



ELEC *tronic*

An Election Law Enforcement Commission Newsletter

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Comments from the Chairman

Eric H. Jaso

ELEC’s Virtual Reality

“I like live audiences, with real people. Virtual reality is no substitute.” – Hillary Clinton

Since the COVID-19 pandemic necessitated the suspension of in-office work and in-person meetings, ELEC has worked hard to adapt so that our important work on campaign-finance and lobbying enforcement, reporting and transparency can continue.

On April 28, the Commission held its first-ever virtual meeting using webcam technology. It was conducted in accordance with the Open Public Meetings Act, which requires that any official State agency meeting allow for public attendance and participation.

ELEC staff employed GoToWebinar to set up the virtual meeting, and both Commissioners and staff were trained in advance to ensure that the meeting would go smoothly. Members of the public were able to join the segments of

the meeting which are normally open, during which they were able to make a statement or ask questions.

Also as is our normal practice, the Commission was able to conduct an Executive Session to discuss matters that fell within the exceptions to the Open Public Meetings Act. This involved ending the initial webinar and starting a new one, with only Commissioners and staff participating. When the Commission returned to Public Session, members of the public could again access the meeting and were again provided an opportunity to speak or ask questions.

The Commission held its second online meeting on May 26 using the same technology and affording the public the same opportunity to watch and participate in our open proceedings.

At our next virtual meeting, scheduled for June 16, the Commission will propose two new regulations. The first would mandate electronic filing by candidates, political parties, continuing political committees, and political committees.

The second proposal would adjust gubernatorial contribution limits and

thresholds and non-gubernatorial thresholds. These adjustments would be effective starting with the 2021 election cycle. The limits and thresholds would be adjusted on the basis of a campaign cost index set forth in law.

After the proposed regulations are published, ELEC will conduct a public hearing (preferably live, but virtual if necessary) to enable public comment prior to final adoption of the proposed regulations.

As noted in prior columns, the Commission has been operational during this period, with our staff working remotely but effectively. Though in-person treasurer training sessions have been suspended, our staff has been conducting online training sessions. We continue to issue certificates to those completing training. ELEC staff has continued to respond to telephone inquiries from candidates, treasurers, the public and the media. Analytical press releases, and a white paper report have been published.

We wish the ELEC community and the general public health and well-being as we continue to work our way through this crisis.

“Furthering the Interest of an Informed Citizenry”

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 Stephen M. Holden, Commissioner
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Executive Director's Thoughts

Jeff Brindle

Throughout the years the Commission has published a series of white paper analytical reports.

In October 1988, the first of 28 white papers debuted. This white paper entitled Contribution Limits and Prohibited Contributions contained ideas that would later be incorporated into law with the 1993 reforms.

Following the 1988 white paper came the first of several reports that would summarize and analyze campaign finance trends related to legislative elections.

This white paper, published in May 1989 and entitled Trends In Legislative Campaign Financing 1977-1987 would trace increases in contributions to and expenditures by legislative candidates during this ten-year period of time.

The second white paper would highlight trends that would be recognized by the Rosenthal Commission as it undertook the task of reforming campaign finance law in New Jersey.

As the years passed other white papers involving lobbying, the improved status of political action committees (PACs) and the unhealthy state of political parties in New Jersey would contain recommendations for reform.

One such white paper, entitled Lobbying Reform, published in 1990, set forth a blue print of proposals that would ultimately become law.

Now in the past month, as we worked our way through the pandemic lockdown, the Commission published its 28th white paper. This white paper represents the latest effort to categorize trends in legislative elections.

White Paper 28, entitled Legislative Election 2017: The Mother of All NJ Legislative Races, is authored by the Commission's very able Deputy Director Joseph Donohue.

Prior to coming to the Commission Donohue was a highly respected journalist writing for the Star-Ledger and before that the Atlantic City Press. During his tours of duty as a reporter he often wrote about campaign finance issues.

The white paper points out that 2017 witnessed the most expensive campaign ever in a legislative district. And this did not just pertain to a record in New Jersey but to the nation.

According to the analytical report, the record \$24 million spent in the 3rd district contributed mightily to the overall record \$70.7 million spent in the legislative general election.

Among many useful statistics, the white paper points out that PACs spent \$8.2 million in 2017 and that mass media spending (mostly TV) reached a record \$34.9 million.

Even during this pandemic crisis, the Commission seeks to carry on with its public responsibilities in a way that approximates normality.

This white paper written by one of the experts on campaign financing in New Jersey more than amply fulfills that mission.

In the coming weeks and months an additional white paper focusing on independent groups will be published, dovetailing well with Insider columns and analytical press releases involving Big Six and county political party entities.

Furthermore, though delayed by the pandemic, the Commission plans to initiate a project that will provide a video history of the Commission. Plans are for individuals who have had an impact on the Commission and its functions to be interviewed.

Each interview in its turn will be posted on the Commission's website as a testament to the work of the Commission through the years as well as to the individuals who contributed to the Commission's historically solid reputation.

Monumental Spending In 2017 Legislative Elections

A historic burst of spending in 2017 funded the nation's most expensive campaign ever in a single legislative district while also wiping out several state records, according to a new report by the New Jersey Election Law Enforcement Commission (ELEC).

"With the dust now settled, ELEC has further verified that the 2017 showdown in the third legislative district was the most costly campaign in American history," said Joseph Donohue, deputy director and author of the study. "Inadequate disclosure by independent spenders made it impossible to specify the exact cost. However, ELEC estimates the price tag around \$24 million disregarding inflation."

Most Expensive State Legislative Elections Nationally							
State	Year	Winner	Party	Independent Spending	Candidates Spending	Total	Inflation Adjusted
NJ	2017	Sweeney, Senate President Steve	Democrat	\$19,780,794*	\$ 4,322,147	\$24,100,941	\$25,075,762
IL	2016	Durkin, Republican Leader Jim	Republican	\$ 101,900	\$18,443,974	\$18,545,874 ¹	\$19,824,807
CA	2008	Strickland, Senator Tony	Republican	\$ 2,378,843	\$ 8,365,446	\$10,744,289	\$12,803,042
TX	2018	Paxton, Senator Angela	Republican	\$ 186,614	\$12,091,130	\$12,277,744	\$12,544,268
CA	2016	Grayson, Assemblyman Tim	Democrat	\$ 9,264,075	\$ 1,606,252	\$10,870,327	\$11,619,950

(Same as Table 15, page 12 from White Paper 28) *estimate

"ELEC could find no state legislative campaign ever throughout the United States that was more expensive. The race cost more than some past gubernatorial and U.S. Senate races in New Jersey. It is triple the previous high for spending in a legislative district in our state," he said.

More details are contained in the analysis entitled: White Paper 28: "Legislative Election 2017-The Mother of All NJ Legislative Races."

"We may never see another legislative race of this magnitude again," said Donohue. "Then again, who knows, given how explosive independent special interest spending has become in the state and throughout the nation."

The 2017 legislative election set many new state records.

It was the most expensive legislative general election in New Jersey history (\$70.7 million). It featured most independent spending in a Garden State legislative election ever (\$26.6 million) and the highest percentage of independent spending 37.6 percent (Three preceding figures from Table 1).

The large wave of spending also led to the highest average spending per seat and district (Table 2).

¹ From candidate's quarterly report filed January 17, 2017 at <https://www.elections.il.gov/#News>. Nearly all the money was transferred outside district. Jim Durkin is House Republican leader. During the 2016 election, he had \$1 million in cash and received \$17.7 million in contributions, including \$12 million from then-Governor Bruce Rauner and \$5 million from Kenneth Griffin. He then transferred \$18.3 million to House Republicans and the state party.

Contributions by continuing political committees, also called PACs, to legislative races hit a new high of \$8.2 million in 2017 (Table 12). Contributions from union-controlled PACs also hit a new milestone (Table 14).

Mass media spending overall reached a record \$34.9 million (Table 19) and television spending surged to a hefty \$20.3 million (Table 23). Digital advertising topped a record \$2.4 million (Table 25).

“At least \$2.4 million was spent on digital ads in the 2017 campaign. That figure is more than triple the combined total spent on cyber-ads in all eight preceding legislative elections dating back to 2001,” said Donohue. “It is a clear sign that the digital platform has become an indispensable option in campaign toolboxes. This parallels a similar trend in federal campaigns.”

Donohue said the growing involvement of independent groups in New Jersey elections makes it imperative to enact a new state law that requires these groups to disclose their major contributions and spending just like candidates, parties and traditional political action committees.

“Better disclosure laws were important when our bi-partisan commission in 2010 unanimously urged reforms a few months after the *Citizens United v. FEC* ruling unleashed a major new wave of independent spending. They may be even more critical now that independent groups often seem to be calling the shots in today’s elections,” said Donohue.

All 28 white papers are available on ELEC’s website at <https://www.elec.state.nj.us/aboutelec/whitepapers.htm>.

Webinars

Introducing ELEC’s new web-based Electronic File Filing System.
Please register for one of the following Webinars.

Webinar Schedule		
R-1 WEBINARS	6/16/2020	10am
	9/22/2020	2pm
	10/1/2020	10am
R-3 WEBINARS	6/9/2020	10am
	7/6/2020	2pm
	9/17/2020	10am
	10/8/2020	2pm

After registering, you will receive a confirmation email containing information about joining the webinar.

Should you need assistance please call

(609) 292-8700 or visit https://www.elec.nj.gov/seminar_train/SeminarTraining.html.

County Parties Holding Their Own So Far Despite Covid-19 Crisis

Fund-raising and spending by county political parties so far remains steady despite concern the COVID-19 public health crisis may dampen all political fund-raising, according to reports filed with the New Jersey Election Law Enforcement Commission (ELEC).

During the three-month period ending March 31, 2020, county parties as a whole raised \$1.2 million, spent \$1.3 million and reported \$2.2 million in cash reserves.

YEAR	RAISED	SPENT*	CASH-ON-HAND	STATE/FEDERAL ELECTION YEAR?
2010	\$1,023,791	\$1,199,044	\$2,078,378	Federal
2011	\$1,088,038	\$1,108,475	\$1,141,821	State
2012	\$ 891,658	\$ 978,826	\$1,023,935	Federal
2013	\$ 957,098	\$ 980,628	\$1,457,253	State
2014	\$1,048,455	\$1,099,335	\$1,312,788	Federal
2015	\$1,080,157	\$1,118,813	\$1,437,520	State
2016	\$1,499,334	\$ 970,613	\$2,027,203	Federal
2017	\$1,195,248	\$1,250,534	\$2,086,933	State
2018	\$1,371,138	\$1,378,945	\$2,657,429	Federal
2019	\$1,648,413	\$1,654,402	\$3,341,448	State
2020	\$1,234,693	\$1,290,897	\$2,155,834	Federal

*Spending can exceed fund-raising due to use of reserves or borrowing.

Not adjusting for inflation, first quarter fund-raising totals for 2020 are higher than in seven of the last ten election years. County party officials reported higher totals only in 2016, 2018 and 2019.

“The COVID-19 pandemic has rocked all of our lives. It certainly poses new challenges to candidates, parties and PACs trying to raise money for their continued operations,” said Jeff Brindle, ELEC’s Executive Director.

“While the first quarter reports of county parties are encouraging, they may not reflect the full impact of state restrictions, which included bans on public gatherings like fund-raisers. Those limits didn’t take effect until a couple of weeks before the end of the reporting period,” said Brindle. “ELEC will remain vigilant for signs that the crisis is becoming a serious hindrance to election fund-raising.”

Compared to four years ago, Democratic party committees improved in all campaign finance categories. Republicans spent more this year but reported less fund-raising and cash reserves than in 2016.

Table 2				
Fundraising By "Big Six" Committees				
January 1 Through March 31				
2020	RAISED	SPENT**	CASH-ON-HAND	NET WORTH*
Democratic County Party Committees	\$ 855,501	\$ 933,271	\$1,750,284	\$1,748,872
Republican County Party Committees	\$ 379,192	\$ 357,626	\$ 405,550	\$ 830,052
Total- Both Parties	\$1,234,693	\$1,290,897	\$2,155,834	\$2,578,924
2016	RAISED	SPENT	CASH-ON-HAND	NET WORTH
Democratic County Party Committees	\$ 799,673	\$ 679,954	\$1,245,021	\$ 968,679
Republican County Party Committees	\$ 699,661	\$ 290,658	\$ 782,181	\$1,699,526
Total- Both Parties	\$1,499,334	\$ 970,612	\$2,027,202	\$2,668,205
Difference 2020 versus 2016	RAISED	SPENT	CASH-ON-HAND	NET WORTH
Democratic County Party Committees	7%	37%	41%	81%
Republican County Party Committees	-46%	23%	-48%	-51%
Total- Both Parties	-18%	33%	6%	-3%

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

**Spending can exceed fundraising due to use of reserves or borrowing.

While county party fund-raising does not appear to be falling off a cliff, it has been relatively stagnant during the past decade compared to the previous decade.

For instance, county parties raised \$2.9 million in the first quarter of 2003. That was their best first quarter receipts in two decades. The current figure of \$1.2 million is 58 percent less.

“Even before the current virus crisis, party officials in New Jersey were facing long-term difficulties. Tight state caps on donations by public contractors cut into their coffers beginning around 2005,” Brindle said.

“Another threat is competition from independent special interest groups, which used to send more checks to parties. Now they spend millions annually on New Jersey by bypassing parties and spending their money directly on campaigns,” according to Brindle.

To try to counter these trends, ELEC has recommended several legislative fixes, including lifting contribution limits for party committees, ending a \$300 limit on most public contractor contributions to parties, and imposing such that strict limit instead on contributions to continuing political action committees (PACs).

“Unless we move to reinvigorate parties and require more disclosure by independent spenders, election financing will continue to become less transparent and less accountable,” Brindle said.

Six Democratic county party committees – Bergen, Camden, Gloucester, Mercer, Passaic, and Union- reported a cash reserve above \$100,000 for the quarter.

COUNTY	RAISED	SPENT	CASH-ON-HAND	NET WORTH*
Atlantic	\$ 26,117	\$ 18,016	\$ 16,804	\$ 16,804
Bergen	\$225,530	\$111,928	\$ 146,036	\$ 146,036
Burlington	\$ 15,250	\$ 2,850	\$ 18,052	\$ 473
Camden	\$118,092	\$339,028	\$ 120,861	\$ 120,861
Cape May	\$ 4,536	\$ 5,284	\$ 3,466	\$ 3,466
Cumberland	\$ 17,761	\$ 10,859	\$ 11,304	\$ 11,304
Essex	\$ 86,834	\$ 84,132	\$ 89,042	\$ 89,042
Gloucester	\$ 11,000	\$ 41,650	\$ 518,431	\$ 518,431
Hudson	NA	NA	NA	NA
Hunterdon	\$ 6,975	\$ 6,600	\$ 19,554	\$ 19,554
Mercer	\$ 41,175	\$ 15,176	\$ 223,366	\$ 223,366
Middlesex	\$ 79,059	\$111,337	\$ 14,130	\$ 14,130
Monmouth	\$ 52,546	\$ 41,317	\$ 11,423	\$ 11,423
Morris	NA	NA	NA	NA
Ocean	\$ 5,739	\$ 3,981	\$ 25,086	\$ 41,252
Passaic	\$ 87,545	\$ 61,155	\$ 312,987	\$ 312,987
Salem	NA	NA	NA	NA
Somerset	\$ 21,094	\$ 27,883	\$ 52,745	\$ 52,745
Sussex	\$562	\$ 1,902	\$ 8,106	\$ 8,106
Union	\$ 55,686	\$ 50,172	\$ 158,893	\$ 158,893
Warren	NA	NA	NA	NA
Democrats-Total	\$855,501	\$933,271	\$1,750,284	\$1,748,872

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

NA= Not Available

No Republican county party committees that have filed a report showed a cash reserve larger than \$100,000. Burlington reported a net worth of more than \$100,000 since it is owed money by others.

COUNTY	RAISED	SPENT	CASH-ON-HAND	NET WORTH*
Atlantic	\$ 1,417	\$ 16,281	\$ 6,468	\$ 6,468
Bergen	\$ 24,635	\$ 35,272	\$ 8,088	\$ 8,088
Burlington	\$ 65,246	\$ 58,574	\$ 27,017	\$459,119
Camden	\$ 8,405	\$ 8,595	\$ 7,514	\$ 7,514
Cape May	NA	NA	NA	NA
Cumberland	\$ 18,744	\$ 11,075	\$ 14,295	\$ 14,295
Essex	\$ 18,500	\$ 1,175	\$ 39,279	\$ 39,279
Gloucester	\$ 58,055	\$ 46,847	\$ 32,926	\$ 32,926
Hudson	NA	NA	NA	NA
Hunterdon	\$ 27,960	\$ 24,952	\$ 6,657	\$ 6,657
Mercer	\$ 1,175	\$ 2,013	\$ 5,047	\$ 5,047
Middlesex	\$ 2,670	\$ 1,688	\$ 17,366	\$ 17,366
Monmouth	\$ 17,409	\$ 34,330	\$ 23,057	\$ 23,057
Morris	\$ 20,959	\$ 18,338	\$ 12,831	\$ 5,231
Ocean	\$ 41,798	\$ 33,004	\$ 25,461	\$ 25,461
Passaic	NA	NA	NA	NA
Salem	NA	NA	NA	NA
Somerset	\$ 17,720	\$ 30,290	\$ 93,351	\$ 93,351
Sussex	\$ 9,490	\$ 7,862	\$ 18,293	\$ 18,293
Union	\$ 32,610	\$ 18,977	\$ 57,839	\$ 57,839
Warren	\$ 12,400	\$ 8,353	\$ 10,061	\$ 10,061
Republicans-Total	\$397,192	\$357,626	\$405,550	\$830,052

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

NA=Not available.

The numbers in this analysis are based on reports filed by noon May 12, 2020. They have yet to be verified by ELEC staff, and should be considered preliminary.

Individual reports can be reviewed on ELEC's website (www.elec.state.nj.us).

2020 Reporting Dates

Please refer to ELEC's website for up-to-date revised dates

www.elec.nj.gov/pdf/files/reporting_dates/REVISED_2020_Reporting_Dates.pdf

	INCLUSION DATES	REPORT DUE DATE
FIRE COMMISSIONER – FEBRUARY 15, 2020		
29-day Preelection Reporting Date	Inception of campaign* – 1/14/2020	1/17/2020
11-day Preelection Reporting Date	1/15/2020 – 2/1/2020	2/4/2020
20-day Postelection Reporting Date	2/2/2020 – 3/3/2020	3/6/2020
48-Hour Notice Reports Start on 2/2/2020 through 2/15/2020		
APRIL SCHOOL BOARD – May 12, 2020		
29-day Preelection Reporting Date	Inception of campaign* – 4/10/2020	4/13/2020
11-day Preelection Reporting Date	4/11/2020 – 4/28/2020	5/1/2020
20-day Postelection Reporting Date	4/29/2020 – 5/29/2020	6/1/2020
48-Hour Notice Reports Start on 4/29/2020 through 5/12/2020		
MAY MUNICIPAL – MAY 12, 2020		
29-day Preelection Reporting Date	Inception of campaign* – 4/10/2020	4/13/2020
11-day Preelection Reporting Date	4/11/2020 – 4/28/2020	5/1/2020
20-day Postelection Reporting Date	4/29/2020 – 5/29/2020	6/1/2020
48-Hour Notice Reporting Starts on 4/29/2020 through 5/12/2020		
RUNOFF (JUNE) ** – JULY 7, 2020		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	4/29/2020 – 6/23/2020	6/26/2020
20-day Postelection Reporting Date	6/24/2020 – 7/24/2020	7/27/2020
48-Hour Notice Reporting Starts on 6/24/2020 through 7/7/2020		
PRIMARY (90-DAY START DATE: MARCH 4, 2020) *** – JULY 7, 2020 (See Executive Order No. 120)		
29-day Preelection Reporting Date	Inception of campaign* – 6/5/2020	6/8/2020
11-day Preelection Reporting Date	6/6/2020 – 6/23/2020	6/26/2020
20-day Postelection Reporting Date	6/24/2020 – 7/24/2020	7/27/2020
48-Hour Notice Reporting Starts on 6/24/2020 through 7/7/2020		
GENERAL (90-DAY START DATE: AUGUST 5, 2020) – NOVEMBER 3, 2020		
29-day Preelection Reporting Date	7/25/2020 – 10/2/2020	10/5/2020
11-day Preelection Reporting Date	10/3/2020 – 10/20/2020	10/23/2020
20-day Postelection Reporting Date	10/21/2020 – 11/20/2020	11/23/2020
48-Hour Notice Reporting Starts on 10/21/2020 through 11/3/2020		
RUNOFF (DECEMBER)** – DECEMBER 8, 2020		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	10/21/2020 – 11/24/2020	11/27/2020
20-day Postelection Reporting Date	11/25/2020 – 12/25/2020	12/28/2020
48-Hour Notice Reporting Starts on 11/25/2020 through 12/8/2020		

PACs, PCFRs & CAMPAIGN QUARTERLY FILERS		
1 st Quarter	1/1/2020 – 3/31/2020	4/15/2020
2 nd Quarter	4/1/2020 – 6/30/2020	7/15/2020
3 rd Quarter	7/1/2020 – 9/30/2020	10/15/2020
4 th Quarter	10/1/2020 – 12/31/2020	1/15/2021
GOVERNMENTAL AFFAIRS AGENTS (Q-4)		
1 st Quarter	1/1/2020 – 3/31/2020	4/13/2020
2 nd Quarter	4/1/2020 – 6/30/2020	7/10/2020
3 rd Quarter	7/1/2020 – 9/30/2020	10/13/2020
4 th Quarter	10/1/2020 – 12/31/2020	1/11/2021

*Inception Date of Campaign (first time filers) or January 1, 2020 (Quarterly filers)

**A candidate committee or joint candidates committee that is filing in a 2020 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 9, 2020 for the Primary Election Candidates and July 17, 2020 for the Independent General Election Candidates.

Note: A fourth quarter 2019 filing is needed for the Primary 2020 candidates if they started their campaign prior to December 4, 2019.
 A second quarter is needed by Independent/Non-Partisan General Election candidates if they started their campaign prior to May 5, 2020.

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