



ELEC *tronic*

An Election Law Enforcement Commission Newsletter

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Comments from the Chairman

Ronald DeFilippis

Lost in the buzz about the upcoming gubernatorial campaign is the fact that at ELEC we are about to embark upon the lobbying season.

Lobbyists will be filing their annual financial reports, due no later than February 15.

A Lobbyist (technically termed Governmental Affairs Agent) is any person who receives compensation exceeding \$100 in any three-month period.

Compensation is received for the purpose of influencing legislation, regulation, or governmental processes.

Governmental processes include, but are not limited to, contracts, grants, and rate setting.

There are almost 1,000 lobbyists registered in the State.

If any one of these lobbyists receives or expends more than \$2,500 in a calendar year for reasons of communicating with or providing benefits to any member of the Legislature, legislative staff, the Governor, Governor’s staff, or an officer or staff of the executive branch, that lobbyist must file the annual financial reports with the Commission.

In addition, even if a person is not a registered lobbyist, and does not lobby in the traditional sense, but receives or spends more than \$2,500 annually to communicate with the general public (grassroots lobbying), that person must report on this activity.

The annual financial report includes the following:

1. The name, business address, and telephone number of the reporting lobbyists;
2. The name, address, and occupation or business of the lobbyist hired by the client;

3. The particular items of legislation, regulation, or governmental processes, and any general category or type of legislation, regulation, or governmental processes;
4. The previous requirement can be satisfied if provided in the quarterly report and indicated on the annual report;
5. Receipts taken in by the lobbyists; and,
6. Expenditures made by the lobbyist.

In the days following the submission of the annual financial reports, the Commission will publish an analytical press release which will provide details on how the lobbying community spent its money in 2016.

Part of that analysis will include amounts spent on mass communication, on traditional lobbying, on salaries, and on benefits to legislators and executive branch personnel, etc.

(Continued on page 2.)

“Furthering the Interest of an Informed Citizenry”

COMMISSIONERS:

Ronald DeFilippis, Chairman

Edwin R. Matthews, Legal Counsel

IN THIS ISSUE

Comments from the Chairman	1
Executive Director’s Thoughts	2
Employee News	2
“Big Six” Fourth Quarter 2016	4
Training Seminars	6
Lobbying Reporting Dates	6
Reporting Dates	7

The report will also contain information on the top lobbying firms and the top spenders on grassroots lobbying.

One weakness of the law, however, is the fact that the lobbying statute only covers lobbying at the State level of government and does not regulate lobbying at the local level of government.

One of the proposals set forth by the Commission is that the law should be amended to include lobbying of local governments and lobbying by local governments that contract with outside firms.

Enactment of this amendment would make New Jersey's law among the strongest in the nation.

Because of the need to write this piece in a manner understandable to the general public, terms were used that differ from those contained in the statute. Therefore, lobbyist, as used herein, is statutorily termed Governmental Affairs Agent and client is statutorily termed lobbyist.

Executive Director's Thoughts

Jeff Brindle

NEW FED PUSH FOR CHARTER SCHOOLS COULD DRIVE UP SPENDING IN NJ SCHOOL ELECTIONS

Reprinted from observer.politickernj.com

President-Elect Donald J. Trump's choice for Department of Education Secretary, Betsy DeVos, should enliven the debate over charter schools and school vouchers.

As a result, spending by independent groups on New Jersey school board elections and issue advocacy is likely to increase in coming years.

Under New Jersey law, independent groups are not required to report their spending unless they specifically support or oppose a candidate or ballot question.

Issue advocacy, or lobbying activity done in the context of communicating with the general public, is reportable under the lobbying law.

Betsy DeVos has been an activist on behalf of charter schools and school vouchers. Her activism has taken place in Michigan, where she led organizations favoring school choice.

During the campaign, the President-Elect endorsed school choice. It is expected that charter schools and school vouchers will be a priority for

the incoming secretary if confirmed by the Senate.

Focus on an issue at the national level normally trickles down to the state, and even local levels. With school choice already an issue in New Jersey, the issue will most certainly intensify after the new administration takes office.

Independent, outside group spending on education has already been growing in New Jersey. Though not on charter schools alone, independent group spending on education has been significant. Add school choice to the mix and this activity will be ratcheted up even more.

A recent school board contest in Jersey City attracted outside spending to the tune of \$600,000. With six candidates vying for seats on the board it averages out to \$100,000 per candidate.

Garden State Forward, the New Jersey Education Association's (NJEA) federal PAC, spent \$338,584 while Better Education for New Jersey Kids spent \$252,762.

An additional \$115,338 was spent statewide on school board elections by NJEA School Elections Committee while Schools for Our Students and Yes for Better Schools spent a lesser amount in Lyndhurst and Carteret, respectively.

In 2014, mayoral races in Newark and Trenton attracted \$5.5 million in independent spending.

Newark First, financially supported by Education Reform Now, a New York City-based group supporting privately run charter schools, spent \$4.5 million in the Newark race. Other union backed groups, including the American Federation of Teachers, spent almost \$700,000.

To the south in Trenton, Better Education for New Jersey Kids spent \$50,000 while Mobilization Project spent \$54,000.

In the 2013 Jersey City mayoral race, Better Education for New Jersey's Kids spent \$261,629.

Elizabeth School Board races have also had their fair share of independent activity in recent years.

It isn't that these groups shouldn't participate in the process. In fact, they have a First Amendment right to do so.

But they should be treated the same under the law as candidates and political parties.

Candidates and parties are subject to disclosure and are highly regulated under New Jersey law. This makes them accountable to the public.

Independent groups, unless voluntarily, are generally not subject to the same strictures as candidates and parties, making them unaccountable to the public and prone to using dark money to influence elections.

The trend toward dominance by independent groups is growing by leaps and bounds in New Jersey.

Besides reaching down to the school board level, independent group spending exceeded \$41 million in the 2013 gubernatorial and legislative elections, amounted to approximately \$12 million in the 2015 Assembly election, and totaled \$28 million for and against this year's ballot questions.

The potential for independent group spending in the gubernatorial and legislative elections of 2017 is therefore enormous, promising again to dwarf the candidates and the political parties.

The Election Law Enforcement Commission has put forth common sense reforms to stem the tide of outside group influence.

Its proposals include: increasing contribution limits on donations to political parties; excluding political parties from the pay-to-play law; allowing the state parties to participate in gubernatorial elections; allowing county parties to contribute to each other; and at the federal level loosening restrictions on state accounts.

ELEC's proposals also involve including special interest PACs under pay-to-play; requiring contractor donations to independent groups to be disclosed; and requiring registration and disclosure by independent groups.

These measures are included in bills introduced by Assembly Minority Leader Jon Bramnick and Democratic Assemblyman Troy Singleton.

It is hoped that these measures will be given consideration by the Legislature.

EMPLOYEE NEWS

Amanda Haines

Deputy Legal Director

Executive Director Jeff Brindle announced that Amanda Haines has been promoted to Deputy Legal Director. She will be working alongside Legal Director Demery Roberts and a staff of six attorneys.

Brindle said, "I am very pleased to make this appointment as Amanda has done a stellar job during her time with the Commission." He noted that with Amanda as Deputy Legal Director the Legal Section will continue to build upon the significant progress made in the last couple of years.

Amanda Haines has been an Assistant Legal Counsel with the Commission for 11 years. During that time, she has worked on numerous cases and has appeared before the Appellate division of the New Jersey Superior Court.

“Big Six” Fourth Quarter 2016

State political party entities have been diminished over the last decade, according to an analysis by the New Jersey Election Law Enforcement Commission. (ELEC)

The report by the Commission shows that during 2016, the “Big Six” state party and legislative leadership committees raised a combined \$4.5 million and spent \$3.8 million.

Jeff Brindle, the Commission’s executive director, said that “compared to 2008, a similar year to 2016, Big Six receipts have fallen by 32 percent and spending by 26 percent.

Fundraising reached \$6.7 million in 2008 and spending amounted to \$5.2 million.

“The decline in state party entity financial activity was even more precipitous when comparing 2016 with 2012,” said Brindle.

“Fundraising dropped by 36 percent and spending by 40 percent from four years ago.”

In 2012, a similar election year, receipts totaled

\$7.1 million and spending \$6.4 million.

“Once again, these figures underscore the need for political parties to be strengthened,” said Brindle. “They and candidates alike are losing ground to independent, often anonymous groups that are ever increasing their influence over the electoral process in New Jersey.”

Brindle noted that in the 2016 election cycle, independent groups spent approximately \$28 million on ballot questions, which included ones on casinos and transportation as well as local ballot initiatives.

“Independent spending will far exceed this figure in 2017 and, in all probability, will exceed the record \$40 million spent by outside groups in the gubernatorial election and legislative elections of 2013,” Brindle said.

According to the analysis, the Democratic committees have raised \$2.5 million and spent \$2.2 million in 2016, with cash-on-hand amounting to \$624,725.

Republican Big Six committees raised \$2 million and spent \$1.6 million with cash-on-hand worth slightly more than \$1 million.

Over the course of the year, the New Jersey Democratic State Committee led the way raising \$1.4 million and spending \$1.4 million.

Among the legislative leadership committees, the Democratic Assembly Campaign Committee raised the most at \$661,779 and spent \$572,428.

“These figures for 2016 show a subtle shift to the Democrats in terms of financial activity,” added Brindle.

**TABLE 1
CAMPAIGN FINANCE ACTIVITY BY “BIG SIX”
JANUARY 1 THROUGH DECEMBER 31**

BOTH PARTIES	RAISED	SPENT**	CASH-ON-HAND	NET WORTH*	STATE ELECTIONS?
2007	\$19,177,655	\$23,367,064	\$ 377,324	\$ (521,409)	YES
2008	\$ 6,653,676	\$ 5,186,294	\$1,844,704	\$1,669,848	NO
2009	\$12,368,082	\$12,919,862	\$1,297,457	\$1,107,532	YES
2010	\$ 6,180,605	\$ 5,918,029	\$1,540,032	\$1,305,667	NO
2011	\$15,035,468	\$15,547,359	\$1,028,142	\$ 705,787	YES
2012	\$ 7,063,133	\$ 6,391,757	\$1,684,525	\$1,516,187	NO
2013	\$13,885,028	\$14,727,957	\$ 841,599	\$ 755,419	YES
2014	\$ 4,872,907	\$ 4,048,955	\$1,662,052	\$1,008,612	NO
2015	\$ 8,027,793	\$ 8,661,126	\$ 979,220	\$ 262,353	YES
2016	\$ 4,518,172	\$ 3,842,223	\$1,667,465	\$1,511,597	NO

*Net worth is cash-on-hand adjusted for debts owed to or by the committee.

**Spending totals may exceed fundraising because reserves were used to offset the extra spending.

**TABLE 2
FUNDRAISING BY "BIG SIX" COMMITTEES
JANUARY 1, 2016 THROUGH DECEMBER 31, 2016**

REPUBLICANS	RAISED	SPENT	CASH-ON-HAND	NETWORTH
New Jersey Republican State Committee	\$1,213,290	\$1,314,983	\$ 81,150	\$ 50,236
Senate Republican Majority	\$ 383,815	\$ 144,711	\$ 605,886	\$ 605,886
Assembly Republican Victory	\$ 431,384	\$ 167,030	\$ 355,704	\$ 355,704
SUBTOTAL – REPUBLICANS	\$2,028,489	\$1,626,724	\$1,042,740	\$1,011,826
DEMOCRATS				
New Jersey Democratic State Committee	\$1,426,870	\$1,366,548	\$ 114,412	\$ 39,897
Senate Democratic Majority	\$ 401,014	\$ 276,523	\$ 377,268	\$ 357,268
Democratic Assembly Campaign Committee	\$ 661,799	\$ 572,428	\$ 133,045	\$ 102,606
SUBTOTAL - DEMOCRATS	\$2,489,683	\$2,215,499	\$ 624,725	\$ 499,771
TOTAL – BOTH PARTIES	\$4,518,172	\$3,842,223	\$1,667,465	\$1,511,597

FOURTH QUARTER 2016

REPUBLICANS	RAISED	SPENT
New Jersey Republican State Committee	\$ 596,615	\$ 610,362
Senate Republican Majority	\$ 183,515	\$ 35,976
Assembly Republican Victory	\$ 144,100	\$ 49,899
SUBTOTAL – REPUBLICANS	\$ 924,230	\$ 696,237
DEMOCRATS		
New Jersey Democratic State Committee	\$1,027,230	\$ 936,753
Senate Democratic Majority	\$ 131,176	\$ 74,996
Democratic Assembly Campaign Committee	\$ 252,536	\$ 148,428
SUBTOTAL - DEMOCRATS	\$1,410,942	\$1,160,177
TOTAL – BOTH PARTIES	\$2,335,172	\$1,856,414

TRAINING SEMINARS

The seminars listed below will be held at the Offices of the Commission, located at 28 West State St., Trenton, NJ. Since space is limited, you must reserve a seat in order to attend. Please visit ELEC's website at <http://www.elec.state.nj.us> for more information on training seminar registration.

BUSINESS ENTITY PAY-TO-PLAY TRAINING	
Thursday, February 9 th	10:00 a.m.
Thursday, March 16 th	10:00 a.m.
TREASURER TRAINING FOR CANDIDATES AND COMMITTEES	
Tuesday, April 4 th	10:00 a.m.
Wednesday, September 13 th	10:00 a.m.
Tuesday, October 3 rd	10:00 a.m.
TREASURER TRAINING FOR POLITICAL COMMITTEES AND PACS	
Tuesday, March 14 th	10:00 a.m.
Wednesday, June 21 st	10:00 a.m.
Tuesday, September 26 th	10:00 a.m.
Tuesday, December 12 th	10:00 a.m.
R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING	
Tuesday, January 10 th	10:00 a.m.
Tuesday, March 28 th	10:00 a.m.
Thursday, April 6 th	10:00 a.m.
Wednesday, July 26 th	10:00 a.m.
Tuesday, September 19 th	10:00 a.m.
Wednesday, October 4 th	10:00 a.m.
ANNUAL LOBBYING REPORT SEMINAR	
Thursday, January 12 th	10:00 a.m.
Thursday, January 26 th	10:00 a.m.
LOBBYING ELECTRONIC FILING SEMINAR	
Wednesday, March 15 th	10:00 a.m.

LOBBYING REPORTING DATES

	INCLUSION DATES	ELEC DUE DATE
Lobbying Quarterly Filing		
1 st Quarter	1/1/17 – 3/31/17	4/10/17
2 nd Quarter	4/1/17 – 6/30/17	7/10/17
3 rd Quarter	7/1/17 – 9/30/17	10/10/17
4 th Quarter	10/1/17 – 12/31/17	1/10/18
Lobbying Annual Report		
	1/1/16 – 12/31/16	2/15/17

REPORTING DATES

ELECTION	48-HOUR START DATE	INCLUSION DATES	REPORT DUE DATE
FIRE COMMISSIONER -2/18/2017			
	2/5/2017- through 2/18/2017		
29-day Preelection Reporting Date		Inception of campaign* - 1/17/17	1/20/2017
11-day Preelection Reporting Date		1/18/17 - 2/4/17	2/7/2017
20-day Postelection Reporting Date		2/5/17 - 3/7/17	3/10/2017
APRIL SCHOOL BOARD- 4/25/2017			
	4/12/2017 through 4/25/2017		
29-day Preelection Reporting Date		Inception of campaign* - 3/24/17	3/27/2017
11-day Preelection Reporting Date		3/25/17 - 4/11/17	4/17/2017
20-day Postelection Reporting Date		4/12/17 - 5/12/17	5/15/2017
MAY MUNICIPAL – 5/9/2017			
	4/26/2017 through 5/9/2017		
29-day Preelection Reporting Date		Inception of campaign* - 4/7/17	4/10/2017
11-day Preelection Reporting Date		4/8/17 - 4/25/17	4/28/2017
20-day Postelection Reporting Date		4/26/17 - 5/26/17	5/30/2017
RUNOFF (JUNE)**- 6/13/2017			
	5/31/2017 through 6/13/2017		
29-day Preelection Reporting Date		No Report Required for this Period	
11-day Preelection Reporting Date		4/26/17 - 5/30/17	6/2/2017
20-day Postelection Reporting Date		5/31/17 - 6/30/17	7/3/2017
PRIMARY (90 DAY START DATE: 3/8/2017)***			
	5/24/2017 through 6/6/2017		
29-day Preelection Reporting Date		Inception of campaign* - 5/5/17	5/8/2017
11-day Preelection Reporting Date		5/6/17 - 5/23/17	5/26/2017
20-day Postelection Reporting Date		5/24/17 - 6/23/17	6/26/2017
GENERAL (90 DAY START DATE: 8/9/2017)***			
	10/25/2017 through 11/7/2017		
29-day Preelection Reporting Date		6/24/17 - 10/6/17	10/10/2017
11-day Preelection Reporting Date		10/7/17 - 10/24/17	10/27/2017
20-day Postelection Reporting Date		10/25/17 - 11/24/17	11/27/2017
RUNOFF (DECEMBER)**- 12/5/2017			
	11/22/2017 through 12/5/2017		
29-day Preelection Reporting Date		No Report Required for this Period	
11-day Preelection Reporting Date		10/25/17 - 11/21/17	11/24/2017
20-day Postelection Reporting Date		11/22/17 - 12/22/17	12/26/2017
PACs, PCFRs & CAMPAIGN QUARTERLY FILERS			
1st Quarter		1/1/17 - 3/31/17	4/17/2017
2nd Quarter		4/1/17 - 6/30/17	7/17/2017
3rd Quarter		7/1/17 - 9/30/17	10/16/2017
4th Quarter		10/1/17 - 12/31/17	1/16/2018

* Inception Date of Campaign (first time filers) or from January 1, 2017 (Quarterly filers).

** A candidate committee or joint candidates committee that is filing in a 2017 Runoff election is not required to file a 20-day postelection report for the corresponding prior election (May Municipal or General).

*** Form PFD-1 is due on April 13, 2017 for Primary Election Candidates and June 16, 2017 for Independent General Election Candidates.

Note: A fourth quarter 2016 filing is needed for Primary 2017 candidates if they started their campaign prior to December 8, 2016. A second quarter 2017 filing is needed by Independent/Non-Partisan General Election candidates if they started their campaign prior to May 10, 2017.

HOW TO CONTACT ELEC

www.elec.state.nj.us

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