC].” Accordingly, in its regulations, ELEC used the current law as guidance to specify what must be included with each submission and the dates therefore. This procedure was also based, in part, on ELEC’s experience with the public financing of gubernatorial elections, which it is charged with monitoring. What was missing from P.L.2004, c.121, and the corresponding regulations, was any instruction as to whether a certain number of contributions had to be submitted on each date or whether a candidate could wait until he or she had collected all of the 1,500 contributions. Thus, it was up to a candidate to decide on what date or dates before the September 7 deadline (later extended to September 21) he or she would submit the collected contributions to ELEC.

The candidates told the commission that this flexibility was confusing for them and their contributors. This confusion was compounded particularly for the contributors to candidates who did not qualify. Many of those individuals wanted their contributions returned and were told the money had already been deposited in the Clean Elections Fund. Dr. Frederick Herrmann, seeking to explain the procedure in a general way, noted that once a check was received, it was reviewed and if possible, the check was returned to the candidate for correction. But when the checks were received right at the deadline, there was no ability for ELEC to correct it. Because P.L.2004, c.121, on its face, did not offer any alternative action that could be taken with the check, the only action that could be taken was to deposit it into the fund.

For whatever reason, this procedure for dealing with checks was not widely known among contributors, possibly because it was not known by the candidates. Assemblyman Thompson and Assemblywoman Handlin noted that they had held on to most of the contributions in the form of checks they had received. The candidates were instructed to deposit them in the fund by ELEC rather than return them to contributors, because of the absence of any direction in P.L.2004, c.121 or any other precedent. The situation was resolved when candidates Thompson and Handlin requested and received an advisory opinion from ELEC on October 19 permitting them and all other candidates to return undeposited checks to the individuals who wrote them. Then, on January 5, 2006, contributors in the two districts were informed by ELEC that the contributions they made online would be returned as well.

11) P.L.2004, c.121 gave no rationale for providing a third-party or independent candidate who became a certified New Jersey Fair and Clean Elections candidate with half the amount of public funding provided to a major party candidate.

Although not every candidate and representative of an interested organization that appeared before the commission addressed this issue, all that did stated their belief in the unfairness in the provision of P.L.2004, c.121 that required certified third-party or independent clean elections candidates to receive half the amount of public money that the law provides for the candidates of major political parties.

In fact, the law appears to be inconsistent regarding the funding that would be provided to a third-party or independent candidate in the event such a candidate qualified for public funding. On one hand, the law clearly states that such a candidate would receive only half the amount that a major party candidate would receive who qualifies as a clean election candidate. But on the other hand, the law is not clear whether a third-party or certified independent candidate would

be eligible to receive the additional amount of money a certified major party candidate would receive if outspent by a nonparticipating candidate in the same district or if subjected to independent expenditures made on behalf of a nonparticipating candidate.

When asked about this provision of the law when he spoke before the commission, Assembly Speaker Roberts stated that if such candidates “comply fully with the same standards that are provided for the major parties, perhaps they should be entitled to exactly the same treatment.” He noted that the provision was added to the original bill as a means to predict how many certified participants might be in the project during a period of fiscal difficulty for the State.

12) There was a need for greater public awareness of the clean elections pilot project. Without a strong public education component, future clean elections programs will not succeed.

13) The provision in P.L.2004, c.121 requiring the creation of a voter’s guide was insufficient to inform the general public about the candidates and their campaigns.

All candidates who appeared before the commission noted that there was a general lack of public awareness about the pilot project and that this missing element made their participation and success much more difficult. Assemblywoman Handlin told the commission that her biggest difficulty with participating in the project was that the public knew almost nothing about it and as a result, she spent much of her time explaining it to potential contributors. Her running mate Assemblyman Thompson concurred. Indeed, it was a problem noted by every candidate and interested public citizen and organization that appeared before the commission.

The results of polling sponsored by Fairleigh Dickinson University's Public Mind Poll and Rutgers University's Eagleton Center for Public Interest Polling confirmed this finding. Specifically, eight out of 10 voters in the State had heard little or nothing about the clean elections program and more than two-thirds of voters in the 6th and 13th districts did not know that the pilot project would occur in their district. According to Dr. Tim Vercellotti, Assistant Director of the Eagleton Center, the "clean elections project failed to catch voter's attention." This lack of interest was not confined to the clean elections districts, for the survey found that 63 percent of voters Statewide know little or nothing about their Assembly races. Assembly Speaker Roberts told the commission that the problem was "not that voters weren't focused on Assembly clean elections; its that voters weren't focused on Assembly elections period."

It is interesting to note that initially, information about the program was largely lacking from the electronic and print media and State government sources. Candidates and commentators following the program have noted that newspaper coverage began by being skeptical of the project and providing only sporadic coverage of the candidates. Yet as the summer progressed, more articles appeared on the efforts of the candidates to gain qualifying contributions, and editorials and independent columnists began to support the idea. In the 6th district in particular, the Camden Courier Post ran many stories explaining how the program worked. It even printed copies of the form contributors need to complete. Also, by the beginning of September, State government agencies other than ELEC, became more involved when space was provided on the official State homepage website for an individual to make a contribution to a participating candidate.

P.L.2004, c.121 provides limited direction to ELEC and the candidates with regard to promoting the existence of the pilot project. It directs the commission to prepare a voter's guide for the general public for each district, listing the names of both certified and nonparticipating candidates and it invites both to submit a statement of fewer than 500 words for inclusion with the

statement. The law provides that the statements must be posted on the website of the commission “as soon as may be practicable,” but does not require such statements to be mailed to voters in the participating districts. (Ms. Nedda Massar, ELEC’s Chief Counsel, told the commission that the statements were placed on the ELEC site, but not mailed because while the law did require use of the website, it did not direct ELEC to do a mailing and no appropriation was provided for that purpose.) P.L.2004, c.121 also requires ELEC to sponsor at least two debates among participating candidates, to which nonparticipating candidates are to be invited. (Note: when debates were conducted in the 6th district they were sponsored by community organizations, not ELEC.)

It is perhaps significant that none of the candidates commented specifically to the commission about what assistance, if any, the required voter’s guide offered to their campaigns. Instead, after noting the problems to their campaign caused by the lack of publicity, all offered practical suggestions for bringing greater attention to the program.

The commission believes that the State, through ELEC or any other agency, did almost nothing to promote the clean elections program, at least initially. It was left largely to the print and electronic media, the efforts of participating candidates, interested individuals and organizations, and the commission to explain how the program would work and to generate publicity about it.

14) There was a need to increase the number of financial instruments, including cash and credit cards, available to make a financial contribution to a participating candidate so that collecting the required number of qualifying contributions would have been easier, without increasing the possibility of fraud.

As noted above, P.L.2004, c.121 provided for qualifying contributions “in the form of a check of money order payable to the fund in support of a participating candidate.” It is likely that the reasons for allowing contributions in only this limited form were that these instruments provide full identification of the individual making the contribution, provide greater assurance that the money is available, and give maximum protection against fraud. Also as noted above, the form of contribution was expanded in late August to include electronic checks, check cards and online contributions using check cards.

This requirement proved to be especially burdensome for candidates and their contributors. Mr. William Flynn and Mr. Michael Dasaro, the Democratic candidates in the 13th district, told the Asbury Park Press that the project’s cumbersome fundraising requirements were to blame for their failure to qualify for the project, particularly the check or money order-only requirement. “When you’re at the mall or at a picnic, who carries a check book?” noted Flynn. This feeling was echoed by most of the other candidates who did not see why contributions could not be made in cash or with credit cards, except that such financial instruments were not contemplated by P.L.2004, c.121 and, therefore, not permitted. Although most of the candidates told the commission that permitting cash contributions would have assisted in the collection of contributions, Assemblyman Thompson suggested that cash contributions would not have been a good idea, as they could open up the possibility of fraud, even if a signed affirmation statement was required for each such contribution.

15) The clean elections pilot project should apply to the primary elections.

Although P.L.2004, c.121 specified that the pilot project for 2005 apply only to the general election, the commission believes that, henceforth, it should apply to the primary election. Primaries, more so than general elections, provide opportunities for new candidates, as well as candidates who are women and minorities, to appear before the voters and enter the political process. In many

legislative districts that are considered “safe” for the candidates of one party or another, the primary is the most contested part of the election. By making the primary part of the pilot project, the promise of clean elections—replacing special interest money for a candidate with public funds based on significant public support for that candidate—would have been more likely to be realized. Assembly Speaker Roberts recognized this when he told the commission: “If you want to give candidates who might not have access to the process, traditionally, a chance to get involved, you need to . . . give them a chance to have some public support in the primary.”

16) It is essential that the pilot project be reauthorized and expanded for 2007, and that for continuity two of the participating districts be those that participated in the 2005 pilot (specifically, the 6th and 13th) and that four additional districts be selected for 2007.

P.L.2004, c.121 provides for the pilot project established by the act to be “reauthorized by the Legislature and the Governor in sufficient time to permit candidates in each of four legislative districts to be able to seek nomination for election and election to the office of member of the Senate and the office of member of the General Assembly in 2007 pursuant to this project.” The drafters of the law believed that starting the project in just two districts in 2005 and expanding it further in 2007 gave the Legislature, interested individuals and organizations and the public time to consider and evaluate the program. When he appeared before the commission, Assembly Speaker Roberts noted that the project was structured to conserve financial resources and to engage “in test marketing . . . to gather data and refine ideas.”

As noted above, the commission believes the 2005 pilot project was a positive experience, one which the candidates felt was worthwhile participating in. When it is established for 2007, there are modifications that need to be made. Some of them are implied in the preliminary findings featured in this report;

others will be identified in the final report of the commission when it is issued in May 2006. Among these is the need to expand the next phase of the project to a total of six legislative districts, rather than a total of four, as provided for by P.L.2004. c.121. The commission believes that two of these districts should be the 6th and 13th, so that the process that the qualifying candidates underwent and the experience of the project in those districts is not lost, but rather, is built upon and strengthened. Adding two more districts to the four already prescribed for 2007 will allow for a better evaluation of the program by the Legislature, interested individuals and organizations and the general public, because it will be based on greater actual experience, and it will allow for additional modifications if found to be necessary. It will also make the promise of clean elections better known to more candidates and to more of the electorate.

17) There was a need for the agency with the greatest experience in administering existing public campaign financing programs, namely the Election Law Enforcement Commission (ELEC), to administer the pilot project and to provide adequate public information about that program.

Testimony indicated that there was a need for a strong administrative agency to administer the clean elections project. The Election Law Enforcement Commission (ELEC) has noted in its testimony that it has over thirty years of expertise in administering the gubernatorial public financing program, and has an administrative structure in place, with experienced staff, that is well suited to administer the project. ELEC has a history of supporting legislative public financing, dating back to a 1989 white paper to the governor on the topic. If adequate staff and funding are provided, ELEC seems to be the ideal agency to administer the program in the future.

18) The New Jersey Citizens' Clean Elections Commission (NJCCEC) should continue to perform its vital functions after the issuance of its final report in

May 2006, particularly as the clean elections program is expanded for the 2007 elections and afterwards.

The NJCCEC played an important role in the 2005 pilot project, by holding meetings throughout the State, taking testimony and sharing information from candidates, advocates, and members of the public. The opinion of many groups that testified before the commission is that the commission's role in evaluating the project will continue to be needed to provide continuity to the process as further modifications and refinements are made and the project is expanded to other legislative districts.

The Public Financing of Elections in New Jersey and the Origins of P.L.2004, c.121:

The Concept of “Clean Elections”

“Clean Elections” is one of many lawful systems for funding campaigns for public office. The premise behind it is simple. Instead of funding his or her campaign with contributions raised from wealthy individuals, large organized groups or well-financed special interest organizations seeking to influence the candidate to support or oppose a particular policy or view point, the candidate receives most of the funding necessary for the campaign from public funds, which are provided only after the candidate demonstrates sufficient public support to undertake a serious campaign for office. Such support is demonstrated by the accumulation of a set number of contributions of a modest amount, typically \$5, over a period of several months from residents in the same legislative district or state as the candidate. The candidate cannot accept money from any other source or spend more than the amount provided. The candidate is, thus, not beholden to a few large contributors and is not forced to spend most of his or her campaign seeking additional contributions, but can instead focus on the issues in the campaign or, if elected, on representing his or her constituents and not seeking contributions for a re-election campaign.

Despite the simplicity of this form of campaign financing, it is controversial. The opponents of public funding believe that it forces taxpayers to contribute to candidates they do not support, inappropriately inserts the government into the electoral process and uses tax dollars that could be spent for more important purposes. The argument has also been made that any limit on campaign contributions restricts free speech and violates the First Amendment of the Constitution of the United States. Supporters of public financing believe that privately financed campaigns allow special interest groups and wealthy individuals to exert too much influence over candidates, and that campaigns

funded by traditional methods stop many potential candidates from seeking office, especially women and candidates who are members of minority groups. Supporters further believe that the “free speech” argument is countered by court decisions, such as Nixon v. Shrink, that acknowledge that reasonable contribution limits are permissible in order to prevent the corrupting influence, real or perceived, of too much money in political campaigns.

Public Financing in Practice

Notwithstanding such controversy, the public financing of campaigns for federal and state office has been considered by lawmakers since the middle of the previous century. In nearly every session since 1956, Congress has considered legislation for public financing of congressional elections, although no law has been enacted. For example, in the 107th Congress, companion bills were introduced in the House (H.R.1637) and Senate (S.719) proposing public funding and certain media benefits to congressional candidates who would qualify by collecting a set number of \$5 contributions and by refusing all other contributions to their campaign. The bills were referred to committee in 2001, but no further action was taken before Congress adjourned.

Several states have taken the next step and established some type of public financing program. For example, public funding for state legislative candidates was initiated by Minnesota in 1976 and Wisconsin in 1977. Minnesota’s program is funded by an optional state income tax check-off and a fixed general fund appropriation, with funding available to candidates for state legislative seats and certain statewide offices who agree to set spending limits. Wisconsin’s program is also funded through an optional state income tax check-off and is available for legislative candidates and candidates for some statewide offices who agree to spending limits and restrictions on contributions from political action committees. In 1977, New Jersey established the nation’s first voluntary gubernatorial public financing program, when \$2.1 million was provided to two eligible candidates in

the general election. The program was extended to the primary elections in 1981. In 1997, Vermont's legislature passed a campaign finance reform law that established a voluntary, full public financing program for candidates for statewide offices. The program was first implemented in the 2000 election for the offices of governor and lieutenant governor, and was expanded in 2002 to include all statewide offices. To date, there are approximately 14 states with some type of functioning public financing program at the state level and numerous programs at the county and local level.

Clean Elections in Maine and Arizona

Maine and Arizona are currently the only two states that have operational, voluntary clean elections programs that offer full public funding for qualified candidates for the state legislature and certain statewide offices. Although Massachusetts voters approved an initiative in 1998 to create a voluntary, full public financing program, it has not been fully implemented due to the legislature's failure to provide funding.

In November 1996, Maine voters approved a citizen's initiative, known as the Maine Clean Elections Act, establishing the nation's first program of full public financing for qualified candidates for the state legislature and for the office of governor. The 2000 election for legislative candidates was the first election in which the program was in place. The 2002 election added the office of governor and the 2004 election cycle was again only for legislative candidates. The details regarding seed money and qualifying contributions for each eligible office are outlined in the table below:

Maine Clean Elections

	# of Districts	Constituents Represented	Seed Money Maximum	Qualifying Contributions Required
House	151	8,443	\$500	50
Senate	35	36,426	\$1,500	150
Governor	N/A	1,274,923	\$500,000	2,500

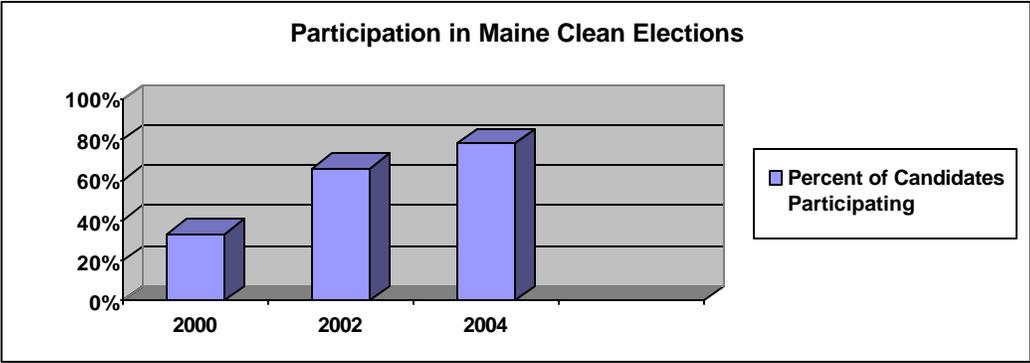
The qualifying period during which contributions are collected in Maine is between January 1 and April 15 for legislative candidates who are members of a major political party, and between January 1 and June 2 for legislative candidates who are members of minor political parties. During this period, clean elections candidates are also eligible to collect seed money contributions of up to \$100 from individuals. Once qualified, candidates are eligible to receive public funding as follows:

Maine: Initial Distribution Amounts 2006

	Primary Contested	Primary Uncontested	General Contested	General Uncontested
House	\$1,504	\$512	\$4,362	\$1,745
Senate	\$7,746	\$1,927	\$20,802	\$8,033
Governor	\$200,000	\$200,000	\$400,000	\$400,000

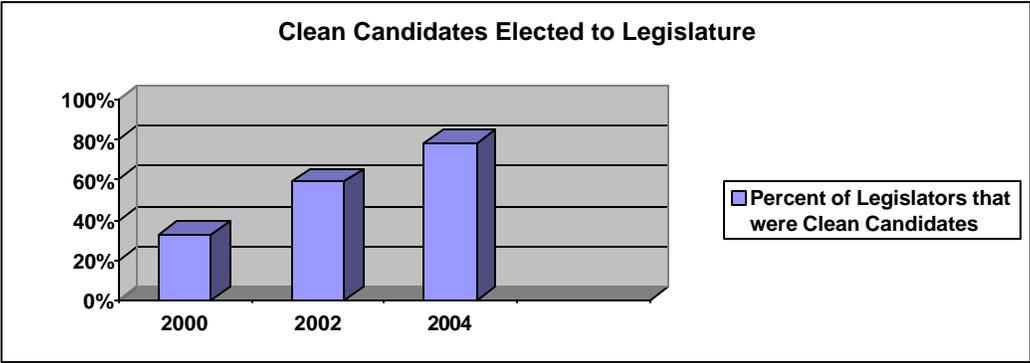
The candidates would also qualify for additional matching funds if they are running against a privately financed opponent who spends over the clean candidate allotment, or if the clean candidate is subjected to third-party expenditures by a political entity or independent group. Total funding for the program is approximately \$2.4 million each year, with money derived from direct state appropriation, a taxpayer income tax check-off, and the qualifying contributions collected during election years.

Participation in the Maine program has increased steadily since its inception, as demonstrated in the graph below.



Participation among members of political parties tended to be uniform. In 2004, participants included 87 percent of house Democrats, 82 percent of senate Democrats, 69 percent of house Republicans, 79 percent of senate Republicans and 74 percent of Green party members.

The following graph demonstrates the increase in percentage of members of the Maine Legislature that ran as clean candidates.



In November 1998, Arizona voters passed the Citizens Clean Elections Act, which provides full public funding for qualified candidates for the state Legislature and many executive branch offices, including governor, secretary of state, attorney general, state treasurer, corporation commissioners, superintendent of public instruction and state mine inspector. The 2000 election for members of the Legislature and seats on the corporation commission was the first election in which the program was in place. The 2002 election included all members of the Legislature and seven statewide offices —governor, secretary of state, attorney

general, state treasurer, superintendent of public instruction, state mine inspector and three seats on the corporation commission. The 2004 election again included just members of the Legislature and four corporation commissioners.

Under Arizona’s program, a clean elections candidate for either the house or senate must collect \$5 qualifying contributions in the form of a check, cash, money order or credit card made payable to the candidates’ campaign committees accompanied by a three-part reporting slip that includes the printed name, address and signature of the contributor, as well as the name of the candidate, the date and the printed name and signature of the solicitor. The contributions must be from registered voters of any party who reside in the district for which the candidate is seeking office. The details regarding seed money and qualifying contributions for each eligible office are as follows:

Arizona Clean Elections

	# of Districts	Constituents Represented	Seed Money Maximum**	Qualifying Contributions Required
House	30	171,021*	\$2,980	210
Senate	30	171,021	\$2,980	210
Governor	N/A	5,130,632	\$46,440	4,200

*Arizona has two House members per district

** Candidates may contribute additional personal funds to their campaign

For the 2006 election cycle, the qualifying period for collecting contributions is between January 1, 2006 and August 24, 2006, for legislative candidates, and between August 1, 2005 and August 24, 2006 for statewide candidates. During this period and beginning the day after the previous general election, clean elections candidates can start to collect seed money from any citizen of the United States, but not from any corporation or political action committee. The limit for each seed money contribution is \$120. If a clean elections candidate has collected the required number of \$5 contributions, kept within the seed money limits and met all of the paperwork requirements to

become qualified for the program, he or she will be eligible for public funding, as follows:

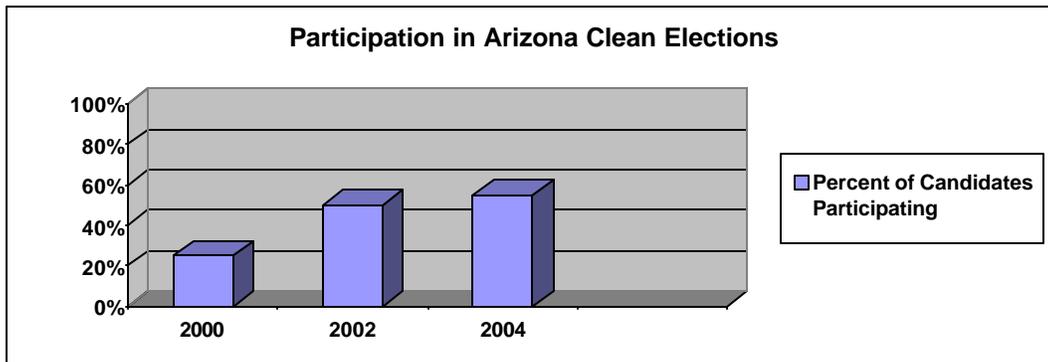
Arizona: Initial Distribution Amounts 2006

	Primary Contested	General Contested
House	\$11,945	\$17,918
Senate	\$11,945	\$17,918
Governor	\$453,849	\$680,774

Note: Uncontested Candidates receive the same amount of money as raised in seed money contributions.

For a clean elections candidate opposed by a non-participating candidate who outspends their clean election opponent in the primary or general election, the clean elections fund will provide the qualifying candidate with matching funds up to a limit of three times the original campaign allotment. Additionally, if an independent expenditure is made on behalf of a candidate (participating or non-participating), their clean elections opponent will receive matching funds up to three times the original campaign allotment. As of November 30, 2005, the clean elections fund contained approximately \$25.8 million, with annual revenues of approximately \$11 million collected from fines and penalties, a tax reduction check-off, tax credit donations and other sources.

As in Maine, participation in the Arizona program has increased since its inception.



The progress of Clean Elections in Arizona can be viewed in terms of the two sets of candidates, clean elections and traditional, who have participated in the program since 2000. Specifically, 16 of the 44 candidates who ran with public financing in 2000 were elected to office—14 for legislative seats and 2 statewide. In the 2002 general election, 39 of the 89 candidates who ran with public financing were elected—32 for legislative seats and 7 for statewide office. In 2004, 76 percent of the candidates who ran as clean elections candidates were elected in the primary elections and 55 percent of the candidates who ran as clean elections candidates won in the general election. At the same time, 74 percent of the candidates who undertook traditional campaigns were elected in the primary elections and 66 percent of the candidates who undertook traditional campaigns won in the general election. Among incumbents, 88 percent of the candidates who ran as clean elections candidates and 91 percent of the candidates who undertook traditional campaigns won in the primary election. In the general election, 96 percent of the candidates who ran as clean election candidates won re-election, while 98 percent of the candidates who undertook traditional campaigns were re-elected. Also in 2004, the number of clean elections representatives in the legislature reached 47 percent (7 senators and 35 house members) and 10 out of 11 statewide offices, including governor, were held by clean election participants.

The Public Financing of Elections in New Jersey

As noted above, New Jersey's experience with the partial public financing of elections began in 1977 when it provided money to two gubernatorial candidates in the general election. Since then, all major party candidates for the office of governor in this State have participated in the program for general elections until 2005, when both Republican Doug Forrester and Democrat Jon Corzine opted not to participate for either the primary or general election. The program has been administered since its inception by the Election Law

Enforcement Commission (ELEC), a bipartisan commission of four members (two Democrats and two Republicans) appointed by the governor that was created in 1973 to oversee the administration of “The New Jersey Campaign Contributions and Expenditures Reporting Act.” (N.J.S.A.19:44A-1 et seq.)

The State’s gubernatorial public financing program is similar to the public financing programs in states other than Maine and Arizona. A person becomes eligible to participate when he or she raises and spends at least \$300,000, notifies ELEC of his or her intention to seek matching funds and agrees to participate in two interactive primary and general election debates. Individual contributions to such a candidate are limited to \$3,000 for each election. A qualified candidate receives public funds at the rate of twice the amount of contributions (2 for 1) received from private sources for the primary and the general election. For 2005, the cap on the amount of money such a candidate could receive in public funds was \$2.7 million for the primary and \$6.4 million for the general election. The candidate was then permitted to raise from private sources an additional \$1.7 million for the primary and an additional \$3.2 million for the general election. The program is funded by a voluntary \$1 tax check-off and direct appropriation by the Legislature. In FY 2005, the Legislature appropriated \$8.9 million to cover the costs of both elections, but the two major party candidates did not receive any of these funds.

In addition to gubernatorial public financing, there has been interest in the public financing of legislative elections since the late 1980s when legislative leaders, the governor and ELEC supported the concept. In 1988, four bills were introduced that provided some type of public financing. All were based on the gubernatorial program, but differed with respect to the dollar match and cap on public and private expenditure limits. In 1989, Governor Tom Kean called on the Legislature to consider the idea in his annual State of the State message. In July of the same year, ELEC examined the issue and issued a “White Paper” calling for the adoption of a program and providing a legal rationalization for it. Despite

such support, the idea never received the legislative or popular support needed to become law. Though some of the bills from the 1988 legislative session were reintroduced in subsequent sessions and new bills were drafted and introduced in succeeding years, no bill creating such a program was reviewed by a legislative committee prior to 2004.

History of P.L.2004, c.121

New Jersey's experience with clean elections began on March 16, 2004, when former Assembly Speaker Albio Sires and Assembly Speaker Joseph Roberts announced that legislation to create a pilot program would be part of a 25-bill package of ethics and campaign finance reform measures aimed at restoring public trust in State government. At the news conference held to announce the package, Speaker Sires noted that because of strong interest in reform among Democratic members, legislative leaders met with advocacy groups, including New Jersey Citizen Action, after the session began to craft a plan.

Along with a measure to end the awarding of government contracts to political contributors known as "pay to play," the clean elections program was a key part of the package. According to the Asbury Park Press on March 17, its purpose was "to extricate special-interest cash from political races . . . [Democratic Party leaders believe that such] contributions have an undue influence on election outcomes." Representatives from several advocacy groups endorsed the plan at the news conference because it sought to reduce the influence of special-interest money on the legislative process.

To assess Maine's program for himself, Assembly Speaker Roberts led a delegation of State legislators, staff and representatives of advocacy groups to Maine in May 2004. Other attendees included Assemblywoman Linda Greenstein, Ms. Staci Berger of New Jersey Citizen Action and Assembly

Democratic staff member Ms. Beth Schroeder. On May 4, the group met with Maine House Speaker Patrick Colwell, House Speaker John Richardson, other House leaders and representatives of the state's Commission on Governmental Ethics and Election Practices. Assemblywoman Greenstein told the Trentonian “[we’re] looking to extrapolate whatever we can from their system.” She noted that she believed the clean elections process in Maine works.

Legislation embodying the clean elections pilot project was presented to the public on Thursday, May 20, 2004 at a special meeting of the Assembly State Government Committee held at Montclair State University, in Montclair. Many of the bills in the reform package were reviewed by the committee at that time, but discussion of clean elections was central to the proceedings. The bill was listed on the committee's agenda as Assembly, No. 1 (or A-1), “pending introduction and referral” and for the purpose of discussion only. Representatives of 12 advocacy organizations spoke at length in favor of the bill (see Appendix 2). The committee also heard from several representatives from Maine, who participated via videophone. No one testified in opposition to the bill.

Assembly, No. 1 was formally introduced in the Legislature and considered by the Assembly State Government Committee on Thursday, June 3, 2004 at a joint meeting with the Senate State Government Committee at the State House Annex in Trenton. Assembly Speaker Roberts was its prime sponsor. The Senate State Government Committee also had on its agenda for consideration Senate, No. 3 (or S-3), sponsored by Senator Shirley Turner, which was identical to A-1. Several of the same representatives of advocacy groups who spoke in support of the bill at the meeting at Montclair State University again spoke in favor of both bills (see Appendix 2). The committee voted to release A-1, with abstentions by Assemblymen Joseph Azzolina and Michael Patrick Carroll. The bill was not amended. Assemblyman Azzolina believed more information and study of the issue was necessary before he could vote on the bill, while Assemblyman Carroll expressed concern about its cost and the difficulty of

collecting the 1,500 contributions necessary to become a qualified candidate. These concerns were incorporated into Minority Statements, which were added to the committee statement for the bill. A short time afterwards, the members of the Senate State Government Committee voted to release S-3, with Senators Leonard Connors and Nicholas Asselta not voting. This bill was also not amended.

Final legislative action on A-1 and S-3 occurred on Thursday, June 10, 2004, the same day as several other bills in the reform package were voted on. First, A-1 was passed by the General Assembly by a vote of 52 to 18, with nine abstentions after a lengthy floor debate. Opponents included Assemblyman Rick Merkt, who argued that the voters should have been consulted before their tax dollars were spent on campaign commercials. A-1 next proceeded immediately to the Senate, where it was substituted for S-3 with which it was identical and which was on Second Reading in that house. The merged bills were once again the subject of debate. Senator Peter Inverso introduced a motion that A-1 be moved back to Second Reading for the purpose of adding a provision that would permit a certified clean elections candidate to withdraw from the pilot project at any time prior to the day of the general election in 2005 without seeking the approval of the NJCCEC. Senate Majority Leader Bernard Kenny moved to table the motion of Senator Inverso and that motion succeeded by a vote of 20 to 17. The Senate then voted 26 to 11 to pass the bill.

Assembly, No. 1 subsequently moved to the desk of Governor James E. McGreevey, who signed it into law on August 11, 2004 and it became P.L.2004, c.121.

Explanation of P.L.2004, c.121:

The following is an explanation of the “New Jersey Fair and Clean Elections Project,” as enacted. The pilot project consisted of a temporary program for the public financing of candidates seeking election to the office of member of the General Assembly from two legislative districts in 2005.

Selection of Participating Districts

The law provided that the chair of the State Democratic party and the chair of the State Republican party would each select a district to participate in the program from those described in the law no later than the 20th day following the primary election (June 27, 2005). These districts included the 6th, 7th and 15th for the Democrats and the 9th, 11th and 13th for the Republicans. If a chair refused to make such a selection, it would be made by a three-member selection committee made up of a former Governor and one other person, each appointed by the Speaker of the General Assembly, and one person appointed by the Minority Leader of the General Assembly. This committee would make the selection no later than the 24th day following the primary election (July 1, 2005).

Fund Raising

Participating candidates were required initially to raise money in contributions of no greater than \$200, defined as seed money contributions, from individuals, including the candidate and candidate’s family, but not from a candidate committee, joint candidates committee, political committee, continuing political committee, political party committee or legislative leadership committee, up to a limit of \$3,000 in the aggregate. The seed money contributions were to be used by a participating candidate seeking to raise enough qualifying contributions to become certified as a New Jersey Fair and Clean Elections candidate. To

become a qualifying candidate in the program and receive public funding, a candidate was required to raise qualifying contributions of at least 1,000 contributions of \$5 and at least 500 contributions of \$30, for a total of \$20,000. The participating candidate would then suspend, for the duration of the campaign, all access to campaign funds raised prior to becoming a participating candidate. According to the statute, all such qualifying contributions would be raised during the period beginning on the 25th day following the primary election (July 2, 2005) and ending on the 62nd day prior to the general election (September 7, 2005). All unspent seed money and qualifying contributions would then be turned over to the New Jersey Fair and Clean Elections Fund, which would be used to help finance New Jersey Fair and Clean Elections candidates.

Certification as a New Jersey Fair and Clean Elections Candidate

Participating candidates could be certified as New Jersey Fair and Clean Elections candidates if: 1) they signed and filed with the Election Law Enforcement Commission (ELEC) a declaration of intent to participate in the election as such a candidate; received the appropriate number of valid qualifying contributions; submitted a valid petition of nomination to the appropriate authority; and did not accept contributions while a participating candidate, other than seed money contributions; and 2) both candidates in a legislative district from the same political party are certified as New Jersey Fair and Clean Elections candidates. A certified candidate could withdraw from being a certified candidate and become a nonparticipating candidate at any time prior to the day of the general election (November 8, 2005) with the approval of the "New Jersey Citizens' Clean Elections Commission" (NJCCEC, described below). The NJCCEC would consider such requests on a case by case basis. Any candidate who withdrew from being a certified candidate would have to remit to the clean elections fund any money received from it, unless directed otherwise by the NJCCEC. The law allowed ELEC to assess a penalty for such a withdrawal.

Public Funding

Under the law, each certified candidate would be provided with an amount of money equal to 75 percent of the average amount of money expended by candidates who were members of a political party seeking election to the General Assembly in the legislative districts of the certified candidates in the two immediately preceding general elections for that office, with the maximum amount being \$100,000. If a certified candidate was opposed by a nonparticipating candidate, the certified candidate would receive an additional amount of money equal to the amount that would have been issued to the nonparticipating candidate opponent if that nonparticipating candidate had been a certified candidate. If a campaign report of a nonparticipating candidate showed that the aggregate amount of the contributions, alone or with money spent on behalf of such a candidate by a person or a political committee, continuing political committee, political party committee, candidate committee, joint candidates committee or legislative leadership committee acting in concert with that nonparticipating candidate, exceeded the amount provided to each certified candidate under the law, each certified candidate would receive additional money equivalent to the excess money spent, up to \$50,000.

The law further provides that if certified candidates or nonparticipating candidates were determined by ELEC to be benefiting from money spent on behalf of such candidates by a person or a political committee, continuing political committee, political party committee, candidate committee, joint candidates committee or legislative leadership committee not acting in concert with those certified or nonparticipating candidates (i.e., entities making independent expenditures), each of the certified candidates seeking election to the General Assembly in the same legislative district who were not benefiting from such an expenditure would be provided with money in an amount not exceeding \$50,000.

Public Information

The law required ELEC to prepare a voter guide for each of the elections in which certified candidates were seeking office, listing which candidates were certified candidates and providing all candidates the opportunity to insert a statement not to exceed 500 words. A certified candidate had to include in any campaign advertisement paid for by the candidate and transmitted through radio or television, or through any broadcast, cable, or satellite transmission, or via the Internet, or in any other communication, a statement, in the candidate's own voice, that he or she approved the advertisement. The law also required ELEC to sponsor debates among the candidates and assess a penalty for a participating candidate failing to participate in such a debate.

The New Jersey Citizens' Clean Elections Commission

P.L.2004, c.121 established a nine-member bipartisan commission, to be known as the "New Jersey Citizens' Clean Elections Commission" (NJCCCEC). The commission consists of legislative members and members of the public to review the pilot project and recommend the criteria the Legislature should adopt to select districts from which candidates could seek nomination and election to the Senate and General Assembly in 2007 using the clean elections system. The commission will also recommend whether to make the New Jersey Fair and Clean Elections pilot project a permanent option available to provide public financing for legislative candidates.

Penalties

The law contains penalty provisions. Any person found to be in violation of the law would be liable to a penalty of not more than \$6,000 for the first offense and not more than \$12,000 for the next and each subsequent offense. Any individual who is found to have knowingly and willfully given any amount of

money to another person for the purpose of having that other person give that money to a participating candidate as a qualifying contribution is guilty of a crime of the fourth degree. Any person, candidate or official associated with the campaign of a participating or certified candidate who knowingly and willfully makes false statements or files false reports is guilty of a crime of the third degree. Any participating candidate who files a report found to be in violation of the seed money and qualifying contributions provisions of the bill would be disqualified as a candidate for the public office sought or would forfeit such office if elected.

Estimated Costs

P.L.2004, c.121 contained no appropriation. A fiscal estimate of the law in bill form (Assembly, No. 1 of 2004) prepared by the Office of Legislative Services does not estimate the cost of the project. It does, however, note that the cost to administer the bill should be minimal. The law provides that the members of the New Jersey Citizens' Clean Elections Commission be reimbursed for expenses, which for past commissions have averaged \$25,000 and above. According to the estimate, ELEC's staffing was adequate to administer the project.

An appropriation of \$1,500,000 was included in the FY 2006 budget to fund the candidates in the pilot project. Of that, \$260,400 was expended as public financing for the certified 6th district candidates.

The New Jersey Fair and Clean Elections Pilot Project:

Initial Meetings of New Jersey Citizens' Clean Elections Commission

Following enactment of P.L.2004, c.121, the pilot project commenced with the appointment of the members of the New Jersey Citizens' Clean Elections Commission (NJCCCEC) on January 31, 2005. The commission held its initial organizational meeting on March 2, 2005 at Prospect House, Princeton University. Former State Senator Bill Schluter was unanimously selected to chair the commission, and Frank J. Parisi of the Office of Legislative Services was selected as Commission Secretary. The commission agreed to host a website where information about the commission would be posted and available to the public. (Note: The address of the site is <http://www.njleg.state.nj.us/committees/njcleanelec.asp> . It contains copies of the transcripts and minutes of the meetings conducted by the commission and discussed in this report.)

The commission met a second time on April 26, 2005, at Douglass College, Rutgers University, to receive a briefing by Dr. Frederick Herrmann, Ms. Nedda Masser, Esq. and Ms. Amy Davis, Esq. of the New Jersey Election Law Enforcement Commission (ELEC) on ELEC's plans for administering the pilot project. A draft copy of ELEC's regulations was provided to the commissioners. The representatives from ELEC answered a variety of questions from both commissioners and the public about the pilot project.

At this meeting, Commissioner Baroni raised the issue of the fairness of penalizing a candidate who tries to raise the necessary number of qualifying contributions but is unable to do so. He noted that such a person would not be certified as a clean elections candidate and the money that person would have received would go to his or her opponent, who would be a certified candidate.

After discussion, it was agreed that the commission would send a letter to ELEC expressing its concern. (See Appendix 3)

Ms. Ingrid Reed of the Eagleton New Jersey Project, Rutgers University, informed the commission that a group of academics had formed a committee to offer assistance to and serve the commission as a resource.

The third meeting of the NJCCEC took place in the Multi-Purpose Room of the Rutgers Student Center at Rutgers University, New Brunswick, on June 17, 2005. Ingrid Reed, Director of the Eagleton New Jersey Project discussed the proposed work of the New Jersey Clean Elections Academic Study Group. Ms. Reed stated that the group's aim is to support the clean elections pilot project by conducting research during the fall of 2005, collecting and analyzing data before and after the election and making this information available to the NJCCEC as it seeks to evaluate the experience.

The commissioners discussed the amount of public funding that would be available to candidates in each of the potential participating districts, as calculated by the Election Law Enforcement Commission; a copy of the chart was sent to the chairmen of the Democratic and Republican parties, as they were due to select the participating districts on Monday, June 27th. Also discussed was the issue of differentiating between candidates who do not seek certification as clean elections candidates and those who seek certification, but fail to collect enough qualifying contributions to become certified, as well as the need to establish a final deadline for withdrawal from the pilot project.

Additionally, Mr. Jim Leonard of the New Jersey Chamber of Commerce testified; he noted that the chamber supported clean elections and was willing to assist the pilot project in any way.

Selection of Participating Districts

The participating districts were selected by the political party chairs on June 27.

Assemblywoman Bonnie Watson Coleman, Chairwoman of the Democratic State Committee, selected the 6th legislative district to participate. In her press release, she stated that the sixth district was competitive, since 55 percent of the voters in that district are unaffiliated with either political party, and the district had two Republican Assembly members as recently as 1996. The candidates from that district were Assemblyman Louis Greenwald (D), Pamela Rosen Lampitt (D), JoAnn Gurenlian (R) and Marc Fleischner (R). ELEC calculated that if certified, the candidates would each receive \$65,100 in public funds.

Mr. Tom Wilson, Chairman of the Republican State Committee, selected the 13th legislative district to participate in the program. In his letter to Chairman Schluter, Mr. Wilson described what he believed were several flaws in the pilot project, including the amount of qualifying contributions required to be collected and the inadequate protection for participating candidates from independent expenditures. The candidates from that district were Assemblyman Samuel Thompson (R), Amy Handlin (R), Michael Dasaro (D), Bill Flynn (D), Mike Hall (G), and Greg Orr (G). ELEC calculated that if certified, the major party candidates would each receive \$59,175 in public funds. The Green Party candidates would each receive half that amount, or \$29,587.50.

NJCCEC Meetings During the Qualifying Period

Following the selection of the districts, all of the candidates in both districts chose to participate in the pilot project and attempt to become certified candidates by collecting the requisite number of contributions and meeting the

other requirements set forth in the statute. During the qualifying period, the NJCCEC met once in each of the participating legislative districts.

On August 15, the commission met in the 6th legislative district, at the Cherry Hill Public Library in Cherry Hill, Camden County. Candidates Louis Greenwald, JoAnn Gurenlian, and Marc Fleischner testified before the commission about their experiences as a clean elections candidates. All three candidates described their efforts in collecting qualifying contributions, including the various methods each of them used. In particular, the candidates discussed the impact of reaching out to particular groups of interest, the power of incumbency, and the role of advocacy groups in the process. Additionally, Ms. Marilyn Askin, State President of AARP testified regarding her organization's efforts to educate voters in clean elections districts about the program. Mr. Nick Naum, a private citizen, spoke about his thoughts regarding the clean elections program. Mr. Micah Sifry of Public Campaign, of Washington, D.C., testified regarding clean elections programs in other states. Ms. Juanita Howard of Citizen Action informed the commission about her organization's role as an advocate for clean elections. Ms. Ingrid Reed updated the commission on the work of the academic study group, and spoke about the survey that was being prepared for the clean elections districts.

The commission met again on August 18 in the 13th legislative district, at Brookdale Community College, in Lincroft, Monmouth County. First to testify was Ms. Phyllis Salowe-Kaye, Executive Director of New Jersey Citizen Action. She explained Citizen Action's efforts to assist Clean Election candidates, and spoke about Citizen Action's experience in door to door canvassing. The second individual who testified was Mr. David Donnelly, National Campaigns Director from Public Campaign. He provided information about Clean Election campaigns in other states. The next testifier was Ms. Marilyn Askin, State President of AARP. She described the mailings that AARP was doing to educate the public about clean elections and ask members of the public who support clean elections

to sign a pledge indicating their support. Assemblyman Baroni asked if AARP would distribute the list of individuals who support clean elections to the candidates. Ms. Askin agreed to ask her advisory council whether the list could be distributed to them.

Next, each candidate from the 13th district was called to testify before the commission. First was Mr. Michael Dasaro, a Democratic candidate. He spoke about his experience as a clean election candidate, and expressed his hope that the project would succeed. Ms. Amy Handlin, a Republican candidate, was next to testify. She outlined key problems with the program. First, she thought either the number of contributions should be lessened, or alternately, the time period to collect contributions should be lengthened. She also offered ideas for other methods of qualifying. Second, she asked the commission to consider lifting the ban on credit card contributions. Third, she was concerned about last minute attacks on candidates, and whether public money would be released in time for a candidate to respond. Fourth, she advocated outlawing wheeling, the practice of transferring campaign funds from one candidate or committee to another. Next to testify was Mr. Mike Hall of the Green Party, followed by Mr. Greg Orr of the Green Party. They discussed the pilot project and raised issues relevant to third party candidates, including the amount of funding third party candidates receive if they qualify. They were followed by Assemblyman Samuel Thompson, a Republican. He discussed his experiences as a clean election candidate. He stated that taking part in the pilot project does not free a candidate from the chore of raising money, and suggested reducing the number of contributions a candidate is required to collect. He also raised questions about the participation of supportive organizations, as well as the receipt forms. The Assemblyman also raised concerns about the amount of seed money available. There was discussion regarding whether seed money is required to be used to buy tickets to local events, and whether the amount is sufficient. The commission then called Mr. Bill Flynn, a Democratic candidate, to testify. He expressed his position that the campaign for every elected office in the State should be publicly financed.

Following the candidates' testimony, Ms. Linda Selier, a member of the public, was called to testify. She commented on the lack of information available to the public regarding clean elections.

Use of Check Cards for Qualifying Contributions

A few days after these meetings, several members of the NJCCEC met with representatives of the Assembly staff, political party leadership, and the governor's office to address the concerns of the candidates regarding the limited number of financial instruments by which contributions could be made to the candidates. The suggestion was made that the candidates could ask ELEC if check cards and electronic checks could be considered a form of a check, and therefore an acceptable means by which to make qualifying contributions.

On August 26, ELEC issued Advisory Opinion 03-2005, which permitted the use of check cards for qualifying contributions. ELEC determined that the "check card process" tied to a contributor's checking account served as the functional equivalent of a check and that it was, therefore, permissible to accept a clean elections qualifying contribution made using a "check card" tied to a checking account owned by the contributor. ELEC noted that a "check," as defined in Black's Law Dictionary (Eighth Edition), is "drawn on a bank, [and] payable on demand . . ." ELEC concluded that a "check card process" tied to an individual's checking account also possesses these characteristics and therefore functions in a manner that closely approximates a banking transaction by means of a paper check.

Following ELEC's advisory opinion, the Department of Treasury created a secure website to accept online check card or electronic check contributions. The link to that website was www.state.nj.us/treasury/clean_election. A link to the site was available at the State of New Jersey homepage, www.state.nj.us. At this

website, registered voters residing in the pilot districts were able to make one online contribution of either \$5 or \$30 to a General Assembly candidate. The site was ready to accept electronic checks and check card payments as of August 31. No credit card payments were accepted. Contributors were asked to verify their home address and provide information reportable to ELEC under campaign finance law, such as the contributor's occupation and employer information.

The following chart, provided by ELEC, summarizes the online contributions received by candidates:

Online Contributions
(Check Cards and Electronic Checks)

District	Candidate	# @ \$5	Total \$5	# @ \$30	Total \$30	Number	Total
6	Fleischner	18	\$90	7	\$210	25	\$300
	Greenwald	25	\$125	7	\$210	32	\$335
	Gurenlian	22	\$110	12	\$360	34	\$470
	Lampitt	12	\$60	14	\$420	26	\$480
Total		77	\$385	40	\$1,200	117	\$1,585
13	Dasaro	3	\$15	2	\$60	5	\$75
	Flynn	4	\$20	3	\$90	7	\$110
	Hall	2	\$10	0	\$0	2	\$10
	Handlin	12	\$60	6	\$180	18	\$240
	Orr	2	\$10	0	\$0	2	\$10
	Thompson	6	\$30	4	\$120	10	\$150
Total		29	\$145	15	\$450	44	\$595
Project Total		106	\$530	55	\$1,650	161	\$2,180

Source: Election Law Enforcement Commission

Extension of Qualifying Period

On August 31, Governor Richard J. Codey issued Executive Order 51, which extended the qualifying period for Clean Elections candidates, which would have ended on September 7, to September 21. The executive order cited

the recent expansion of contribution methods to include check card contributions, the fact that many of the candidates would not qualify by the September 7 deadline, and the NJCCEC's endorsement of the extension of the deadline as reasons to extend it.

The Governor issued the following statement on both the deadline extension and the expansion of contribution methods: "I will do everything in my power to ensure this project's success. Clean elections will help restore the public's confidence in the election system. By ensuring the integrity of . . . New Jersey's elections we are building a stronger government that our residents can trust. With this new website, we have been able to match the valued democratic principals of this law with the tools of modern technology that make voter participation in campaign financing a user-friendly process." (Office of the Governor, August 31, 2005)

Results of Qualifying Period

At the end of the qualifying period, September 21, only one set of candidates successfully became certified clean elections candidates: Assemblyman Louis Greenwald and Ms. Pamela Rosen Lampitt in the 6th legislative district. Two candidates, Mike Dasaro and Bill Flynn in the 13th district, dropped out of the program on September 8, citing the process as too cumbersome. According to ELEC, the total number of qualifying contributions raised by candidates was as follows:

Total Number of Contributions Raised

District	Candidate	# @ 5	Total @\$5	# @ 30	Total @ \$30	Number	Total
6	Fleischner	821	\$4,105	244	\$7,320	1,065	\$11,425
	Greenwald	1,473	\$7,365	690	\$20,700	2,163	\$28,065
	Gurenlian	807	\$4,035	255	\$7,650	1,062	\$11,685
	Lampitt	1,404	\$7,020	594	\$17,820	1,998	\$24,840
Total		4,505	\$22,525	1,783	\$53,490	6,288	\$76,015
13	Dasaro	73	\$365	31	\$930	104	\$1,295
	Flynn	84	\$420	43	\$1,290	127	\$1,710
	Hall	3	\$15	1	\$30	4	\$45
	Handlin	414	\$2,070	193	\$5,790	607	\$7,860
	Orr	4	\$20	1	\$30	5	\$50
	Thompson	492	\$2,460	252	\$7,560	744	\$10,020
Total		1,070	\$5,350	521	\$15,630	1,591	\$20,980
Project Total		5,575	\$27,875	2,304	\$69,120	7,829	\$96,995

Source: Election Law Enforcement Commission

Candidates Greenwald and Lampitt therefore received \$65,100 in public funds each, and they each additionally received another \$65,100 because Mr. Fleischner and Ms. Gurenlian did not qualify as certified candidates, for a total of \$130,200 per candidate.

Transfer of Funds to Non-certified Candidates

At the October 6 meeting of the NJCCEC, held at the Cook Campus Center, Rutgers University, Assemblyman Louis Greenwald raised the issue of his plan, reported in the press, to donate some of the public funding he and his running mate, Ms. Rosen Lampitt, had received to his non-certified opponents. He and his running mate were willing to give the extra money they received as the only qualifying candidates to candidates Fleischner and Gurenlian in an amount equal to the percentage of qualifying contributions they received in exchange for an agreement that they run as clean elections candidates, participate in debates,

limit their campaigns to the issues and refrain from negative campaigning. Assemblyman Greenwald did not know the percentage of qualifying contributions his opponents had raised and asked Dr. Herrmann of ELEC, who was present at the meeting, to make that information available. The Assemblyman noted he was making this offer to ensure the program's success and that he had contacted Fleischner and Gurenlian's campaign manager who thought it fair and reasonable. (Note: A transfer of campaign funds from one candidate for member of the Legislature to another such candidate in the same district is permitted under N.J.S.A.19:44A-11.3c(4).)

After discussion by the commissioners, it was agreed that the commission supported Assemblyman Greenwald's plan and that he should seek a "gentleman's agreement" with his opponents. Dr. Herrmann of ELEC promised to speed up the processing of the donation checks received by candidates Fleischner and Gurenlian and provide them with a letter stating the exact percent of the required number of contributions they received. That letter could then be transmitted by candidates Fleischner and Gurenlian to Assemblyman Greenwald.

According to the October 15 issue of the Camden Courier-Post, candidates Greenwald and Lampitt donated \$75,516 to candidates Fleischner and Gurenlian; the amount was 58 percent of the funds they would have received if they became certified candidates, since they raised 58 percent of the contributions required.

Voter's Guide Statements

Pursuant to P.L.2004, c.121, ELEC was required to prepare a voter's guide listing all candidates seeking the office of member of the General Assembly in the pilot districts and identifying those candidates who were certified candidates. All candidates, including non certified candidates, were permitted to submit a 500-word statement for inclusion in the guide. ELEC's regulations, at N.J.A.C.19:25-23.21, established a deadline for the submission of voter's guide statements at the 48th day prior to the General Election. Pursuant to the Governor's executive order, this was also the last day of the qualifying period. Of the candidates eligible, all of the candidates in the sixth district and Assemblyman Thompson in the 13th district submitted statements. These statements were posted on ELEC's website.

Candidate Debates

As a condition of their receipt of public funds, certified clean elections candidates were required to participate in two debates among candidates for the office of member of the General Assembly in the legislative district the candidate represents or seeks to represent. Non-certified candidates could also participate. In the 6th district, the first debate was sponsored by the League of Women Voters of Camden County and was held on Tuesday, October 11, 2005 from 7:30 - 9:00 P.M. at Gibbsboro Elementary School in Gibbsboro. The second debate was sponsored by the Citizen Action Education Fund and was held on Tuesday, October 25, 2005 from 7:30 - 9:00 P.M. at The Scottish Rite Auditorium in Collingswood. All of the candidates in the 6th district participated in both debates.

Election Results

The general election was held on Tuesday, November 8. The results in the two clean elections districts were as follows:

Election Results: Sixth District

Name	Party	Status	Vote Total	% of Votes Cast
Greenwald	Democrat	Certified	38,211	31%
Rosen Lampitt	Democrat	Certified	34,961	29%
Gurenlian	Republican	Non participating	25,365	21%
Fleischner	Republican	Non participating	23,587	19%

Source: N.J. Division of Elections

Election Results: Thirteenth District

Name	Party	Status	Vote Total	% of Votes Cast
Handlin	Republican	Non participating	29,405	26%
Thompson	Republican	Non participating	29,326	26%
Flynn	Democrat	Non participating	25,814	23%
Dasaro	Democrat	Non participating	24,824	22%
Hall	Green	Non participating	2,061	2%
Orr	Green	Non participating	1,899	2%

Source: N.J. Division of Elections

For a comparison with vote totals and money spent in the sixth district in the prior election, see Appendix 4.

Results of New Jersey Clean Elections Academic Study Group Survey

The New Jersey Clean Elections Academic study group is comprised of academics from various institutions of higher education whose work includes a focus on New Jersey politics. They are collaborating to provide information to the NJCCEC for the commission's use in evaluating the pilot project. They conducted survey research, monitored newspaper coverage of the races in clean elections districts as well as several other districts to provide a contrast, and

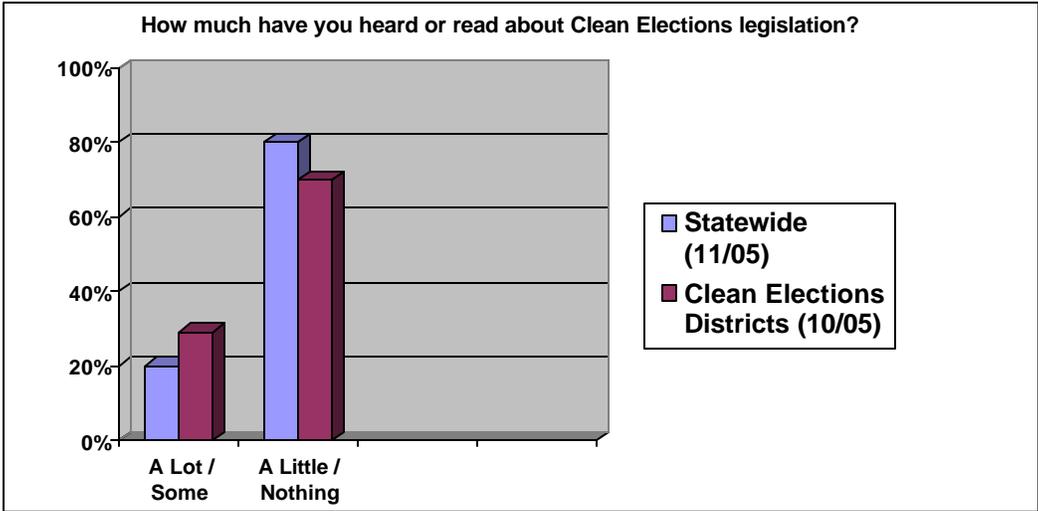
monitored television coverage of New Jersey campaigns and possible coverage of clean elections.

On November 21, the New Jersey Clean Elections Academic Study Group released the results of surveys that were conducted to assess voter attitudes and knowledge about Clean Elections and its goals. Dr. Peter Woolley of the Fairleigh-Dickinson Public Mind Poll and Dr. Tim Vercellotti of the Eagleton Center for Public Interest Polling collaborated in conducting two statewide polls, one in early September and another late October, as well as a poll in each of the clean elections districts. The Fairleigh Dickinson surveys were designed to measure changes in awareness of the clean elections program, as well as attitudes about public financing of legislative campaigns, from late September to early November. The aim of the Eagleton survey was to measure whether awareness of the Clean Elections pilot project was higher in the targeted districts than in the rest of the State, and whether attitudes about public financing of legislative campaigns differed in the targeted districts compared to the rest of the State. Funding for the surveys was provided by the New Jersey Chamber of Commerce, the Fund for New Jersey, Fairleigh Dickinson University, and the Eagleton Institute of Politics at Rutgers University.

Some key findings of the survey included the following:

- In September, four of five (82%) of likely voters Statewide reported they heard little or nothing at all about the State's clean elections legislation. In November, that percentage stayed approximately the same at 79%, a statistically insignificant difference.
- Awareness of the clean elections initiative was marginally higher in the clean elections districts than Statewide. Twenty-nine percent of likely voters and 26% of registered voters in the districts said they had heard or read "quite a lot" or "some" about the clean elections legislation,

compared to 20% in the Statewide poll in early November. This finding has been summarized in the chart below:



Source: NJ Clean Elections Academic Study Group

- Although awareness of the legislation was slightly higher in the clean election districts than Statewide, more than two-thirds of likely and registered voters in the 6th and 13th districts said they did not know whether their Assembly district was one of the districts in the clean elections program. Twenty-three percent of likely voters in the 6th district and 18% of likely voters in the 13th district correctly answered yes, as did 20% of registered voters in the 6th district and 17% of registered voters in the 13th district.

The full text of the study group’s findings has been appended to this report.

NJCCEC Post-Election Meetings

As required by statute, the New Jersey Citizen’s Clean Elections Commission held three public meetings in different parts of the State following the general election. The purpose of the meetings was to solicit testimony from

participants in the “clean elections” pilot project, the public and members of special interest groups in regard to the successes and failures of the project.

The first meeting was held on Tuesday, November 22nd, at the Collingswood Senior Community Center, in Collingswood, Camden County from 4:00 to 9:00 PM. Assembly Speaker Roberts, the first individual to testify before the commission, had several major issues for the commission to consider. First, he asked what impact enhanced voter education would have had on the pilot project, and discussed the results of the study done by the Academic Study Group. The Speaker also suggested modifications to the qualification criteria. He noted that on paper, the current qualifications did not sound unrealistic, but that the commission should revisit them and recommend changes. He was supportive of making qualifying easier for candidates, but wished to maintain taxpayer safeguards. According to the Speaker, “In my judgment, qualifying for Clean Elections should not be automatic, but neither should it be impossible.” The Speaker also raised the issue of the time period for collecting contributions. He thought the commission should consider allowing the collection of contributions before the primary, and suggested one possibility was to use the April filing deadline. He suggested that contested candidates could begin collecting qualifying contributions, and then if they don’t win the primary, the contributions could be returned. The Speaker also responded to questions from members of the commission and members of the public.

Assemblyman Louis Greenwald and Assemblywoman Pamela Rosen Lampitt were then called to testify before the commission. Assemblyman Greenwald proposed several changes to the qualifying process, including lowering the number of qualifying contributions to be collected, the possibility of making cash contributions, and educating the public about the process. Assemblywoman Rosen Lampitt discussed the importance of filing deadlines, and strengthening the system for candidate debates. Both individuals then answered a variety of questions from commissioners concerning the qualifying period and

thresholds, and methods of collecting qualifying contributions. Assemblyman Greenwald stressed the need for a “watchdog” within the clean elections districts to monitor the campaigns.

Two private citizens, Ms. Polly Yarnall and Mr. Nick Naum then testified before the commission. Both spoke about the need for more public education about the program.

Candidate Jo Ann Gurenlian testified next. She stated that the major benefits were that the program eliminates big money and special interest money in campaigns and instead focuses on local issues. She noted that the downsides were that it was a fundraising initiative for the candidates, and that if candidates don't qualify all they do is fundraise and then go on and run a separate campaign. She spoke about the number of qualifying contributions required and the amounts, the lack of publicity for the project, and the objections individuals had to providing employer information or having their contribution allocated to another candidate. She made several recommendations to the commission on how to improve the project. She then answered a variety of questions from the commissioners and subsequently provided a written list of recommendations.

Mr. Jeff Kasko, the campaign manager for the Republican candidates in the sixth district, then testified about the mechanics of running a clean elections campaign, including if the seed money amount was sufficient and how it was used.

The second meeting after the election took place on Tuesday, November 29, between 4:00 and 9:00 P.M. at, Brookdale Community College, Lincroft, New Jersey. Chairman Schluter opened the meeting by calling on Assemblyman Sam Thompson to describe his experience as a clean elections candidate. Assemblyman Thompson said he found the experience interesting, and it completely changed his approach to campaigning. Instead of campaigning at a

leisurely pace, he had to work faster and with volunteers instead of professionals because of the limited amount of seed money available. He made several observations regarding the contribution levels and lack of public information about the project. He made suggestions regarding contributions, paperwork requirements, minor party candidates, independent organizations, cash contributions, electronic transmission of contribution data to ELEC, disposition of money of non-qualifying candidates, and the definition of a "thing of value." He also requested that because he did not qualify as a clean elections candidate, the checks given to him for participating in the program and submitted to the State be returned to contributors as quickly as possible. He suggested that in the future all checks be made out to the candidates so that if they did not qualify they could use such contributions in a conventional campaign.

Chairman Schluter next called on Assemblyman Thompson's running mate, Assemblywoman Amy Handlin, to offer her observations. She noted that the biggest initial hurdle was the lack of public knowledge about the program. She suggested that the timetable for presenting the NJCCEC's recommendations be accelerated so that a new program can be enacted in 2006 and be in place for the 2007 elections. She further suggested that the program be placed on the 2006 general election ballot as a public question, to increase public awareness about the program.

The commission members then asked several questions of Assemblyman Thompson and Assemblywoman Handlin, regarding seed money, qualifying contributions, and educating the public about the program.

Several members of the audience also addressed the commission. Ms. Pat Freeman, a member of the AARP who lives in the 13th legislative district described her experiences as a private citizen interested in promoting clean elections. Ms. Abigail Caplowitz of New Jersey PIRG called on the commission to recommend that the program be extended to all legislative districts in 2007.

She also made several recommendations regarding primary elections, qualifying contributions, and seed money. Mr. Steve Ma of the New Jersey chapter of AARP stated that clean elections represented a fundamental change in the State's political system, one which would ultimately lead to an end to all private funding of campaigns for public office. He made several recommendations regarding the expansion of the program to other districts, qualifying contributions, and seed money.

The last person to testify was Mr. Mike Hall, the Green Party candidate for the General Assembly in the 13th district. He made several suggestions to improve the program with respect to qualifying contributions, non-qualifying candidates, minor party candidates, seed money, and candidate statements.

The third meeting of the NJCCEC after the election was held on December 2, 2005 at the Duffy Lounge, Duffy Hall, Seton Hall University, South Orange. At this meeting, it was announced that Senator Nicholas Scutari had resigned from the commission.

Chairman Schluter opened the meeting by calling on Ms. Sandra L. Matsen, past President of the League of Women Voters of New Jersey to testify. Ms. Matsen began by noting that the League had supported the public financing of elections since 1974 and it saw the pilot project as the first successful attempt to implement public financing for legislative races. She offered several recommendations regarding the expansion of the program to other races and primary elections, seed money, qualifying contributions, public education, not requiring candidates in a district to both qualify to receive public funding, prohibiting candidates from not participating in the program for the primary election but participating in the general election, designation of clean elections districts, the amount of time in the qualifying period, and third-party candidates. The commissioners then asked Ms. Matsen questions regarding her recommendations.

Next to testify was Mr. David Donnelly, National Campaigns Director for Public Campaign Action Fund. He discussed in detail the provisions of Connecticut's recent campaign finance reform legislation, especially the provisions which relate to public financing in primary elections. Additionally, he explained that in Connecticut, in contrast to New Jersey, candidates will raise and spend private money to qualify for public funds. He also commented on Connecticut's plan for the release of additional funding to publicly financed candidates in danger of being outspent. Finally, he described Connecticut's reforms with respect to political action committees (PAC's).

Mr. Donnelly then made suggestions with respect to New Jersey's pilot project. He spoke regarding qualifying contributions, the qualifying period, and linking candidates together. He also responded to questions from commissioners regarding cash contributions, putting a clean elections question on the ballot, fund raising in non-election years, educating the public, mechanisms for funding a clean elections program, and a tiered release of public funds to candidates.

The next individual who testified was Ms. Julie Nersesian, Chair for the Committee for an Independent New Jersey. She raised issues regarding independent party candidates in the clean elections program.

Mr. Jonathan Wayne, Executive Director of the Maine Commission on Governmental Ethics and Elections Practices, presented to the commission next. He discussed the Maine Clean Elections Act, and outlined for the commission how the Maine clean elections program works, especially with respect to primary elections, methods of collecting qualifying contributions, amounts of qualifying contributions, the release of funding to clean election candidates, and the role of leadership PAC's. He then answered a variety of questions from commission members, including questions about issue ads, the effect of clean elections on incumbency, and the effect of clean elections on decision making by legislators.

Mr. Wayne then answered questions from members of the audience and commissioners about qualifying as a clean candidate, contribution limitations on non participating candidates, dual office holding, the types of candidates that qualify, and the public perception of clean elections. (Mr. Wayne's presentation included charts and tables, which are included as Appendix 6 of this report.)

Mr. Steve Ma from AARP then addressed the commission. He spoke about canvassing door to door for contributions, what constitutes a qualified candidate for public office, running as a clean candidate, the amount of public funding that should be available to clean candidates, donations to the Clean Elections fund, the expansion of the New Jersey clean elections program, seed money, the possibility of online reporting, and a permanent source of funding for the program. Mr. Ma then responded to a variety of questions from commissioners concerning seed money, candidate slogans on ballots, and the appropriate number of qualifying contributions.

Ms. Marilyn Carpinteyro, an organizer for New Jersey Citizen Action, then notified the commission that she would be presenting testimony on December 9. She answered a question regarding paid canvassers and the public education efforts of Citizen Action. Mr. Steve Ma from AARP also commented on the education efforts of his organization. The commissioners, Ms. Carpinteyro and Mr. Ma then discussed the activities of advocacy organizations in the clean elections process.

Following the December 2 meeting, Chairman Schluter attended the annual COGEL (Council on Governmental Ethics Law) conference in Boston, Massachusetts, on December 7 to attend a panel discussion on clean elections programs in other political jurisdictions. Presentations were made by representatives from Arizona, Maine, Los Angeles and Connecticut.

Later that same month, the NJCCEC held three working sessions at which the commissioners developed the 18 preliminary findings about the pilot project that are discussed in detail in this report.

Issues of Concern:

The following are issues of concern identified by the commission. Each is open to more consideration and deliberation by the commission, candidates, representatives of advocacy groups and members of the public.

a) Whether there was a rationale for requiring that candidates for the office of member of the General Assembly who were members of the same political party both needed to become certified clean elections candidates for either of them to receive public funds for their campaigns;

b) Whether the calculation for the amount of funding given to a certified clean elections candidate, as specified in P.L.2004, c.121, was flawed because it was based in part on expenditures a candidate made to individuals, groups and committees in other parts of the State and not just on expenditures made in connection with the campaign for office and if the calculation is incorrect, what the amount of funding should be;

c) Whether to require that an individual be a certified clean elections candidate in the primary election in order to seek election as a certified clean elections candidate in the general election;

d) Whether the payment of additional public money to a certified clean elections candidate should be triggered when: (1) a nonparticipating candidate receives or expends more money than a certified candidate; (2) when a candidate does not qualify or attempt to qualify as a certified clean elections candidate; or (3) if independent expenditures are made in support of a nonparticipating candidate or another certified clean elections candidate in the same legislative district;

e) Whether it is possible to develop a method of providing public financing to clean elections candidates in a primary election that is fair and equitable in each county, as each of the current methods presents many challenges;

f) When the selection of participating districts should be made;

g) Whether a certified clean elections candidate who is unopposed in a primary or general election should be eligible for less public funding than a candidate who has an opponent in either election who is either a certified candidate or a nonparticipating candidate.

h) What should be the disposition of seed money? Should a candidate who raises it be permitted to keep it if he or she fails to become a certified clean elections candidate?;

i) What steps need to be taken to maximize the dissemination of information to the public regarding clean elections?;

j) Whether a tiered system for qualifying contributions should be established, so that a participating candidate who receives more than a minimum number of contributions receives public financing in proportion to the tiered threshold of contributions received;

k) At what point can a participating candidate begin to solicit or receive qualifying contributions?;

l) Whether a maximum of \$200 is the appropriate amount for a seed money contribution to a participating candidate from an individual contributor;

m) Whether to recommend the establishment of a statutory deadline by which time a certified clean elections candidate can apply to withdraw from the program without penalty;

n) Whether to require that all campaign contributions for clean elections candidates be promptly forwarded directly to ELEC or handled by the individual candidate or candidates;

o) Whether clean elections candidates from the same political party in a legislative district must run as a team to receive public financing or whether each clean elections candidate can run independently;

p) The role of political committees, continuing political committees, political party committees and legislative leadership committees in clean election districts; whether and how such organizations, as well as other organizations, may assist clean candidates in collecting qualifying contributions;

q) Whether funding will be provided in the Annual Appropriations Act to explain the clean elections program to the public, and whether such efforts will begin as soon as possible so that voters are prepared for clean elections candidates in the next election;

r) Whether for the 2007 elections, the chairs of the political parties should select the participating districts in accordance with standards recommended by the NJCCEC; and

s) It is recognized that the clean elections program is only one of several possible reforms to remove the taint of special interest money and to restore integrity to the political process.

The commission considered the issue of Between Elections Expenditure Funds (BEEF). These funds are used by officeholders for a variety of permitted purposes ranging from paying for the extraordinary costs associated with holding elected office to contributions to the campaigns of political allies.

Commission members agreed that the issue of BEEF is beyond the commission's purview and that the entire focus of this preliminary report and the final report must be the clean elections pilot project.

Appendix 1
Meetings of NJCCEC

March 2, 2005	Prospect House, Princeton University
April 26, 2005	Trayes Hall, Douglass College, Rutgers University
June 17, 2005	Rutgers Student Center, Rutgers University
August 15, 2005	Cherry Hill Public Library, Cherry Hill
August 18, 2005	Warner Student Life Center, Brookdale Community College
October 6, 2005	Cook Campus Center, Rutgers University
November 22, 2005	Collingswood Senior Community Center, Collingswood
November 29, 2005	Warner Student Life Center, Brookdale Community College
December 2, 2005	Duffy Lounge, Duffy Hall, Seton Hall University
December 9, 2005	Committee Room 7, 2nd Floor, State House Annex
December 13, 2005	Winants Hall, Old Queen's Campus, Rutgers University
December 14, 2005	Winants Hall, Old Queen's Campus, Rutgers University
January 11 , 2006	Committee Room 7, 2nd Floor, State House Annex
January 18 , 2006	Committee Room 7, 2nd Floor, State House Annex

Appendix 2
Individuals and Organizations
who submitted testimony regarding Clean Elections

LEGISLATORS:

HONORABLE LOUIS D. GREENWALD (D), Assemblyman,
District 6

HONORABLE AMY HANDLIN (R), Assemblywoman,
District 13

HONORABLE PAMELA ROSEN LAMPITT (D), Assemblywoman,
District 6

HONORABLE JOSEPH J ROBERTS, JR. (D), Speaker of the General Assembly,
District 5

HONORABLE SAMUEL D. THOMPSON (R), Assemblyman,
District 13

STATE AGENCY OFFICIALS:

**FREDERICK M. HERRMANN, PH.D., Executive Director
New Jersey Election Law Enforcement Commission

NEDDA G. MASSAR, Esq., Legal Director
New Jersey Election Law Enforcement Commission

AMY F. DAVIS, Esq., Director of Public Financing
Election Law Enforcement Commission

OTHER WITNESSES:

**MARIYLN ASKIN, President,
AARP, New Jersey

**STACI BERGER,
New Jersey Citizen Action

ABIGAIL CAPLOVITZ, Legislative Advocate,
New Jersey Public Interest Research Group

MARILYN CARPINTEYRO, Organizer,
New Jersey Citizen Action

WILLIAM COULTER, Democratic Municipal Chair
Barnegat Township, Ocean County

**GEORGE CHRISTIE,
Dirigo Alliance

**DOUGLAS CLOPP,
Maine Citizen Leadership Fund

JOE DECKELNICK, Political Director
Ocean County Democratic Organization

MICHAEL DASARO (D), Candidate,
District 13

DAVID DONNELLY, National Campaign Director,
Public Campaign

MARC FLEISCHNER (R), Candidate,
District 6

BILL FLYNN (D), Candidate,
District 13

PAT FREEMAN, Volunteer,
AARP and Citizen Action

JOANN GURENLIAN (R), Candidate,
District 6

MIKE HALL (G), Candidate,
District 13

JUANITA HOWARD, Organizer,
South Jersey, New Jersey Citizen Action

**DOUGLAS JOHNSTON
AARP – New Jersey

JEFFREY S. KASKO, Private Citizen

****ALAN KAUFMAN**
New Jersey Chapter of Communication Workers of America (CWA)

JIM LEONARD, Vice President,
New Jersey Chamber of Commerce

EV LIEBMAN, Program Director,
New Jersey Citizen Action

****W. KENNETH LINDHORST,**
New Jersey Branch of AARP

****STEVE MA,** Associate State Director,
Grassroots and Elections, AARP-New Jersey

**** MARY ELLEN MARINO**
Home Front and Mercer County Alliance to End Homelessness

****SANDRA L. MATSEN,** Director of Advocacy,
The League of Women Voters of New Jersey

**** DEENA MATTOLA**
NJPIRG

**** BENNETT MURASKIN**
New Jersey State College Locals – AFT

MARK M. MURPHY, Executive Director,
The Fund for New Jersey

NICK NAUM, Representing
Grey Panthers and Citizen Action

JULIE NERSESIAN, Chair
Committee for an Independent New Jersey

GREGORY ORR (G), Candidate,
District 13

****DAVID PRINGLE,**
New Jersey Environmental Federation

****INGRID W. REED,** Director
Eagleton New Jersey Project, Eagleton Institute of Politics

****EMILY RUSCH,**
New Jersey Public Interest Research Group

PHYLLIS SALOWE-KAYE, Executive Director,
New Jersey Citizen Action

****JUDY SCHACHTER,**
The League of Women Voters of New Jersey

****DENNIS SCHREJDA,**
Sierra Club

LINDA SEILER, Private Citizen

****MATT SHAPIRO,**
New Jersey Tenants Organizations

****STUART D. SHAW,**
Clean Money United

MICAH SIFRY, Senior Analyst,
Public Campaign, New York

****STATE SENATOR ETHAN STRIMLING,**
Portland, Maine

HEATHER TAYLOR,
Common Cause of New Jersey

TIM VERCELLOTTI, Ph.D., Assistant Director
Center for Public Interest Polling, Eagleton Institute of Politics,
Rutgers, The State University of New Jersey

JONATHAN WAYNE, Executive Director,
Maine Commission on Governmental Ethics and Election Practices

POLLY YARNALL, Private Citizen

TOM YARNALL, Private Citizen

**** Indicates testimony before the Assembly or Senate State Government
Committee on Assembly, No. 1, the bill which created the pilot project.**

Appendix 3
Letter to ELEC from NJCCEC

HONORABLE BILL SCHLUTER
Chairman

STEVEN LENOX
Vice Chairman

Senate

ANTHONY BUCCO

Assembly

BILL BARONI
LINDA R. GREENSTEIN

Public Members

VICTOR DeLUCA
HONORABLE CAROL MURPHY
CURTIS TAO



New Jersey State Legislature

NEW JERSEY CITIZENS ' CLEAN ELECTIONS COMMISSION

STATE HOUSE ANNEX
PO BOX 068
TRENTON NJ 08625⁰⁰⁶⁸

FRANK J. PARISI

*Office of Legislative Services
Commission Secretary
(609) 292-9106
(609) 777-2998 fax*

June 3, 2005

Michelle R. Levy, Esq., Assistant Legal Director
Election Law Enforcement Commission
P.O. Box 185
Trenton, New Jersey 08625-0185

Dear Ms. Levy:

The purpose of this letter is to express the concern of the New Jersey Citizens' Clean Election Commission (NJCCEC) regarding a regulation proposed by the Election Law Enforcement Commission (ELEC) that relates to the administration of P.L.2004, c.121, the New Jersey Fair and Clean Elections Pilot Project (the Act). As you know, the NJCCEC is required by section 17 of the Act to monitor the pilot project and report back to the Legislature on the experience, both positive and negative.

At the April 26, 2005 meeting of the NJCCEC, a concern was voiced by one of the commissioners as to the situation that could arise where a participating candidate tries to raise the necessary number of qualifying contributions but is unable to do so. That person could not be certified as a Clean Elections candidate and the public funds that person would have received would go to his or her opponent, who would be a certified candidate. The disbursement of additional funds in this situation is made pursuant to section 19:25-23.16 of ELEC's proposed regulations and section 11 of the Act.

After consideration and discussion of this situation, the members of the NJCCEC concluded that it is of concern that the Act may, in effect, have an unfavorable impact on a participating candidate who sincerely tries to become a Clean Elections candidate but is unable

to because he or she is unable to raise the necessary number of qualifying contributions. While they recognize that it may be difficult to distinguish between a participating candidate who honestly tried to acquire the qualifying contributions and a participating candidate who did not, NJCCEC members are concerned that the program could be harmed if a candidate who wishes to be a Clean Elections candidate not only fails to achieve that designation but is also burdened by having his or her opponent receive additional funds because of that failure.

Given these concerns, the NJCCEC calls on ELEC to address this situation. While the NJCCEC recognizes that ELEC is limited in its ability to promulgate regulations that are at variance with statute, commission members believe that this situation is one that has the potential for being unfair. Please favor us with the comments of your commissioners regarding this matter, if that is possible.

Sincerely,

Frank J. Parisi
Secretary, on behalf of the
Commission

FJP:sl

Appendix 4
Election Results and Vote Totals: 6th District

Expenditures 2003: Sixth District

Name	Party	Total Expenditures
Greenwald	Democrat	\$388,764.42
Previte	Democrat	\$82,865.24
6th District Republicans (JCC w/ Senate)	Republican	\$15,597.68
Otto	Republican	\$1,500.00
Madden	Green	*not required to report
Nolan	Green	*not required to report

Source: ELEC

Election Results 2003: Sixth District

Name	Party	Vote Total	% of Votes Cast
Greenwald	Democrat	27,228	29%
Previte	Democrat	26,798	28%
Gurenlian	Republican	18,342	19%
Otto	Republican	18,421	19%
Madden	Green	1,951	2%
Nolan	Green	1,778	2%

Source: N.J. Division of Elections

Expenditures 2005: Sixth District

Name	Party	Status	Total Expenditures
Greenwald	Democrat	Certified	\$133,200.00
Rosen Lampitt	Democrat	Certified	\$133,200.00
Fleischner and Gurenlian for Assembly (JCC)	Republican	Non participating	\$93,062.90

Source: ELEC

Election Results 2005: Sixth District

Name	Party	Status	Vote Total	% of Votes Cast
Greenwald	Democrat	Certified	38,211	31%
Rosen Lampitt	Democrat	Certified	34,961	29%
Gurenlian	Republican	Non participating	25,365	21%
Fleischner	Republican	Non participating	23,587	19%

Source: N.J. Division of Elections

Appendix 5
Comparative Tables for States

Comparative Table for Legislatures

	# of Districts	Constituents Represented	Legislative Salary	Session 2006
Maine	151 House / 35 Senate	8,443 House / 36,426 Senate	\$11,384 / \$8,655	January - April
Arizona	30	171,021	\$24,000	January - April
New Jersey	40	210,359	\$49,000	Full year

Maine Clean Elections

	#of Districts	Constituents Represented	Seed Money Maximum	Qualifying Contributions Required
House	151	8,443	\$500	50
Senate	35	36,426	\$1,500	150
Governor	N/A	1,274,923	\$500,000	2,500

Arizona Clean Elections

	# of Districts	Constituents Represented	Seed Money Maximum**	Qualifying Contributions Required
House	30	171,021*	\$2,980	210
Senate	30	171,021	\$2,980	210
Governor	N/A	5,130,632	\$46,440	4,200

*Arizona has two House members per district

** Candidates may contribute additional personal funds to their campaign

New Jersey Clean Elections Pilot

	#of Districts	Constituents Represented	Seed Money Maximum	Qualifying Contributions Required
General Assembly	40	210,359*	\$3,000	1,500

*New Jersey has two Assembly members per district

Maine: Initial Distribution Amounts 2006

	Primary Contested	Primary Uncontested	General Contested	General Uncontested
House	\$1,504	\$512	\$4,362	\$1,745
Senate	\$7,746	\$1,927	\$20,802	\$8,033
Governor	\$200,000	\$200,000	\$400,000	\$400,000

Arizona: Initial Distribution Amounts 2006

	Primary Contested	General Contested
House	\$11,945	\$17,918
Senate	\$7,746	\$20,802
Governor	\$453,849	\$680,774

* Uncontested Candidates receive the same amount of money as raised in seed money contributions.

New Jersey: Pilot Initial Distribution Amounts 2005

	Primary Contested	Primary Uncontested	General Contested	General Uncontested
General Assembly 6th	N/A	N/A	\$65,100	\$65,100
General Assembly 13th	N/A	N/A	\$59,175	\$59,175

Presentation to New Jersey Citizens' Clean Elections Commission

**Jonathan Wayne, Executive Director
Maine Commission on Governmental Ethics
and Election Practices
135 State House Station
Augusta, Maine 04333
(207) 287-4179
December 2, 2005**

Mandate of Commission

- **Campaign finance disclosure**
 - **Candidates (about 550 candidates – 300 in Clean Election program)**
 - **PACs (about 113 PACs)**
 - **Party Committees (3 state committees and about 30 local committees)**
- **Lobbyist disclosure**
- **Legislative ethics**

Commission Staff

- Jonathan Wayne, Executive Director
- Paul Lavin, Assistant Director
- Vacant, Staff Auditor
- Sandy Thompson, Candidate Registrar
- Nathaniel Brown, Candidate Registrar
- Martha Currier, PAC/Party/Lobbyist Registrar
- Jennifer Mooney, Commission Assistant

Maine Clean Election Act

- Enacted by Maine voters in 1996
- Implemented in 3 elections:
 - 2000 – legislative candidates only
 - 2002 – legislative & governor
 - 2004 – legislative candidates only

Increase in MCEA Participation

	Number of MCEA Candidates in General Election	Number of Candidates in General Election	Percentage of General Election Candidates Participating
2000	116	351	33%
2002	231	372	62%
2004	308	393	78%

Participation in 2004 General Election

	Number of MCEA Candidates	Number of candidates	Percentage Participating
House – Dem	127	146	87%
Senate – Dem	28	34	82%
House – Rep	103	149	69%
Senate – Rep	27	34	79%
Green, Unenrolled	23	31	74%

Percentage by Elected Legislators

	Percentage of Elected Members Who Participated in MCEA
120 th Legislature	33%
121 st Legislature	60%
122 nd Legislature	78%

Revenue to Maine Clean Election Fund

- \$2,000,000 transfer from General Fund every January 1
- \$250,000 taxpayer check-off every 6/30
- \$125,000 qualifying contributions (election year only)
- \$15,000 interest (varies)

Maine's 10 Largest Cities and Towns

- [Portland](#), 63,635
- [Lewiston](#), 35,922
- [Bangor](#), 31,550
- [South Portland](#), 23,553
- [Auburn](#), 23,313
- [Biddeford](#), 21,685
- [Sanford](#), 21,666
- [Brunswick](#), 21,529
- [Augusta](#), 18,618
- [Scarborough](#), 18,459

Political Parties in Maine

- **Democratic**
- **Republican**
- **Green-Independent**

Total Payments to Candidates

2000 Election – Legislative	\$973,432
2002 Election – Legislative	\$1,852,461
2004 Election – Legislative	\$2,765,523
20002 Gubernatorial	\$1,216,754

Typical Timing of MCEA Payments in 2004

House Candidates

- \$456 for primary election around April 15
- \$4,032 for general election after June 8
- Matching funds in October

2006 Initial Distribution Amounts

House: **\$512** Primary (no opponent)
 \$4,362 General (with opponent)
 \$4,874

Senate: **\$1,927** Primary (no opponent)
 \$20,082 General (with opp't)
 \$22,009

Qualifying Contributions

- **\$5 checks or money orders payable to "Maine Clean Election Fund"**
 - House candidates must collect at least 50
 - Senate candidates must collect at least 150
 - Gubernatorial candidates must collect 2,500
- **Must be collected during the qualifying period from registered voters in candidate's district**

Qualifying Period Legislative Candidates

- January 1 – April 15 (party candidates)
- January 1 – June 2 (unenrolled parties)

<p>Municipal Registrars: please circle the number of each contributor who is registered to vote in the district of the candidate. Above your signature, insert the total number of contributors on this page who are registered in the district. Please also cross out any blank lines or contributors who are not registered in the candidate's district.</p>	<p>STATE OF MAINE COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES Mail: 135 State House Station Office: 242, State Street Augusta, Maine 04333-0135 Tel: (207)287-4179 Fax: (207)287-6775</p>	<p>Contributors: Please make checks or money orders payable to:</p> <p style="text-align: center;">MAINE CLEAN ELECTION FUND</p>																																																																		
<p>QUALIFYING CONTRIBUTIONS RECEIPT AND ACKNOWLEDGMENT</p>																																																																				
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<p>The candidate named above acknowledges receipt of a \$5 qualifying contribution from each of the undersigned contributors. By signing this receipt, each contributor affirms that he/she has contributed \$5 from their personal funds and has received nothing of value in exchange for his/her signature and contribution. ALL NAMES MUST BE FROM THE TOWN OR CITY LISTED ABOVE.</p>																																																																				
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Seed Money Contributions

- Up to \$100 from individuals (any party or residency)
- May be used for any purpose
- Maximums:
 - \$500 for House
 - \$1,500 for Senate
 - \$500,000 for Governor

Matching Funds to 2004 Candidates

- 48% of 2004 candidates (148) received matching funds
- Average amount received:
 - \$1,640 for House candidates
 - \$9,290 for Senate candidates

Usual Role of Party Committees

- **Slate Cards (printed lists of 3 or more candidates)**
- **Consultants who recruit and train candidates**
- **Independent Expenditures**

Leadership PACs

- **MCEA candidates may raise private funds for leadership PACs.**
- **No contribution limits or source restrictions**
- **MCEA candidates may also raise private funds for legislative caucus PACs.**

Other Challenges

- Issue Ads (presumed to be independent expenditures if during 21 days before election)
- Last Minute Independent Expenditures
 - 24 hours of *obligation*
 - Extra disclosure in last 7 days
- Legislative Scorecards

Appendix 7
Draft Report of the New Jersey
Clean Elections Academic Study Group