Comments from the Chair Jerry Fitzgerald English

Legislative Recommendations

Every year, by the first of May, the Commission publishes its annual report.

The report highlights the Commission's achievements over the course of the previous year. Moreover, it contains recommendations for legislative reforms.

This year, the Commission is doing something different. By a unanimous bi-partisan vote, the members decided to prioritize the recommendations and to highlight them, not only in the annual report but in a promotional press release. These recommendations have been submitted to both houses and the Governor for consideration.

The priority recommendations are timely and address the most pressing needs in the areas of campaign finance, lobbying, and pay-to-play.

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They are:

- Simplifying and standardizing "pay-to-play" laws by prohibiting business entities from entering county or municipal contracts above \$17,500 if they make certain political donations.
- Disclosure of 527 committee activity.
- Expand the regulation of "wheeling" to include contributions by county political party committees to other county political party committees during the entire year to avoid circumvention of the contribution limits.
- Require lobbying activity on behalf of government agencies to be disclosed by registered lobbyists.
- Broaden the governmental activities law to include lobbying local governmental entities.
- Place the personal financial disclosure statements of candidates on the Internet and change the filing date to improve efficiency.
- Prohibit the proliferation of affiliated PACs in New Jersey.

For there to be public trust in government, there is nothing more important than transparency.

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Comments from the Chair Jerry Fitzgerald English

Legislative Recommendations

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Further, there is nothing more critical to good government than laws that seek to eliminate any undue influence from the process, real or perceived, and allow citizens to decide for themselves whether government is functioning properly and honestly.

Each one of these proposals address these critical needs. They will shed greater openness on the process and will further the public belief that the laws of the State are working for them and not for any particular interest.

User friendly is a term of art in the field of computers. Regarding the call for the standardization and simplification of pay-to-play, disclosure of local lobbying, and the regulation of wheeling, it very well might be said that these proposals are user friendly to the public.

Treasurer Training for Candidates and Committees

Seminars are conducted at 10:00 a.m. at the Commission's offices at 28 West State Street, 8th floor, in Trenton.

Treasurer Training Seminars for Candidates and Joint Candidates Committees

Tuesday, May 4
Monday, September 13
Wednesday, September 29

Treasurer Training Seminars for Political Party Committees and PACs

Thursday, June 24
Monday, September 27
Thursday, December 9

Executive Director's ThoughtsJeff Brindle

New Era for Lobbying

Lobbying is changing in New Jersey. Its tradition of personal contact and insider access isn't ready for the ash-heap of history, but it is undergoing a transformation.

Lobbying has become more varied. A new tool box of strategies and techniques is available to lobbyists who seek to influence public policy.

An analytical report released recently by the Election Law Enforcement Commission (ELEC) points to this trend.

For example, spending by lobbyists in 2009 showed an inverse relationship between goodwill lobbying and communication. In other words, these spending categories are moving in opposite directions.

In 2009, goodwill lobbying, also known as benefit passing, dropped by 56 percent. Lobbyists only spent \$9,700 on public officials last year. That's the lowest amount since ELEC began keeping records in 1982.

On the other hand, expenditures on communications jumped by 53 percent, topping \$6.1 million.

Total spending on lobbying amounted to \$56.4 million, slightly higher than in 2008. More important is the 95 percent increase over spending in 2005.

These statistics are significant. They're the window into how lobbying is growing up in New Jersey, becoming more multi-dimensional.

The advocacy community is going about its business differently than in the past. This trend promises to continue and pick-up steam in the future.

So what is in this new tool box?

Executive Director's Thoughts Jeff Brindle

New Era for Lobbying

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For one thing, grassroots lobbying. About \$4 million was reported by lobbyists as spending on grassroots lobbying in New Jersey.

Already this year we see an uptick in grassroots lobbying. As the budget appropriations process kicks into high gear, interest groups will use cable TV, radio, and print advertising to mobilize the public on behalf of their issue.

The New Jersey Education Association (NJEA) and Communications Workers of America (CWA) have undertaken such an approach. In this heated budgetary season other interests are sure to follow.

Lobbyists increasingly use the tactics traditionally used by political consultants, blurring the lines between advocacy and political campaigns. In fact, interest groups engage the services of political consultants as part of their offering of full service lobbying.

Important to this broadening scope of lobbying activity is research. Whether communicating directly with a public official, or indirectly through communicating with the public, research is critical.

As in political campaigns, the new lobbyists may engage the services of professional pollsters who can provide survey research important to the development of the grassroots lobbying message.

If grassroots lobbying is to be effective, it must contain a convincing message that shapes the debate. Polling is an important tool in this regard.

Even in traditional direct lobbying of public officials, research is critical. Government in New Jersey has grown, legislators and executive branch officials employ more aides; therefore, the lobbyist must present a cogent argument.

And, it doesn't hurt to have a known expert in the field; an economist, a legislator, former cabinet member, etc., lends credibility to a position through testifying before a committee or meeting with a public official.

Grassroots lobbying, or issue advocacy is just one of the ways that lobbying in New Jersey is departing from traditional person-to-person goodwill lobbying. Lawyers are increasingly involved in lobbying as are public relations and advertising specialists.

What can be more helpful to a lobbyist's cause than free media coverage, or pollsters, strategists, and advertisers working together to frame the debate?

Lobbying is a First Amendment right and in so many ways helpful to the governmental process. However, it is important to recognize that the nature of lobbying is changing and as a result there is a need for strong disclosure to capture this activity at all levels of government.

That's why the New Jersey Election Law Enforcement Commission is not only making lobbying reports available to the public but providing press releases analyzing trends in lobbying.

Moreover, staff at the Commission is in the process of scanning annual lobbying reports for the first time. Shortly, the public will be able to access reports by lobbyists over the Internet.

And finally, the Commission is recommending legislative reforms that would require registered lobbyists to disclose lobbying on behalf of local governments and authorities, as well as the lobbying of those governmental authorities.

Transparency is key to fostering trust in government and this is another way by which the Commission is helping to bring this about.

The above article appeared in NewJerseyNewsroom.com on April 20, 2010.

Pay-to-Play

Total reported donations from public contractors have fallen 29 percent since state law first required such reports four years ago under "payto-play" restrictions.

Contractors last year acknowledged \$10.7 million in political contributions, down from \$15.1 million in 2006.

YEAR	AMOUNT	FOUR-YEAR TRENDS	
2009	\$10,713,173	\$(4,428,918)	-29%
2008	\$12,100,568		
2007	\$16,288,394		
2006	\$15,142,091		

The first four years of data from public contractors shows pay-to-play laws have had a huge impact on campaign financing in New Jersey. It reinforces previous studies that showed total fundraising has declined sharply for state and county fundraising committees since the advent of laws aimed at curbing the influence of government vendors.

For instance, gross receipts reported last year by the "big six" fundraising committees, the two state parties and four legislative leadership PACs were down 36 percent compared to similar reports in 2005. Fundraising by county party committees fell 28 percent during the same time.

"It appears that a growing number of contractors simply have stopped making donations due to pay-to-play restrictions. Many firms apparently are fearful of losing government business by making a wrong donation," Executive Director Jeff Brindle stated in an earlier release.

In ELEC White Paper No. 20, entitled, "Legislative General Elections 2007: An Analysis of Trends in State Senate and Assembly Elections," it was shown that the impact of pay-to-play rules was noticeable even before the recession, which also put a damper on campaign giving.

It was further noted in the white paper that "The pay-to-play reforms of recent years appear to be reversing somewhat the dominance of political party entities that grew steadily from the earlier reforms enacted in 1993." The white paper is available at:

<u>www.elec.state.nj.us/pdffiles/whitepapers/white20.</u> pdf.

In 2009, 1,820 business entities with public work filed reports with ELEC. That is a reduction of 21 percent from four years ago.

YEAR	NUMBER	FOUR YEAR TREND	
2009	1,820	(479)	-21%
2008	1,806		
2007	1,971		
2006	2,299		

Under pay-to-play laws, all businesses that have received \$50,000 or more in total public contracts must report their contracts and donations to ELEC each spring. Those with state contracts are prohibited from contributing more than \$300 to gubernatorial candidates, state political parties, county political parties, and legislative leadership committees. Firms that exceed this limit must refund the excess donations within a necessary time period or relinquish their contracts for four years.

Similar limits apply to municipal or county contractors unless local officials adopt a "fair and open" bidding process intended to encourage competition. Where "fair and open" rules are adopted, normal contribution limits apply to contractors.

Pay-to-Play

Continued from page 4.

These range from \$2,600 per election from individuals or corporations to candidate committees to \$37,000 annually to county party committees. During the four-year period, the average donation from contractors fell 6 percent from \$1,223 to \$1,150.

Since 2006, the number of contractor donations dropped 25 percent to 9,315.

YEAR	NUMBER	FOUR YEAR TREND	
I L/AIX	NOWIDER	IKLIND	
2009	9,315	(3,068)	-25%
2008	10,004		
2007	13,342		
2006	12,383		

The 1,820 contractors that have filed with ELEC reported having \$5.9 billion in public contracts last year. That figure is down 43 percent from the \$10.4 billion in contracts in 2006.

YEAR	AMOUNT	FOUR YEAR TREND	
2009	\$5,897,356,448	\$(4,497,891,478)	-43%
2008	\$4,981,174,299		
2007	\$5,677,331,757		
2006	\$10,395,247,926		

The following ten firms reported the largest contract totals for 2009:

BUSINESS NAME	AMOUNT
Horizon Healthcare of New	
Jersey, Inc.	\$1,220,031,118
The Prudential Insurance	
Company of America	\$ 523,594,004
Amerigroup New Jersey, Inc.	\$ 298,480,790
Parsons Commercial	
Technology Group Inc	\$ 286,588,433
South State, Inc.	\$ 204,888,571
Tilcon New York, Inc.	\$ 168,216,558
Verizon New Jersey Inc.	\$ 149,723,039
George Harms Construction	
Co., Inc.	\$ 140,610,169
Colonial Bank FSB	\$ 133,622,151
Creamer-Sanzari Joint Venture	\$ 86,436,217

The following firms reported the largest contribution totals for 2009:

BUSINESS NAME	AMOUNT
T&M Associates	\$ 534,300
CME Associates	\$ 499,370
Remington & Vernick	
Engineers, Inc.	\$ 356,325
Maser Consulting P.A.	\$ 227,711
Pennoni Associates Inc.	\$ 210,079
Darker MacCasa DA	Φ 207 020
Parker McCay PA	\$ 207,030
Richard A. Alaimo Associates	\$ 201,000
Birdsall Services Group	\$ 191,850
Adams, Rehmann & Heggan	
Assoc.	\$ 178,140
Capehart Scatchard P.A.	\$ 154,317

Debra Kostival "Profile"

<u>Principal Receptionist</u>

Irene Comiso "Profile"

Senior Receptionist

In the annals of history, some of the most famous duos were female.

Lucy and Ethel. Laverne and Shirley. Thelma and Louise.

Most people who regularly interact with the New Jersey Election Law Enforcement Commission know it has its own dynamic twosome - Debbie and Irene. For nearly 24 years, callers or visitors to ELEC have been greeted by Debra Kostival or Irene Comiso.

"We call this the first line of information," said Kostival with a chuckle.

Both members of this affable, patient duet are always quick with a smile and ready to help.

"You meet a lot of nice people here. That's what I like about dealing with the public," said Comiso.

As the unofficial face of the agency, they've become mini-celebrities. "No matter where I go, I run into people," said Comiso. "Someone will yell - Hey Irene!"

Remarkably, while they both admit having their occasional spats, the two have become good friends inside and outside the workplace. They didn't know each other before they worked together.

Kostival readily admits her favorite pastimes are traveling and shopping in New York City. A view of the Amalfi coast in Italy often adorns her computer screen, and she is known for her stylish clothes.

Comiso admits to more modest tastes. "She's Bergdorf Goodman. I'm Walmart," she says with a laugh. "She loves fancy things."

Where it counts most, the two have much in common. Both are life-time Mercer County residents with similar backgrounds. "Ever since the beginning we've gotten along," Comiso said.

Comiso's work area is adorned with plants and flowers. She is fond of animals, especially many dogs that she has helped rescue, and being outdoors. She attributes it to coming from a family with five generations of farmers. "I love nature and gardening. That's where my heart is," she said.

While some candidates and others who deal with ELEC may be nervous about an election or a complaint about their campaign, Kostival said the women have encountered few real problems.

"For the most part, people are friendly," she said.

Both especially recall two former late State Senators known for their humor - Tom Foy and Peter McDonough Sr., who would drop off their fundraising reports and share their latest jokes.

William Schluter, another former State Senator who sponsored the law that created ELEC, once offered Comiso a cup of coffee and she had to turn him down due to ethics rules. "I told him I can't even take a glass of water," she said.

DATES TO REMEMBER

2010 REPO	RTING DATES	
SCHOOL BOARD ELECTION		
_APRIL 20, 2010	PERIOD COVERED	REPORT DUE DATE
20-day post-election	4/7/10 – 5/7/10	May 10, 2010
48 Hour Notice Reports start on 4/7/10 through 4/20/10		
MUNICIPAL ELECTION		
MAY 11, 2010	PERIOD COVERED	REPORT DUE DATE
20-day post-election*	4/28/10 – 5/28/10	June 1, 2010
48 Hour Notice Reports start on 4/28/10 through 5/11/10		
RUNOFF ELECTION		
JUNE 15, 2010	PERIOD COVERED	REPORT DUE DATE
29-day pre-election	**No report required	
11-day pre-election	4/28/10 – 6/1/10	June 4, 2010
20-day post-election	6/2/10 – 7/2/10	July 6, 2010
48 Hour Notice Reports start on 6/2/10 through 6/15/10		
PRIMARY ELECTION		
JUNE 8, 2010	PERIOD COVERED	REPORT DUE DATE
JUNE 8, 2010 29-day pre-election	PERIOD COVERED *Inception of campaign 5/7/10	May 10, 2010
		<u> </u>
29-day pre-election	*Inception of campaign 5/7/10	May 10, 2010
29-day pre-election 11-day pre-election	*Inception of campaign 5/7/10 5/8/10 - 5/25/10	May 10, 2010 May 28, 2010
29-day pre-election 11-day pre-election 20-day post-election 48 Hour Notice Reports start on 5/26/10 through 6/8/10 GENERAL ELECTION	*Inception of campaign 5/7/10 5/8/10 - 5/25/10 5/26/10 - 6/25/10	May 10, 2010 May 28, 2010 June 28, 2010
29-day pre-election 11-day pre-election 20-day post-election 48 Hour Notice Reports start on 5/26/10 through 6/8/10 GENERAL ELECTION NOVEMBER 2, 2010	*Inception of campaign 5/7/10 5/8/10 - 5/25/10 5/26/10 - 6/25/10 PERIOD COVERED	May 10, 2010 May 28, 2010 June 28, 2010 REPORT DUE DATE
29-day pre-election 11-day pre-election 20-day post-election 48 Hour Notice Reports start on 5/26/10 through 6/8/10 GENERAL ELECTION NOVEMBER 2, 2010 29-day pre-election	*Inception of campaign 5/7/10 5/8/10 - 5/25/10 5/26/10 - 6/25/10	May 10, 2010 May 28, 2010 June 28, 2010 REPORT DUE DATE October 4, 2010
29-day pre-election 11-day pre-election 20-day post-election 48 Hour Notice Reports start on 5/26/10 through 6/8/10 GENERAL ELECTION NOVEMBER 2, 2010	*Inception of campaign 5/7/10 5/8/10 - 5/25/10 5/26/10 - 6/25/10 PERIOD COVERED	May 10, 2010 May 28, 2010 June 28, 2010 REPORT DUE DATE
29-day pre-election 11-day pre-election 20-day post-election 48 Hour Notice Reports start on 5/26/10 through 6/8/10 GENERAL ELECTION NOVEMBER 2, 2010 29-day pre-election	*Inception of campaign 5/7/10 5/8/10 - 5/25/10 5/26/10 - 6/25/10 PERIOD COVERED 6/26/10 - 10/1/10	May 10, 2010 May 28, 2010 June 28, 2010 REPORT DUE DATE October 4, 2010
29-day pre-election 11-day pre-election 20-day post-election 48 Hour Notice Reports start on 5/26/10 through 6/8/10 GENERAL ELECTION NOVEMBER 2, 2010 29-day pre-election 11-day pre-election	*Inception of campaign 5/7/10 5/8/10 - 5/25/10 5/26/10 - 6/25/10 PERIOD COVERED 6/26/10 - 10/1/10 10/2/10 - 10/19/10 10/20/10 - 11/19/10	May 10, 2010 May 28, 2010 June 28, 2010 REPORT DUE DATE October 4, 2010 October 22, 2010
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29-day pre-election 11-day pre-election 20-day post-election 48 Hour Notice Reports start on 5/26/10 through 6/8/10 GENERAL ELECTION NOVEMBER 2, 2010 29-day pre-election 11-day pre-election 20-day post-election 48 Hour Notice Reports start on 10/20/10 through 11/2/10	*Inception of campaign 5/7/10 5/8/10 - 5/25/10 5/26/10 - 6/25/10 PERIOD COVERED 6/26/10 - 10/1/10 10/2/10 - 10/19/10 10/20/10 - 11/19/10	May 10, 2010 May 28, 2010 June 28, 2010 REPORT DUE DATE October 4, 2010 October 22, 2010 November 22, 2010
29-day pre-election 11-day pre-election 20-day post-election 48 Hour Notice Reports start on 5/26/10 through 6/8/10 GENERAL ELECTION NOVEMBER 2, 2010 29-day pre-election 11-day pre-election 20-day post-election 48 Hour Notice Reports start on 10/20/10 through 11/2/10 PACs & CAMPAIGN QUARTERLY FILERS	*Inception of campaign 5/7/10 5/8/10 - 5/25/10 5/26/10 - 6/25/10 PERIOD COVERED 6/26/10 - 10/1/10 10/2/10 - 10/19/10 10/20/10 - 11/19/10 PERIOD COVERED	May 10, 2010 May 28, 2010 June 28, 2010 REPORT DUE DATE October 4, 2010 October 22, 2010 November 22, 2010 REPORT DUE DATE
29-day pre-election 11-day pre-election 20-day post-election 48 Hour Notice Reports start on 5/26/10 through 6/8/10 GENERAL ELECTION NOVEMBER 2, 2010 29-day pre-election 11-day pre-election 20-day post-election 48 Hour Notice Reports start on 10/20/10 through 11/2/10 PACS & CAMPAIGN QUARTERLY FILERS 1st Quarter	*Inception of campaign 5/7/10 5/8/10 - 5/25/10 5/26/10 - 6/25/10 PERIOD COVERED 6/26/10 - 10/1/10 10/2/10 - 10/19/10 10/20/10 - 11/19/10 PERIOD COVERED 1/1/10 - 3/31/10	May 10, 2010 May 28, 2010 June 28, 2010 REPORT DUE DATE October 4, 2010 October 22, 2010 November 22, 2010 REPORT DUE DATE April 15, 2010

- * Inception Date of Campaign (first time filers) or from January 1, 2010 (Quarterly filers)
- ** A candidate committee or joint candidates committee that is filing in the 2010 Runoff election is not required to file a 20-day post-election report for the 2010 Municipal election.

Late and non-filing of reports are subject to civil penalties determined by the Commissioners