Election Law Enforcement Commission, P.O. Box 185, Trenton, NJ 08625 www.elec.state.nj.us (609) 292-8700 - Toll Free Within NJ 1-888-313-ELEC (3532)

Comments from the Chair Jerry Fitzgerald English

New Jersey lobbyists submitted their annual financial reports to the Commission recently.

On March 10, 2010, a snap-shot analysis of the financial activity of close to 1,000 lobbyists, technically referred to as governmental affairs agents and represented entities, will be made public by the Commission.

Additionally, a copy of every annual lobbying report will be available for review by the public and press in ELEC's public records room.

The snap-shot analysis will categorize lobbyist expenditures by operational costs, salary, support personnel, fees, communication costs, travel, and benefit passing. Benefit passing is when a registered lobbyist pays for a public official's meal, tickets to the theatre, or a trip to a convention in Arizona, etc.

Of interest will be whether or not overall expenditures by lobbyists increased in 2009 over the previous year. Through the years the general trend has been upward; between certain recent years tremendously so.

INSIDE THIS ISSUE

- 1 Comments from the Chair
- 2 Executive Director's Thoughts
- 3 Local Donor Data Expands
- 5 Gubernatorial Public Financing Public Hearing
- 5 ELEC Directors
- 6 Amy F. Davis "Profile"
- 6 Treasurer Training for Candidates and Committees
- 7 Dates to Remember

For example, between 2005 and 2006, lobbyist expenditures rose from \$28.9 million to \$55.3 million, a 91 percent increase.

Since that time those expenditures have remained steady, in the neighborhood of \$55 million.

If activity in other states is any guide overall expenditures by lobbyists in New Jersey will probably remain about the same or even dip somewhat. However, if the State's lobbyists follow in the path of federal lobbyists activity may actually increase.

How much the recessionary economy has impacted the State's lobbying activity remains to be seen. However, activity in one particular category, benefit passing, is a good bet to decline.

Even in the years when spending on lobbying increased dramatically, expenditures on benefit passing declined, and did so in equally dramatic fashion. Last year, for example, this category of expenditure decreased from 2007 by 29 percent, reaching a low of \$22,360. Between 2004 and 2008, benefit passing dipped by 81 percent; this at a time when actual lobbying expenditures increased by 121 percent.

It seems that lobbyists don't want to take public officials out to dinner anymore, a situation that may be equally welcomed by the public officials themselves.

But what has changed? First, the press has been more intensely focusing on the issue recently. Secondly, the strong disclosure laws involving lobbying and the statistical analysis provided by ELEC's staff have provided assistance in this regard. Third, reforms in 2004 placed a \$250 annual cap on benefits allowed to be passed by lobbyists to public officials. And fourth, the very nature of lobbying itself is changing, becoming more sophisticated and diversified.

Comments from the Chair Jerry Fitzgerald English

Continued from page 1.

While direct access to public officials and good will lobbying is still important, lobbying firms in New Jersey, following the trend at the federal level, have become more specialized. By utilizing new technology, offering research, employing grassroots strategies, and engaging in issue advocacy campaigns, the character of lobbying is changing.

In any event, the March 10 lobbying disclosure date promises to be closely watched by the public. Not only will overall financial activity in 2009 be analyzed and publicized but any member of the public will be able to scrutinize individual reports submitted by governmental affairs agents and represented entities.

Lobbying is a First Amendment protected endeavor and lobbyists play an important part in the process. But as part of the campaign to promote a more informed citizenry disclosure of their activity is of paramount importance.

Executive Director's Thoughts Jeff Brindle

Is SpeechNow.org a Threat?

In the recent <u>Citizens United v. Federal Election</u> <u>Commission</u> (FEC) case, the Supreme Court declared restrictions on independent spending by corporate and union entities to be unconstitutional.

The decision impacts federal law directly. It also brings into play State laws containing similar restrictions. However, New Jersey's campaign finance laws are not among them.

The decision permits corporations and unions to spend unlimited amounts independently, finds unconstitutional the blackout period in McCain/Feingold, leaves untouched the ban on direct monetary contributions by corporate and union entities, but very much upholds disclosure.

The "New Jersey Campaign Contributions and Expenditures Reporting Act" (Campaign Act) does not violate any of those findings. State law permits corporate and union independent spending, allows

direct monetary contributions, and has strong disclosure laws.

But just when we thought we could breathe easily, another case appears on the horizon; and depending upon how it is decided could impact aspects of State campaign finance law. SpeechNow.org, an anti-tax group, is taking the Federal Election Commission to court. This time it's over rules involving political committees.

Emily's List, an organization that supports Democratic women candidates, is also challenging the FEC's regulations.

Requirements that groups like these must register as political committees and disclose their donors and spending are being challenged. SpeechNow.org is also challenging limits on amounts they are allowed to collect from individual donors.

The thrust of the lawsuit involves independent spending in support or defeat of a candidate. It's asserted that being subject to the requirements of a political committee, including the cap on contributions, is an abridgement of free speech.

The FEC required these groups to register as political committees and be limited to a \$5,000 per year donation from individual contributors.

SpeechNow.org says "these limits and red tape make it virtually impossible for new independent . . . groups . . . to raise start-up funding and effectively reach voters."

The lawsuit aims to have First Amendment rights extended to non-profit groups in regards to independent expenditures and the elimination of contribution limits.

On January 27, 2010, the case was heard before the full panel of the U.S. Court of Appeals for the District of Columbia. Three judges in a preliminary hearing had already voted to lift contribution limits. Associated Press Writer Mark Sherman added "Three others on the nine-judge court indicated in their questioning Wednesday they also would do so "

More than Citizens United, this case poses a challenge to one aspect of New Jersey's campaign finance law; namely the regulation involving political committees.

Executive Director's Thoughts Jeff Brindle

Continued from page 2.

The State's campaign finance law requires two or more people who join together for the purpose of supporting or opposing candidates, and who raise \$2,100 or more, to register with ELEC as a political committee.

State law also limits contributions made to these committees to \$7,200 per election and caps at \$8,200 the amount these committees can contribute to candidates. These committees are required to disclose their financial activity in a preand post-election setting.

These requirements are similar to federal law.

The case does not appear to threaten disclosure by these groups given the U.S. Supreme Court's strong endorsement of disclosure in Citizens United. But, it does hold out the very real potential for finding contribution limits placed on donations to these groups to be unconstitutional.

And, that is where the challenge to New Jersey law comes in. In the event the Appeals Court decides in this manner, the case will probably be appealed to the Supreme Court. Given the similar statutory and regulatory nature of New Jersey's law involving political committees to that of federal law, some vulnerability may exist.

That possibility is very real given recent holdings by the Supreme Court relative to campaign finance laws.

Certainly, there are no absolutes in the field of campaign finance. Lawsuits involving this issue throughout the country are almost too numerous to name. And there is no predicting how these cases will be decided, including SpeechNow.org.

But in the case of SpeechNow.org it is important for New Jerseyans to keep careful watch. Hopefully, it will not impact the State's regulatory scheme; but the possibility exists.

Local Donor Data Expands

By: Joseph Donohue, Deputy Director

In November, the New Jersey Election Law Enforcement Commission for the first time enabled convenient searches of donations to local candidates. The pool of local donor information has grown from \$5.5 million to more than \$34.4 million through the diligence of ELEC staff and is now complete for 2009.

Donor lookups can be made through ELEC's Searchable Campaign Finance Database at (www.elec.state.nj.us/publicinformation/searchdatabase.htm).

Prior to November, members of the public, the media, candidates and others could only view facsimiles of local fund-raising reports or make printouts. Local donor information now can be easily searched, sorted and printed.

Carol Neiman, Director of Information Technology, whose Data Entry staff spearheaded the effort to make the general election data available said "as a staff we welcome this opportunity to bring this important information to the public."

When the local donor database went live last fall, it included only primary donations from last year's local elections. A February update added donations from the general election. Since then, ELEC staff members have added donations from last year's May municipal and June runoff elections.

The final 2009 totals are as follows:

MUNICIPAL CANDIDATES	RAISED	SPENT
Primary	\$5,491,811	\$4,678,330
May Municipal	\$8,826,454	\$8,257,673
Runoff	\$572,688	\$547,230
General	\$9,976,250	\$9,107,977
Municipal Candidates		
Subtotal	\$24,867,203	\$22,591,210
COUNTY CANDIDATES	RAISED	SPENT
Primary	\$2,813,557	\$2,332,179
General	\$6,742,845	\$6,282,663
County Candidates		
Subtotal	\$9,556,402	\$8,614,842
GRAND TOTAL	\$34,423,605	\$31,206,052

Local Donor Data Expands

By: Joseph Donohue, Deputy Director

Continued from page 3.

An analysis found that fundraising topped \$200,000 in 16 municipalities, not the least of which was the \$6.2 million raised by Jersey City candidates. Moreover, fundraising exceeded \$100,000 in 27 other municipalities.

MUNICIPALITY	TOTAL RECEIPTS	TOTAL EXPENDITURES	TYPE
Jersey City	\$6,215,391	\$5,867,403	May Municipal
Hoboken City	\$1,207,031	\$ 993,428	General
Hoboken City	\$ 842,994	\$ 790,234	May Municipal
Edison Township	\$ 795,446	\$ 796,251	Primary
East Orange City	\$ 674,653	\$ 610,437	Primary
Passaic City	\$ 527,920	\$ 491,043	May Municipal
Englewood City	\$ 449,919	\$ 435,111	Primary
Brick Township	\$ 360,872	\$ 282,969	General
Hoboken City	\$ 327,209	\$ 310,247	Runoff
Gloucester Township	\$ 313,633	\$ 294,460	General
Edison Township	\$ 291,917	\$ 291,917	General
Plainfield City	\$ 269,381	\$ 270,169	Primary
Atlantic City	\$ 251,963	\$ 256,707	Primary
Hackensack City	\$ 220,569	\$ 198,609	May Municipal
Brick Township	\$ 212,042	\$ 61,575	Primary
Toms River (Dover Township)	\$ 206,066	\$ 216,126	General
Morristown Town	\$ 179,481	\$ 168,985	Primary
Hamilton Township	\$ 178,515	\$ 182,609	General
Parsippany-Troy Hills Township	\$ 177,126	\$ 148,345	General
Point Pleasant Borough	\$ 159,760	\$ 156,443	General
Morristown Town	\$ 155,263	\$ 153,726	General
Stafford Township	\$ 154,842	\$ 135,492	May Municipal
Jersey City	\$ 152,268	\$ 144,630	Runoff
Atlantic City	\$ 149,502	\$ 128,165	General
Cherry Hill Township	\$ 142,232	\$ 139,048	General
Medford Township	\$ 136,069	\$ 135,392	General
Old Bridge Township	\$ 134,005	\$ 128,651	General
West Windsor Township	\$ 132,783	\$ 120,221	May Municipal
Westfield Town	\$ 131,854	\$ 114,748	General
Berkeley Township	\$ 130,252	\$ 121,423	General
Camden City	\$ 129,291	\$ 130,964	General
Woodbridge Township	\$ 128,128	\$ 126,881	General
Secaucus Town	\$ 123,394	\$ 114,037	Primary
Jackson Township	\$ 116,723	\$ 111,688	General
Guttenberg Town	\$ 112,886	\$ 112,886	Primary
Toms River (Dover Township)	\$ 112,012	\$ 91,471	Primary
Secaucus Town	\$ 105,761	\$ 102,140	General
Deptford Township	\$ 103,891	\$ 103,541	General
Robbinsville (Washington Township)	\$ 102,744	\$ 99,394	May Municipal
Wayne Township	\$ 102,082	\$ 86,039	Primary
Camden City	\$ 101,501	\$ 100,594	Primary
Woodbridge Township	\$ 101,497	\$ 64,774	Primary
Marlboro Township	\$ 100,496	\$ 115,718	General

Local Donor Data Expands

By: Joseph Donohue, Deputy Director

Continued from page 4.

"We hope the availability of this information will help citizens become more actively engaged in their communities. Enlightened citizens make the best citizens," said Jeff Brindle, Executive Director of the Commission.

Brindle said expanding the searchable database to include local candidates helps fulfill ELEC's central mission, to make it as convenient as possible for citizens to track the flow of campaign cash to their elected officials.

This initiative also dovetails with annual disclosure of contributions and contracts filed by public contractors under State pay-to-play laws. These reports will be Available in April.

The addition of local donations to ELEC's searchable database makes it easier to find out what firms are contributing locally and how much. This helps ensure that contractors are abiding by pay-to-play restrictions, which can require much tighter contribution limits for contractors than those imposed on other donors.

The new pool of local donations added candidates for county positions such as executive, freeholder, or clerk as well as those for municipal offices such as mayor and council. Contributions to county party committees were searchable before November.

Not all local donations are yet available within ELEC's searchable database. In the future, the Commission also hopes to include political contributions to municipal party committees, school boards, and fire commissioners. Until then, facsimiles of reports filed by these groups can be obtained through ELEC's website.

ELEC staff can help with searches or answer other questions. To reach them, call the toll-free hotline at 1-888-313-3532 (within New Jersey only) or by dialing 609-292-8700.

Gubernatorial Public Financing Public Hearing

On April 20, 2010, the New Jersey Election Law Enforcement Commission will conduct a public hearing to review and analyze the New Jersey Gubernatorial Public Financing Program. The hearings are intended to solicit public comment concerning witnesses' experiences with the program and recommendations for statutory and regulatory changes. The hearing will be recorded by a court reporter.

The Commission anticipates receiving testimony and comment from former gubernatorial candidates, campaign treasurers, political party officials, and other interested citizens. Testimony received will be considered by the Commission in making recommendations for legislative action and proposing changes to regulations.

The Commission invites public participation in the April 20, 2010 hearing and asks that any testimony be limited to no more than ten minutes. Speakers should bring a copy of their comments to the hearing for use by the Commission. The hearing record will be kept open for a period of seven days following the date of the public hearing so that additional written comments can be received. To reserve time to speak, please telephone Elbia Zeppetelli at the Commission offices at (609) 292-8700 by Tuesday, April 13, 2010.

ELEC Directors

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Jeffrey M. BrindleExecutive Director
Joseph W. Donohue Deputy Director
Carol L. HoekjeLegal Director
Evelyn FordCompliance Director
Carol NeimanDirector of Information Technology
Amy F. Davis Director of Special Programs
Linda WhiteDirector of Lobbying
Leonard GicasDirector of Review & Investigation
Todd J. Wojcik Director of Campaign Financing
Steven M. Dodson Director of Finance & Administration

Amy F. Davis "Profile"

Director of Special Programs

With her hearty laughter and affable demeanor, it doesn't take long to realize Amy Davis is a "people-person."

It's a good thing because as Director of Special Programs at the New Jersey Election Law Enforcement Commission (ELEC), she regularly interacts with candidates, treasurers, reporters, members of the public and government contractors.

"With this job, you get to deal with people and that's what I like," said the 13-year veteran of ELEC.

As Director of Special Programs, Davis, an attorney, oversees the three-decade-old and nationally regarded Gubernatorial Public Financing Program, which provides public funds for gubernatorial candidates who agree to limit their spending.

She also oversees a newer "pay-to-play" program that last year led to more than 2,000 business entities disclosing their public contracts and donations through ELEC's website (www.elec.state.nj.us).

She received her law degree from Rutgers School of Law in Camden by taking evening classes for four years.

One reason Davis likes campaign finance law is because it constantly evolves due to legislative changes, executive orders and court rulings. The problem is that the frequent changes can make the laws and regulations hard to decipher.

She and other ELEC staff work hard to help the public understand the rules. For instance, her section put a PowerPoint presentation on ELEC's website to help explain the State's pay-to-play laws. "I love taking complicated laws and translating them for people," Davis said. "We want them (candidates and fund-raising committees) to file on time, we want them to file correctly and we want them to understand the law."

She praised the service-oriented nature of ELEC that is a long tradition. Since its creation in 1973, agency employees have tried to do all they can to assist people who deal with the agency. "Everyone here has that attitude. We always say don't hesitate to call back if you need more help," she said.

With two young children at home, Davis acknowledges she doesn't have a whole lot of time for hobbies. "I'm in parent-mode with a two-year-old and a four-year-old," she said.

She still manages to do charity work for the Ladies Auxiliary of Princeton Engine Co. Number 1, she is an active member of her son's parent-teacher organization, and is a volunteer municipal court mediator.

A former lacrosse player in high school, she sometimes runs to and from her gym for her workouts.

Treasurer Training for Candidates and Committees

<u>Treasurer Training Seminar for Candidates</u> and Joint Candidates Committees

Tuesday, March 9	Tuesday, May 4	
Wednesday, March 24	Monday, September 13	
Wednesday, April 21	Wednesday, September 29	

<u>Treasurer Training Seminar for Political Party</u> <u>Committees and PACs</u>

Thursday, March 25	Monday, September 27
Thursday, June 24	Thursday, December 9

DATES TO REMEMBER

2010 REPORTING DATES		
SCHOOL BOARD ELECTION	DATE: APRIL 20, 2010	
29-day pre-election	March 22, 2010	
11-day pre-election	April 9, 2010	
20-day post-election	May 10, 2010	
MUNICIPAL ELECTION	DATE: MAY 11, 2010	
29-day pre-election	April 12, 2010	
11-day pre-election	April 30, 2010	
*20-day post-election	June 1, 2010	
RUNOFF ELECTION	DATE: JUNE 15, 2010	
29-day pre-election	*No report required	
11-day pre-election	June 4, 2010	
20-day post-election	July 6, 2010	
PRIMARY ELECTION	DATE: JUNE 8, 2010	
29-day pre-election	May 10, 2010	
11-day pre-election	May 28, 2010	
20-day post-election	June 28, 2010	
GENERAL ELECTION	DATE: NOVEMBER 2, 2010	
29-day pre-election	October 4, 2010	
11-day pre-election	October 22, 2010	
20-day post-election	November 22, 2010	
PACs & CAMPAIGN QUARTERLY FILERS		
1st Quarter	April 15, 2010	
2 nd Quarter	July 15, 2010	
3 rd Quarter	October 15, 2010	
4th Quarter	January 18, 2011	

ANNUAL PAY-TO-PLAY FILING

March 30, 2010

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

^{*}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.