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Newsletter *ELECtronic*

AN ELECTION LAW ENFORCEMENT COMMISSION NEWSLETTER "Furthering the Interest of an Informed Citizenry"

Comments from the Chairman Eric H. Jaso

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JUNE 2021 ISSUE

144

"My issue with campaign finance is 100 percent disclosure. Wear a suit with patches from your big contributors. Depending on the size of the contribution, that's how big the patch should be." – Gary Johnson

The Campaign Contributions and Expenditures Reporting Act prohibits soliciting and making contributions on public property in New Jersey.

The law, which was first enacted in 2004, involved only gubernatorial and legislative candidates and property owned by the State.

But in 2012, former Governor Chris Christie signed legislation sponsored by former Senator Raymond Lesniak (D-Union). The law was amended to include a prohibition on soliciting and making contributions on public property. Thus, the Election Law Enforcement Commission was required to monitor activity that might occur, not only on State property, but on property owned by municipalities, school boards, counties, fire districts, and authorities.

The intent of the law is to prevent state, municipal, county, school board, fire district, and authority employees from being pressured while on the job to make political donations.

It was designed to prevent officials from using public property, i.e., copiers, computers, etc., for the purpose of soliciting contributions.

Interestingly, however, the law does contain an exemption found in <u>N.J.S.A.</u> 19:44A-19.1d. It reads:

"In the event property exclusively owned or leased by the State, or any agency of the State, or by any county, municipality, board of education of a school district, fire district, authority, or other State or local entity, district or instrumentality or part thereof, is made available, through rent, reservation or otherwise, for the exclusive use of any group for a non-governmental purpose as a meeting location, the prohibition in subsection b. of this section shall not apply and the solicitation or making of contributions or funds of any nature from any or among or by the members of the group during the time the group is using the property made available as a meeting location is permitted."

This exemption language caused certain amount of confusion, thereby leaving it up to the Commission to provide an interpretation of the provision.

The Commission clarified the provision and attempted to apply it in a commonsense manner.

ELEC takes the position that political fundraisers are permitted on public property as long as every group is treated equally.

Further, the exemption permits a campaign fundraiser on public property provided the campaign rents the property at fair market value for the exclusive use of the campaign.

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Executive Director's Thoughts Jeff Brindle

Could Looming U.S. Supreme Court Ruling Upend Campaign Finance Law?

Reprinted from insidernj.com

On Monday, April 26, the U.S. Supreme Court heard arguments in the First Amendment case <u>Americans</u> for Prosperity Foundation (AFP) v. <u>Bonta</u>. This case, merged with <u>Thomas More Law Center v. Bonta</u>, could be a potential game-changer, according to campaign finance experts.

The case involves a challenge to a California law that requires charities to turn over names and addresses of their largest contributors to the California Attorney General. The names are not supposed to be made public but lax practices in the past have led to many inadvertent public disclosures. California officials insist those names are now being kept strictly confidential.

Under the California law, the thresholds for determining which donors are to be disclosed is based on IRS criteria. Different charities face differing thresholds for reporting based on what they are required to list on schedule B of their tax filings.

For example, for the 2018 tax year, Thomas More Law Center was required to disclose donors contributing a minimum of \$35,000 whereas AFP needed to report donors giving more than \$341,000. In March, New Jersey Attorney General Gurbir S. Grewal was among attorneys general representing 16 states and the District of Columbia that in 2021 filed an amicus brief defending the constitutionality of California's charitable rules. New Jersey also requires charities to privately disclose their major contributors to the Attorney General's office.

The California case dates to 2014 when AFP challenged the law on Freedom of Association grounds, contending that the law violates the First Amendment by discouraging contributors from donating to the group.

On February 23, 2015, a federal district court judge in California ruled in favor of AFP and issued a preliminary injunction preventing the California Attorney General from requiring the disclosure of their donors. Two months later, Thomas More Law Center filed a lawsuit seeking similar relief. In 2016, the same federal district judge issued permanent injunctions in favor of both AFP and Thomas More Law Center.

In 2018, a three-judge panel of the U.S. Court of Appeals, 9th Circuit unanimously reversed the district court's injunctions and upheld the California law. In March 2019, the same court refused to rehear the case before an 11-member "en banc" panel. Even so, there were five dissenters, including Judge Sandra Segal Ikuta.

"Controversial groups often face threats, public hostility and economic

reprisals if the government compels the organization to disclose its membership and contributor lists," Judge Ikuta wrote in the dissent. "The Supreme Court has long recognized this danger and held that such compelled disclosures can violate the First Amendment right to association."

The case was subsequently taken up by the U.S. Supreme Court, which will render a decision before the end of its current term in June.

Insisting that a rigorous constitutional standard- strict scrutiny- should apply to its constitutional challenge, the plaintiffs maintained that in doing so, the Court would be consistent with its previous ruling in <u>NAACP v. Alabama</u> in 1958.

"Affording States wide latitude to enforce sweeping demands for donor information simply because a law enforcement agency speculates (rather than proves) that such collection might improve investigative efficiency would be tantamount to abdicating *NAACP v. Alabama*," says an AFP brief submitted to the court on February 22, 2021.

In its 1958 decision, the Supreme Court found that the NAACP did not have to disclose the names of their supporters predicated upon the concern that its supporters might face "substantial harassment."

California and the federal government on the other hand, both argued that a lesser constitutional standard, exacting scrutiny, should be applied in this case.

California argued that the law is necessary in terms of its oversight of charities and potential investigations of fraud.

"The Petitioner's evidence centered only on their own organization. They did not show that California's confidential collection of the same information that charities already provide to the IRS chills associational interest in general or for a substantial number of charities in the state. At the same time, the state's upfront collection of Schedule B is substantially related to important oversight and law enforcement interests," said Deputy Attorney General Aimee Feinberg.

The federal government contended that the case should at least be returned to the court of appeals to consider the issue of Freedom of Association and to determine the extent of any potential harm the disclosure of contributor's identity might cause.

Placing these arguments aside, many campaign finance law pundits have a larger concern, one that goes beyond the immediate question of whether donors to charities in California must be disclosed to the State's Attorney General.

Their concern is that the current conservative leaning court might apply the "strict scrutiny" standard as suggested by the plaintiffs and thereby impact campaign finance disclosure laws, possibly leading to a massive increase in "Dark Money" expenditures by independent groups.

According to Center for Responsive Politics, independent groups spent a record of nearly \$3 billion in the 2020 federal election. Of that amount, \$119 million was done by committees that were able to completely hide their contributors even under current laws. In 2000, only \$11 million was spent anonymously in federal elections.

During oral arguments, Justice Stephen Breyer asked a blunt question.

"I'd like to know what you think of the argument raised in several of the amici briefs ... that this case is really a stalking horse for campaign finance disclosure laws. What's the difference?"

An April 19, 2021 article by Shannon Roddel quotes University of Notre Dame Law School professor Lloyd Hitoshi Mayer as follows:

"Even though the case does not involve campaign finance disclosure laws, it could have significant ramifications for dark money in elections . . . But if a majority of the court adopts a stricter constitutional standard in this case, it is likely that majority would also eventually apply it to campaign finance disclosure laws. That in turn would limit the ability of both states and the federal government to require public disclosure of donor information for politically active nonprofits, PACs and even political parties and candidates."

Scott Lemieux, a University of Washington political science professor, believes it is likely California's law will be struck down and contends "a broad First Amendment holding would make it difficult for most campaign finance requirements to ever survive judicial review."

While not suggesting that California's law should be struck down, I do believe based on observing the Supreme Court in recent cases that the California law, with its narrower focus involving charitable organizations, will be found unconstitutional.

On the other hand, I respectfully disagree with the concern that the Court's decision will undo campaign finance law, particularly as it applies to disclosure.

There is no question that some groups, conservative and progressive, would like to see disclosure requirements go by the wayside, and in so doing scuttle campaign finance law. I don't think this Court, despite its conservative leanings, including the openly anti-disclosure position of Justice Clarence Thomas, is ready to go that far.

The influence of legal precedent and practical politics leads me to that conclusion. Members of the Supreme Court, and Chief Justice John Roberts in particular, place a high premium on legal precedent. Major precedents including <u>Buckley</u> <u>v. Valeo</u> (1976), <u>Citizens United v. FEC</u> (2010), <u>Doe v. Reed</u> (2010) and subsequent rulings indicate strong support for election-related disclosure, both of contributions and expenditures involving electionrelated activity.

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This contention is bolstered by comments by Justice Roberts during the April 26 oral arguments. Noting that political speech is measured under "exact scrutiny," a lower test, he stated "doesn't it seem strange that when it's- you're talking about charitable association- you would apply a more rigorous test than we apply to political association?"

Indeed, in a brief submitted to the US Supreme Court on February 22, 2021, Americans for Prosperity Foundation itself contends the challenge to California's disclosure rules for charitable groups is unrelated to disclosure required by campaign finance law.

"...the rationale for disclosure in campaign finance cases is wholly inapplicable here... Recognizing the unique interests at play in the electoral context, this Court explained in *Buckley* that *public* disclosure of campaign-related donors is generally the 'least restrictive means of curbing the evils of campaign ignorance and corruption.' 424 U.S. at 68."

From a practical, political point of view, the Court is not likely, at this polarizing point in our history, to dramatically upend campaign finance law even though it has not hesitated to do so with past decisions like Citizens United. Completely overturning campaign finance disclosure laws would be viewed as radical.

Imagine the reaction of the five U.S. Senators, including Senator Cory Booker of New Jersey, who submitted an amicus brief in favor of upholding disclosure in the California law and against further protecting dark money groups.

"The court should firmly resist a broad ruling that can be used by petitioner and its ilk to tighten dark moneys hold over our politics, policy and public discourse. American faces enough challenges without further eroding the public's confidence in government's ability to perform an essential function: to represent the people fairly, regardless of their influence or net worth," their brief states.

Moreover, the Court will be deciding this case with the shadow of legislation looming in Congress that would increase the number of justices on the Supreme Court to 13 from the current nine.

If history is a guide, the current Roberts court will act similarly to the President Franklin Roosevelt-era court, which backtracked on different court matters to forestall Roosevelt's own plan to increase the court to 13 members.

The Roberts court is likely to curb donor disclosure by charities without undoing previous precedents involving campaign finance disclosure.

Though no one has a crystal ball in terms of what the Supreme Court will do, it is my guess that disclosure involving campaign finance law is safe for now.

ELEC Seeking Sponsors for NJ Gubernatorial General Election Debates

By Joe Donohue

The New Jersey Election Law Enforcement Commission (ELEC) is accepting applications to sponsor debates between candidates for governor during the fall general election. The deadline for submission is July 1, 2021.

Applications should be submitted to Stephanie A. Olivo, Esq., Director of Compliance, New Jersey Election Law Enforcement Commission, 25 South Stockton Street, 5th Floor, PO Box 185, Trenton, NJ 08625-0185.

The Commission will hold a public meeting to consider debate applications on July 20, 2021.

Among the requirements for receiving public funds is for gubernatorial candidates to participate in two debates in each election. Candidates for the office of lieutenant governor must participate in one debate during the general election.

The debates must be scheduled no earlier than September 21, 2021 and no later than October 22, 2021.

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Frank P. Reiche, ELEC'S First Chairman, Has Passed Away



By Joe Donohue

Frank P. Reiche, the first chairman of the New Jersey Election Law Enforcement Commission (ELEC), died April 17, 2021. He was 91.

After leading ELEC from 1973 to 1979, the Princeton resident won a six-year term on the Federal Election Commission from 1979 to 1985 through an appointment by former President Jimmy Carter. Reiche was FEC chairman in 1982.

Frederick Herrmann, who served as ELEC's executive director from 1984 to 2009, called Reiche "a true giant in our field, being a man of great integrity, wisdom and kindness."

"He was a mentor to all of us, and we could not have wished for anyone better," said Herrmann.

Similar sentiments were expressed by Jeff Garfield, former executive director of the Connecticut Elections Commission.

"He will be missed by the many he touched. He was indeed a titan in the

field of elections and campaign finance," he said.

The law creating ELEC was signed April 24, 1973 by former Governor William Cahill. Days later, Cahill appointed Reiche as chairman. Reiche had been a member of Cahill's blue ribbon Tax Policy Committee from 1970 through 1972. Prior to joining ELEC, Reiche also served eight years as a Republican county committeeman.

Herrmann said the commission, under Reiche's early leadership, established a reputation for being independent, fair, and politically neutral that continues today.

"Although the enabling legislation created a bipartisan group of four commissioners, Frank believed firmly from the start that ELEC would be a nonpartisan commission. And so it has been for nearly a half century, winning many fine accolades over the years," Herrmann said.

"Renowned political scientist, Larry Sabato, told the Rosenthal Commission in 1990 that ELEC was "the most effective state ethics agency in the country." It would not have been so without Frank's formative work," Herrmann noted.

Herrmann also said Reiche founded the Council on Governmental Ethics Laws (COGEL) in the 1970s.

"This organization has become the premier membership body for governmental ethics entities throughout the United States, Canada, and the rest of the world. And, ELEC has for many years played an important role in its functioning," said Herrmann, a one-time COGEL president.

Robert M. Stern, former President of the Los Angeles-based Center for Governmental studies, a non-profit group that made recommendations for improving the governmental process, was one of many experts on campaign finance who became acquainted with Reiche through his national activities.

"Frank was always a mentor to me, and we kept in touch for many years, particularly at COGEL events. When Joan and I were in New Jersey, we went out to dinner at Frank's golf club. He was a true gentleman and my hero while he was on the FEC and later," Stern said.

In 2012, Reiche was one of several former top election agency officials, including another former FEC Chairman, Trevor Potter, to support an amicus brief urging the U.S. Supreme Court to reconsider its landmark 2010 *Citizens United v. FEC* ruling, which allowed unlimited independent election spending by corporations and unions. The court declined.

As an attorney, Reiche wrote extensively on campaign finance law while also specializing in tax law, estate planning and charitable giving.

Between 2005 and 2012, he was recognized annually as a "Super Lawyer" by *New Jersey Monthly*, according to the website of his former firm, Archer Law.

After graduating in 1951 from Williams College with an undergraduate degree in political economics, Reiche graduated from Columbia University Law School in 1959 and received a Master of Laws Degree in taxation from New York University in 1966. He also held an A.B. Degree from Williams College and a Master's Degree in Foreign Affairs from George Washington University.

Reiche was a devoted husband, father, grandfather, great-grandfather, and uncle. He is survived by Janet Taylor Reiche, to whom he was married for 67 years. With the June 8 primary just three weeks off, legislative candidates are heading into this year's election with \$16.1 million in cash reserves, the largest in at least two decades, according to reports filed with the New Jersey Election Law Enforcement Commission (ELEC).

The cash-on-hand total is \$2.8 million, or 21 percent more, than the \$13.3 million opening reserve four years ago. That was the last time all 40 Senate and 80 Assembly seats were up for grabs.

	Campaign Finance Activity by Legislative Candidates					
Up Until 29 Days Before Primary Election						
YEAR	RAISED	SPENT	CASH-ON-HAND	ELECTIONS*		
2001	\$15,815,829	\$ 9,130,851	\$ 7,693,540	G, S, A		
2003	\$19,574,759	\$ 9,162,430	\$10,859,720	S, A		
2005	\$ 9,666,688	\$ 5,150,371	\$ 4,555,059	G, A		
2007	\$24,566,334	\$14,186,840	\$11,451,675	S, A		
2009	\$10,297,502	\$ 5,454,703	\$ 4,828,749	G, A		
2011	\$28,713,681	\$16,692,458	\$12,212,748	S, A		
2013	\$22,494,542	\$11,226,734	\$11,409,682	G <i>,</i> S, A		
2015	\$11,476,533	\$ 6,200,601	\$ 5,219,743	Α		
2017	\$29,440,397	\$16,298,199	\$13,258,762	G, S, A		
2019	\$11,045,006	\$ 5,421,905	\$ 5,620,509	A**		
2021	\$30,716,075	\$14,629,810	\$16,086,266	G, S, A		
-			\$10,080,200			

Table 1	
Campaign Finance Activity by Legislative Candidates	
Up Until 29 Days Before Primary Election	

*G=Gubernatorial, S=Senate, A=Assembly **Special Senate Election 1st District

Democrats are sitting on four times more cash than Republicans- almost \$13 million to \$3.1 million. Democrats currently control the Senate by a 25-to-15 margin, and the Assembly by a 52-to-28 margin. They have controlled both legislative houses since 2001.

Table 2

Party Breakdown of Legislative						
Campaign Finance Activity						
PARTY RAISED SPENT CASH-ON-HAND						
Democrats	\$24,941,782	\$11,976,361	\$12,965,420			
Republicans	\$ 5,774,293	\$ 2,653,448	\$ 3,120,845			
Both Parties \$30,716,075 \$14,629,810 \$16,086,266						

Jeff Brindle, ELEC's Executive Director, said cash-on-hand totals at the start of an election are an important measure of political firepower.

"Candidates with the most money in the bank can spend more on television and digital advertisements, direct mail, consulting, getout-the-vote and other campaign expenses," Brindle said. "From a party perspective, a large reserve also makes it easier to shift money from safe legislative districts to so-called "battlegrounds" where the two parties are on more even footing among voters."

"Money doesn't guarantee victory. But it helps," he added.

Brindle said the latest reports once again reflect the large advantage incumbents typically enjoy over challengers. Incumbents have raised nearly ten times more than challengers, spent nearly eleven times more, and have nine times more cash-on-hand.

"Incumbents tend to draw more funds than challengers because they usually are much better known. Plus, they already are positioned to exert influence on legislation and, unlike most challengers, they may have substantial experience," he added.

Breakdown of Assembly Campaign Finance Activity Incumbents Versus Challengers						
TYPE RAISED SPENT CASH-ON-HAND						
Incumbents	\$27,906,650	\$13,401,420	\$14,505,230			
Challengers	\$ 2,809,426	\$ 1,228,390	\$ 1,581,036			
Both Types \$30,716,075 \$14,629,810 \$16,086,266						

Table 3

One explanation why most incumbents are sitting on so much cash is because most do not face serious challenges due to redistricting. It is common to see winners from one election carry over most of their remaining cash to the next election. For instance, Assembly winners ended the 2019 election with \$4.1 million in the bank. Senate candidates in 2017 reported about \$4.3 million in leftover funds eligible for transfer to their next campaign.

Brindle said the \$30.7 million raised for the 2021 election also is a 20-year high in dollars unadjusted for buying power. Fund-raising totals were higher if adjusted for inflation in 2017, 2011 and 2007.¹

"One factor that could be driving up fund-raising this year could be that 12 incumbents are not running in the two legislative houses. Twenty-eight of the 120 legislative seats are in contention in 13 districts," he said.

Independent spending committees not directly tied to candidates or parties have become a major force in state and national elections during the past decade.

To date, four independent spending committees have sunk \$354,694 into legislative elections.

Independent Spending by Special Interest Groups Before June 8 Primary					
COMMITTEE	LD 20	LD 26	LD 37	NO DISTRICT SPECIFIED	TOTALS
Stronger Foundations Inc (Operating Engineers)	\$19,409	\$138,870	\$28,350		\$186,629
Garden State Forward (NJEA)		\$ 98,493			\$ 98,493
Women for a Stronger New Jersey				\$46,012	\$ 46,012
America's Future First		\$ 23,560			\$ 23,560
	\$19,409	\$260,923	\$28,350	\$46,012	\$354,694

TABLE 4 Independent Spending by Special Interest Groups Before June 8 Primary

Stronger Foundations Inc. is a 527 political organization started in 2017 by the International Union of Operating Engineers Local 825. It has spent the most at this point- \$186,629 in three districts.

Garden State Forward, a 527 political organization begun in 2013 by the New Jersey Education Association (NJEA), the state's largest teacher's union, has spent \$98,493 in one district.

Women for a Stronger New Jersey is a continuing political committee that first registered in New Jersey in 2019. It engages only in independent spending and supports Republican women candidates. It has spent \$46,012 so far but has not broken out its spending by legislative district.

¹ Inflation adjusted fund-raising numbers: 2017=\$32,074,803;2011=\$34,089,702; 2007=\$31,641,142.

A 527 political organization called America's Future First that was formed in 2014 and is largely funded with money from public contractors and has spent \$23,560 in one district.

The record for independent spending in a legislative primary was \$927,561 in 2015.

The following ten legislators reported the most cash-on-hand. Nearly all hold party or committee leadership positions or in some cases both. Nine out of 10 are Democrats.

Ten Legislators With Most Cash-on-Hand						
LEGISLATOR	RAISED	SPENT	CASH-ON-HAND	PARTY		
Senate President Stephen Sweeney	\$1,532,563	\$477,768	\$1,054,795	D		
Senate Budget Chairman Paul Sarlo	\$1,457,823	\$468,659	\$ 989,164	D		
Senate Judiciary Chairman Nicholas Scutari	\$1,481,656	\$556,044	\$ 925,612	D		
Senate Education Vice Chairwoman Shirley Turner	\$ 844,054	\$ 68,690	\$ 775,364	D		
Former Senate President Richard Codey	\$ 882,992	\$156,267	\$ 726,725	D		
Assembly Appropriations Vice Chairman Gary Schaer	\$1,217,845	\$722,137	\$ 495,708	D		
Senate Environment Chairman Bob Smith	\$ 872,314	\$389,970	\$ 482,344	D		
Senate Republican Whip Joe Pennacchio	\$ 633,189	\$171,527	\$ 461,662	R		
Assembly Telecommunications Chairman Wayne DeAngelo	\$ 545,877	\$102,105	\$ 443,772	D		
Senate Military Affairs Chairman Vin Gopal	\$1,166,761	\$728,686	\$ 438,075	D		

Table 5	
Ten Legislators With Most Cash-on-Har	1

The analysis is based on legislative fundraising reports received by 5 PM on May 13, 2021.

Reports filed by legislative candidates are available online on ELEC's website at 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.

Primary Spending by Gubernatorial Candidates Already Tops \$12 million

A campaign finance snapshot taken a month before the June 8 primary election shows gubernatorial candidates have raised \$14.8 million and spent \$12.2 million, according to reports filed with the New Jersey Election Law Enforcement Commission (ELEC).

Reports due 29 days before the election show Democratic incumbent Governor Phil Murphy, who has no challengers, has raised the most funds (\$7.8 million) and has done the most spending (\$6.9 million).

On the Republican side, former Assemblyman Jack Ciattarelli leads three other GOP contenders by raising \$5.7 million and spending \$4.4 million. Ciattarelli reported the largest cash reserves of any candidate- \$1.3 million.

TABLE 1 PRE-PRIMARY AND PRIMARY CAMPAIGN FINANCE ACTIVITY OF GUBERNATORIAL CANDIDATES THROUGH MAY 7, 2021 (RANKED BY SPENDING)

CANDIDATE	PARTY	RAISED	SPENT	CASH ON HAND		
Murphy, Phil	D	\$ 7,833,472	\$ 6,882,099	\$ 951,373		
Ciattarelli, Jack	R	\$ 5,682,736	\$ 4,381,209	\$1,301,527		
Singh, Hirsh	R	\$ 527,353	\$ 457,497	\$ 69,856		
Rizzo, Phil	R	\$ 563,263	\$ 244,052	\$ 319,211		
Steinhardt, Douglas**	R	\$ 248,345	\$ 221,819	\$ 26,527		
Levine, Brian*	R	NA	NA	NA		
TOTAL- PRIMARY CANDIDATES		\$14,855,169	\$12,186,676	\$2,668,494		
TOTAL- INDEPENDENT COMMITTEES		\$13,681,075	\$13,164,735			
TOTAL- CANDIDATES AND INDEPENDENT COMMITTES		\$28,536,244	\$25,351,411			

*Does not expect to spend more than \$5,800 on primary election. **Withdrew from race.

Jeff Brindle, ELEC's Executive Director, said candidate fund-raising is down from \$28 million four years ago, when 11 candidates were running for a seat previously held for eight years by former Governor Chris Christie.

"More candidates usually run during years without incumbents seeking reelection," Brindle said.

"The large amount of money spent on the primary by candidates themselves also made 2017 more expensive," he added.

Murphy, a former Goldman Sachs executive, sank \$16.3 million of his personal wealth into the 2017 primary election. Seven other candidates in 2017 raised \$1.5 million by tapping either their own wealth or money from family members.

By contrast, candidates and their family members so far in 2021 have given just \$561,085.

Republican businessman Hirsh Singh has drawn the most funds from personal assets. He has loaned \$418,000 to his campaign and his parents each made \$4,900 maximum contributions. He is not accepting public funds.

Ciattarelli gave \$25,000 to his campaign, the most he can give and still receive public funds. Other family members donated \$28,800.

Steinhardt lent his short-lived campaign \$32,885 while family members gave \$22,100.

Governor Murphy and four family members gave a total of \$24,500 to his primary campaign fund.

There is a tradition in New Jersey dating back to the 1990s for candidates for governor to promote themselves and their policies by raising and spending money in advance of their formal candidacies. They normally do this using 527 political organizations or 501c4 social welfare groups.

Under a 2000 state law, candidates with close affiliations to these pre-primary groups must file reports listing the names of contributors to those groups along with expenses. Normally, 501c4 social welfare groups are not required to publicly disclose their donor names.

Murphy filed an Issue Advocacy Organization Participation report on February 23, 2021 that details spending by New Direction for New Jersey, a 501c4 social welfare group formed shortly after his election in 2017 and run by his former campaign manager.

FORMED BY OR AFFILIATED WITH	INDEPENDENT COMMITTEES RAISED SPI		RAISED		INT
Primary					
Murphy, Phil	Our New Jersey (Democratic Governors Association)	\$	0	\$	0
Pre-Primary					
Murphy, Phil	New Direction for New Jersey	\$	13,681,075	\$ 13,	164,735
	TOTAL- INDEPENDENT COMMITTEES	\$	13,681,075	\$ 13,	164,735

TABLE 2 SPENDING BY INDEPENDENT COMMITTEES TO SUPPORT GUBERNATORIAL CANDIDATES

New Direction raised \$13.7 million and spent \$13.2 million since its formation, according to Murphy's report. The committee's spending is more than the \$8.2 million spent by eight independent committees that tried to build support for seven potential or actual candidates before the 2017 primary election.

None of the current Republican candidates reported affiliations with pre-primary independent spenders.

Murphy also is expected to get a boost this year from the Democratic Governors Association (DGA). DGA spent \$2.4 million promoting his candidacy in 2017. The Republican Governors Association spent \$2.3 million on behalf of his Republican opponent, former Lieutenant Governor Kimberly Guadagno.

Murphy was chairman of the DGA during 2020. He now serves as its treasurer. DGA has registered with ELEC under the name of Our New Jersey but so far has not raised or spent any funds. He did receive a \$4,900 check from the Democratic Lieutenant Governors Association.

Another independent group, Committee to Build the Economy, spent \$6.5 million supporting Murphy's candidacy in 2017. In its last report filed January 13, 2021, it listed a balance of \$14,299. Four years ago, it was mostly active after the primary election.

Murphy and Ciattarelli are the only two candidates to qualify for public matching funds.

Under the nationally recognized program, which began in New Jersey in 1974 and provides two public dollars for every one raised by candidates, those who qualify can receive up to \$4.6 million in public funds for the primary. They must limit their primary spending to \$7.3 million and can donate no more than \$25,000 to their campaigns.

"The public financing program has served the public well, costing an average of \$4.18 per taxpayer in 2017. In exchange, voters benefited by having a gubernatorial campaign focused mainly on issues and less subject to special interest influence," said Brindle.

Reports filed by gubernatorial candidates are available online on ELEC's website at <u>www.elec.state.nj.us</u>. ELEC also can be accessed on Facebook (<u>www.facebook.com/NJElectionLaw</u>) and Twitter (<u>www.twitter.com/elecnj</u>).

LEC-Tronic Newsletter	Issue 144	Pag
	2021 Reporting Dates	
	INCLUSION DATES	REPORT DUE DATE
FIRE COMMISSIONER – APRIL 20, 2021 – See	Executive Order No. 211	
29-day Preelection Reporting Date	Inception of campaign* – 3/19/2021	3/22/2021
11–day Preelection Reporting Date	3/20/2021 – 4/6/2021	4/9/2021
20-day Postelection Reporting Date	4/7/2021 – 5/7/2021	5/10/2021
48–Hour Notice Reports Start on 4/7/2021 th	nrough 4/20/2021	
SCHOOLBOARD – APRIL 20, 2021		
29-day Preelection Reporting Date	Inception of campaign* – 3/19/2021	3/22/2021
11-day Preelection Reporting Date	3/20/2021 – 4/6/2021	4/9/2021
20–Day Postelection Reporting Date	4/7/2021 – 5/7/2021	5/10/2021
48–Hour Notice Reports State on 4/7/2021 th	nrough 4/20/2021	
MAY MUNICIPAL – MAY 11, 2021		
29–day Preelection Reporting Date	Inception of campaign* – $4/9/2021$	4/12/2021
11-day Preelection Reporting Date	4/10/2021 – 4/27/2021	4/30/2021
20–Day Postelection Reporting Date	4/28/2021 – 5/28/2021	6/1/2021
48–Hour Notice Reports State on 4/28/2021	unougn 5/11/2021	
RUNOFF (JUNE)** – JUNE 15, 2021		
29–day Preelection Reporting Date	No Report Required for this Period	C 14/2024
11–day Preelection Reporting Date	4/28/2021 – 6/1/2021	6/4/2021
20–Day Postelection Reporting Date	6/2/2021 – 7/2/2021	7/6/2021
48–Hour Notice Reports Start on 6/2/2021 th	1rough 6/15/2021	
PRIMARY (90 DAY START DATE – MARCH 10,		
29–day Preelection Reporting Date	Inception of campaign – 5/7/2021	5/10/2021
11–day Preelection Reporting Date	5/8/2021 – 5/25/2021	5/28/2021
20–Day Postelection Reporting Date 48–Hour Notice Reporting Starts on 5/26/202	5/26/2021 – 6/25/2021 21 – 6/8/2021	6/28/2021
GENERAL (90 DAY START DATE – AUGUST 4, 2		10/4/2024
29-day Preelection Reporting Date	6/26/2021 – 10/1/2021	10/4/2021
11-day Preelection Reporting Date	10/2/2021 – 10/19/2021	10/22/2021
20-day Postelection Reporting Date 48-Hour Notice Reporting Starts on 10/20/20	10/20/2021 – 11/19/2021 021 – 11/2/2021	11/22/2021
RUN–OFF (DECEMBER)** – December 7, 202	1	
29–day Preelection Reporting Date	No Report Required for this Period	
11–day Preelection Reporting Date	10/20/2021 – 11/23/2021	11/26/2021
20–day Postelection Reporting Date	11/24/2021 – 12/24/2021	12/27/2021

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PACS, PCFRS & CAMPAIGN QUARTERLY	FILERS	
1 st Quarter	1/1/2021 – 3/31/2021	4/15/2021
2 nd Quarter	4/1/2021 - 6/30/2021	7/15/2021
3 rd Quarter	7/1/2021 – 9/30/2021	10/15/2021
4 th Quarter	10/1/2021 – 12/31/2021	1/18/2022
GOVERNMENTAL AFFAIRS AGENTS (Q-4	4)	
GOVERNMENTAL AFFAIRS AGENTS (Q-4 1 st Quarter	4) 1/1/2021 – 3/31/2021	4/12/2021
		4/12/2021 7/12/2021
1 st Quarter	1/1/2021 – 3/31/2021	

*Inception Date of Campaign (first time filers) or January 1, 2021 (Quarterly filers).

**A candidate committee or joint candidates committee that is filing in a 2021 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 April 15, 2021 for the Primary Election Candidates and June 21, 2021 for the Independent General Election Candidates.

Note: A fourth quarter 2020 filing is needed for the Primary 2021 candidates if they started their campaign prior to December 10, 2020.

A second quarter is needed by Independent/ Non–partisan General election candidates if they started their campaign prior to May 4, 2021.

HOW TO CONTACT ELEC

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