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# ELEC-Tronic

AN ELECTION LAW ENFORCEMENT COMMISSION NEWSLETTER

"Furthering the Interests of an Informed Citizenry"

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## Comments from the Chairman Ronald DeFilippis

It is nice to greet the New Year with the announcement of a new initiative.

When lobbyists file their annual financial reports in February they will be able to do so electronically.

This initiative represents another major step forward in the Commission's ongoing effort to enhance disclosure and its delivery of services to the public.

Through this new program, the State's governmental affairs agents, known as lobbyists, can now file annual financial reports via the Internet.

The annual reports detail information on clients, fees, communication costs, benefit passing, and lobbyist's salaries.

These reports not only allow the public to observe the activities of individual lobbyists, their firms, and the interests they represent, but they also permit ELEC staff to undertake analyses of trends in New Jersey lobbying.

For example, last year's reports showed that benefit passing was way down and grassroots lobbying way up.

Benefit passing represents goodwill lobbying in the traditional sense of lobbyists paying for a legislator's meal, the theatre, a ballgame, etc.

Grassroots lobbying involves issue advocacy by which well heeled lobbyists attempt to mobilize the public on behalf of legislation or regulation.

The new e-filing program will enable approximately 1,000 lobbyists to save time by using the online form. These same lobbyists will be able to save the forms for resubmission in future years and to revise them to reflect any changes.

Among the many enhancements accompanying the initiative is a streamlined form and software that will perform all calculations.

In addition, lobbyists will be able to refresh the document with new information or change old information.

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## Comments from the Chairman Ronald DeFilippis

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While this initiative is certainly a step in the right direction, the Commission by no means will rest on its laurels. Eventually, the agency plans to enable electronic filing of reports of lobbying activity filed each quarter, Notices of Representation, and Notices of Termination.

However, before the above can be accomplished, improvements to the system's infrastructure must be made to protect the system's programs from becoming obsolete.

Of course, all improvements depend on the State's budgetary health.

In conclusion, this new lobbyist electronic filing program is another example of how the Commission has managed to do more with less. Among the accomplishments undertaken in recent years are electronic filing for pay-to-play and the local contributor data base.

Certainly, the staff deserves credit for moving forward with these new initiatives despite budgetary and staffing restraints.

In particular, the Information Technology team headed by Carol Neiman and Project Director Anthony Giancarli, along with Compliance Director Amy Davis and Lobbying Director Linda White, deserve credit for meeting the completion date for this project.

The Commission is dedicated to providing the public with excellent service and this initiative goes a long way toward meeting that objective.

## Executive Director's Thoughts Jeff Brindle

The November election witnessed a decrease in direct financial activity by State Senate and Assembly candidates.

This was predicted in a column last January.

Conversely, in that same column, it was predicted that independent, outside groups would increase their involvement in this year's legislative contest. And that happened too.

The 20-day Election Law Enforcement Commission (ELEC) reports showed legislative candidates reporting a little over \$45 million in contributions. They spent over \$38 million directly on their campaigns.

Therefore candidates for State Senate and Assembly raised 10 percent less than in 2007, the last time both houses were up for election. They spent 12 percent less than in the earlier contest.

Not surprisingly, a large proportion of the money raised and spent happened in the waning days of the campaign and in battleground districts.

For example, districts 2, 38, 7, 3 and 14 raised over \$5 million between the 11-day pre-election report and Election Day, or 59 percent of funds raised during that period.

At the same time that direct financial activity by legislative candidates was slowing, the pace of independent spending was quickening.

Based on independent expenditure reports filed with ELEC, newspaper reports, or reports published by the groups themselves, it is estimated that about \$800,000 was spent on New Jersey's legislative campaigns by outside groups.

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## Executive Director's Thoughts Jeff Brindle

*Continued from page 2.*

Groups from which information was gleaned include Better Education for New Jersey Kids, Inc., Republican State Leadership Committee; America's Families First, New Jersey Family's First and Environment New Jersey.

Two other groups, Strong New Jersey and Americans for Prosperity, participated in some form though no financial information is available.

In Virginia, for example, Americans for Prosperity reported spending \$300,000 on the State's legislative elections.

The spending figure of \$800,000 mentioned above is most certainly low. It is based on sketchy information. In all probability, as evidenced by spending reported in other states, independent expenditures in New Jersey exceeded \$1 million.

Most of the groups that spend independently with little or no disclosure are 527's and 501(c)'s; their spending will continue to climb as years go by. Certainly, we can expect significant involvement by outside groups two years from now when the State holds an election for governor.

The decline in direct spending by candidates and the increasing amounts spent by independent groups cries out for reform.

Lower financial activity by legislative candidates can in part be pegged to the bad economy. But more importantly the pay-to-play law has had a more direct influence over the downward trend.

Since pay-to-play went into effect in 2006, not only has financial activity by legislative candidates been on a downward spiral, but also spending at all levels of government (including parties) has been down as well.

Two years ago, in January 2010, the Election Law Enforcement Commission recommended reforms to a very confusing pay-to-play law. These reforms include simplifying the law to require one State law to apply across the board, an end to the fair and open loophole, greater disclosure by requiring any vendor receiving a public contract of \$17,500 to report contributions, and a modest increase in the contribution limit applying to contractors.

Because the Commission recognizes the expensive nature of campaigns in a State influenced by the New York and Philadelphia media markets, it proposed a slight increase in the contribution limit for vendors which would still be way under the current \$2,600 limit applying to all other contributors.

At the same time, and even before the United States Supreme Court came out strongly for disclosure in Citizens United, the Commission proposed that 527 and 501(c) organizations be required to disclose their financial activity undertaken in the context of an election.

Without doubt, the Commission, in recognizing the complexity of pay-to-play, and in anticipating the uptick in independent expenditures, was prescient. More competitive elections, which pay-to-play reform would help foster, and disclosure of outside groups, would truly constitute meaningful reform.

Hopefully, the incoming Legislature will take up those proposals which serve the public interest.

## 20-Day Post Election Reports

Candidates spent nearly \$14 million during the final days of this year's legislative elections, almost 36 percent of the funds spent during the entire campaign, according to an analysis by the New Jersey Election Law Enforcement Commission (ELEC).

On a percentage basis, the amount of last-minute spending is only slightly smaller than during a comparable election four years ago.

**Table 1**  
**Amount Spent by Legislative Candidates**  
**October 26 through November 25**

Election Year	Spent	% of Total Spending
2007	\$15,845,197	37%
2011	\$13,655,367	36%

Overall fundraising dropped 10 percent from 2007, the last year in which all 120 legislative seats were up for reelection. Overall spending was down even more- about 12 percent.

**Table 2**  
**Amount Spent by Legislative Candidates on**  
**General Election through November 25, 2011**

Election Year	Raised	% Change	Spent	% Change
2007	\$50,250,498		\$43,403,633	
2011	\$45,238,341	-10%	\$38,366,364	-12%

In this year's election, incumbents enjoyed an even bigger advantage over challengers than most in recent legislative elections. Incumbents raised 74 percent of the funds compared to 26 percent for challengers.

**Table 3**  
**Incumbents Raised and Spent**  
**More Money than Challengers**

	Raised	% of Total	Spent	% of Total
Incumbents	\$33,574,600	74%	\$27,369,065	71%
Challengers	\$11,663,741	26%	\$10,997,299	29%

Democrats, who control a majority of seats in both houses, dominated in fundraising throughout the election. The latest reports show they outraised Republicans by more than a two-to-one margin, and outspent them by a similar amount.

**Table 4**  
**Campaign Finance Trends among**  
**Legislative Candidates by Political Party**  
**Through November 25, 2011**

Party	Raised	% of Total	Spent	% of Total
Democrats	\$31,815,463	70.3%	\$27,808,174	72.5%
Republicans	\$13,346,280	29.5%	\$10,506,486	27.4%
Independents	\$ 76,598	0.2%	\$ 51,704	0.1%

Unlike most past recent elections, the 80 Assembly members outraised and outspent the 40 Senate members.

**Table 5**  
**Estimated Amount Raised by**  
**Legislative Candidates In the Two Legislative**  
**Houses\* through November 25, 2011**

House	Raised	% of Total	Spent	% of Total
Senate	\$22,163,070	49%	\$17,939,769	47%
Assembly	\$23,075,271	51%	\$20,426,596	53%

\*Joint committee figures were allocated 1/3 to Senate candidates and 2/3 to Assembly candidates.

However, Senate candidates, on average, spent more for their seats than Assembly candidates- an estimated \$255,332 for Assembly members versus \$448,494 for Senate members.

The overall average for all 120 seats was \$319,720. Like the overall totals, that average is the lowest since 2001.

**Table 6**  
**Average Spent in Years with**  
**Senate and Assembly Elections**

Election Year	Average	% Change
2001	\$ 271,253	
2003	\$ 374,919	38%
2007	\$ 393,599	5%
2011	\$ 319,720	-19%

While overall spending is down, reports available so far show that fundraising topped \$1 million in 13 legislative districts- a new record for legislative elections. Previously, 11 districts topped the \$1 million threshold in both the 2003 and 2007 elections.

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**Table 7**  
**Legislative Districts where Fundraising Topped \$1 million**

District	Raised	Spent
2	\$ 5,567,681	\$ 5,182,386
38	\$ 4,760,418	\$ 4,641,006
7	\$ 3,169,432	\$ 2,864,049
27	\$ 2,885,811	\$ 1,993,690
3	\$ 2,866,397	\$ 2,443,994
14	\$ 2,395,063	\$ 2,286,044
36	\$ 1,871,166	\$ 1,866,632
1	\$ 1,591,953	\$ 1,581,309
18	\$ 1,464,649	\$ 1,402,383
17	\$ 1,360,548	\$ 631,848
4	\$ 1,342,478	\$ 1,335,035
21	\$ 1,058,878	\$ 597,219
15	\$ 1,027,075	\$ 320,309

None of this year's races are likely to top the all-time record for a legislative campaign- a \$6.1 million campaign in the fourth district in 2004.

However, the second district campaign, which has cost at least \$5.2 million, currently ranks as the third most expensive legislative campaign in State history. The 38<sup>th</sup> district campaign, which has cost at least \$4.6 million, ranks as the fifth most expensive. Both districts have been highly competitive over the last decade.

For a list of the previous top ten, see page 26 in "White Paper No. 22- Trends in Legislative Campaign Finances: Fundraising in the Era of Pay-to-Play, Self-funders and Recession 1999-2009 3<sup>rd</sup> Volume" at ELEC's website.

The top five districts alone out of 40 legislative districts statewide attracted \$19 million- 43 percent of total legislative contributions in the general election. The top ten districts drew nearly \$28 million- 62 percent of all legislative contributions.

A growing trend nationally and in New Jersey is the involvement of groups that spend independently of candidates. Some of those groups are required to disclose their contributors and expenses to ELEC, while others are not. ELEC has called on the Legislature to adopt a bill that would mandate disclosure by all independent groups.

ELEC attempted to compile a list of groups that participated in this year's legislative campaign based on independent expenditure reports filed with the agency, newspaper reports, or reports published by the groups themselves. It shows that independent groups spent nearly \$800,000 on this year's legislative election, compared to no independent expenditures in the 2007 legislative election.

**Table 8**  
**Independent Groups that Participated in the 2011 Legislative General Election**

Group	Districts	Spent
Better Education for NJ Kids, Inc.	4,7,38	\$ 412,564
Republican State Leadership Committee	2	\$ 300,000
America's Families First	38	\$ 65,000
NJ Family First	Not Available	\$ 4,953
Environment NJ	15,27,38	\$ 1,404
Americans for Prosperity*	2,3,14,27,28	Not Available
Strong New Jersey	14	Not Available
	<b>TOTAL</b>	<b>\$ 783,921</b>

\* Spent \$300,000 on Virginia legislative campaigns

The numbers in this report should be considered preliminary. The analysis is based on legislative fundraising reports received by noon November 30, 2011. Those reports reflect fundraising activity between October 26 and November 25, 2011.

Reports filed by legislative candidates are available online on ELEC's website at [www.elec.state.nj.us](http://www.elec.state.nj.us). A downloadable summary of data from those reports is available in both spreadsheet and PDF formats at [www.elec.state.nj.us/publicinformation/statistics.htm](http://www.elec.state.nj.us/publicinformation/statistics.htm).

## Training Seminars

The seminars listed below will be held at the Election Law Enforcement Commission, 28 West State Street, 8<sup>th</sup> Floor, Trenton, New Jersey at 10:00 a.m.

To attend a seminar, you must reserve a seat. Space will be limited. Fill out the reservation form below and be sure **to circle the date you wish to attend**. Return the entire reservation form to the Commission. You may mail the form back to ELEC, PO Box 185, Trenton, NJ 08625-0185. Or, you may fax the form to ELEC at (609) 633-9854.

TREASURER TRAINING FOR CANDIDATES AND JOINT CANDIDATES COMMITTEES	
	<a href="#">Treasurer Training Reservation Form</a>
Wednesday	March 14, 2012
Tuesday	April 3, 2012
Wednesday	April 11, 2012
Tuesday	April 24, 2012
Tuesday	September 11, 2012
Monday	September 24, 2012
Tuesday	October 2, 2012

TREASURER TRAINING FOR POLITICAL PARTY COMMITTEES AND PACS	
	<a href="#">Treasurer Training Reservation Form</a>
Monday	March 26, 2012
Wednesday	June 27, 2012
Friday	September 28, 2012
Wednesday	December 12, 2012

R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING	
	<a href="#">REFS Training Reservation Form</a>
Wednesday	March 28, 2012
Thursday	April 12, 2012
Wednesday	April 25, 2012
Wednesday	July 25, 2012
Wednesday	September 19, 2012
Wednesday	October 3, 2012

## Governmental Affairs Agents- Electronic Filing Training

The staff of the New Jersey Election Law Enforcement Commission is pleased to announce training sessions on the electronic filing of the Annual Reports. To reserve a seat, please fill out the form below and fax to ELEC at (609) 633-9854.

LOBBYISTS - ELECTRONIC FILING TRAINING	
	<a href="#">Lobbyists Training Reservation Form</a>
Thursday	January 5, 2012
Friday	January 13, 2012
Wednesday	January 25, 2012
Thursday	February 2, 2012
Tuesday	February 7, 2012

## Renee Zach "Profile"

### Legal Secretary

There is one thing you should know about Renee Zach, a Legal Secretary at the New Jersey Election Law Enforcement Commission.

She tends to look at the bright side.

"I'm very optimistic. I always try to find the good in things," said Zach, who has worked at ELEC since July 2000. It is a fortunate quality since, like most people, she has had an occasional bad break.

One occurred after she was hired by the Department of Judiciary during the early 1980s. Three months later, she was laid off.

Instead of sulking, she took advantage of a retraining program available to the layoff victims, and began taking nursing classes. Two years later, she joined the Moorestown Visiting Nurses Association.

She said one highlight of that job, where she was employed three years, was providing care to singer Frankie Avalon's mother for a week.

Zach later went to work on her own as a nanny for relatives of Pulitzer Prize-winning author John Hersey. She worked for the family for six years and remains close friends with one member.

While she enjoyed care-giving, she wanted to find a more stable livelihood. So she applied for a state job. She had taken bookkeeping and accounting classes in high school, and was a good typist.

She also spent eight years at the Burlington County Clerk's Office working on various legal matters. Zach later earned a legal assistant/secretary certificate from Harris School of Business. "I always was intrigued by the law," she said.

At ELEC, she has helped prepare various legal documents as well as other agency documents. She currently is a member of the Executive clerical pool.

Zach was born in Philadelphia but raised in Burlington County. She has lived there ever since.

One of her hobbies is cooking. Her specialties include Italian, Mexican and Polish dishes. Zach also enjoys traveling. Some favorite spots include Cape Cod, Colorado, and Greenwich Village. She has never been to Europe but wants to go sometime soon with her husband, Stanley.

## DATES TO REMEMBER

### Reporting Dates

ELECTION	48 HOUR START DATE	INCLUSION DATES	ELEC DATE
<b>FIRE COMMISSIONER</b>	2/5/12		2/18/2012
29-day Preelection Reporting Date		Inception of campaign* - 1/17/12	1/20/2012
11-day Preelection Reporting Date		1/18/12 - 2/4/12	2/7/2012
20-day Postelection Reporting Date		2/5/12 - 3/6/12	3/9/2012
<b>SCHOOL BOARD</b>	4/4/12		4/17/2012
29-day Preelection Reporting Date		Inception of campaign* - 3/16/12	3/19/2012
11-day Preelection Reporting Date		3/17/12 - 4/3/12	4/9/2012
20-day Postelection Reporting Date		4/4/12 - 5/4/12	5/7/2012
<b>MAY MUNICIPAL (90 DAY START DATE: 2/8/12)</b>	4/25/12		5/8/2012
29-day Preelection Reporting Date		Inception of campaign* - 4/6/12	4/9/2012
11-day Preelection Reporting Date		4/7/12 - 4/24/12	4/27/2012
20-day Postelection Reporting Date		4/25/12 - 5/25/12	5/29/2012
<b>RUNOFF (JUNE)**</b>	5/30/12		6/12/2012
29-day Preelection Reporting Date		No Report Required for this Period	
11-day Preelection Reporting Date		4/25/12 - 5/29/12	6/1/2012
20-day Postelection Reporting Date		5/30/12-6/29/12	7/2/2012
<b>PRIMARY*** (90 DAY START DATE: 3/7/12)</b>	5/23/12		6/5/2012
29-day Preelection Reporting Date		Inception of campaign* - 5/4/12	5/7/2012
11-day Preelection Reporting Date		5/5/12 - 5/22/12	5/25/2012
20-day Postelection Reporting Date		5/23/12 - 6/22/12	6/25/2012
<b>GENERAL*** (90 DAY START DATE: 8/8/12)</b>	10/24/12		11/6/2012
29-day Preelection Reporting Date		6/23/12 - 10/5/12	10/9/2012
11-day Preelection Reporting Date		10/6/12 - 10/23/12	10/26/2012
20-day Postelection Reporting Date		10/24/12 - 11/23/12	11/26/2012
<b>RUNOFF (DECEMBER)**</b>	11/21/12		12/4/2012
29-day Preelection Reporting Date		No Report Required for this Period	
11-day Preelection Reporting Date		10/24/12 - 11/20/12	11/23/2012
20-day Postelection Reporting Date		11/21/12 - 12/21/12	12/24/2012
<b>PACS, PCFRS &amp; CAMPAIGN QUARTERLY FILERS</b>			
1st Quarter		1/1/12 - 3/31/12	4/16/2012
2nd Quarter****		4/1/12 - 6/30/12	7/16/2012
3rd Quarter		7/1/12 - 9/30/12	10/15/2012
4th Quarter		10/1/12 - 12/31/12	1/15/2013

\* Inception Date of Campaign (first time filers) or from January 1, 2012 (Quarterly filers).

\*\* A candidate committee or joint candidates committee that is filing in a 2012 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 12, 2012 for Primary Election Candidates and June 15, 2012 for Independent General Election Candidates.

\*\*\*\* A second quarter report is needed by Independent General Election candidates if they started their campaign before 5/9/2012.