

Public Election Financing

The Guardian of the Electoral Process



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With the presidential campaign finally over, New Jersey already is bracing for the next major political showdown: the contest for governor.

New Jersey and Virginia are the only states to hold gubernatorial elections in the year after the presidential race. As a result, those races often draw national attention. And 2013 should be no exception.

The national spotlight will come not only from the media but from independent groups that will spend millions attempting to influence the outcome of the election. Fortunately, New Jersey's Gubernatorial Public Finance program will be there to help offset that influence.

The two national conventions highlighted two potential candidates for governor, incumbent Republican Governor Chris Christie and Newark Mayor, Democrat Cory Booker. The Governor gave the keynote address at the Republican event, while the Mayor unveiled the platform at the Democratic gala.

Though neither has announced their candidacy, any election involving either one or both is sure to spark the interest of the media and outside groups.

Besides Booker, a number of other possible, but unannounced, Democratic contenders would add excitement to the race. They include: former Governor and state Senator Richard J. Codey, Assembly Majority Leader Louis D. Greenwald, State Senator Barbara Buono, and Assemblyman John S. Wisniewski.

Beyond the coverage afforded by the media, the public will be treated to a barrage of campaign ads, many of which will be underwritten by the shadow groups operating "outside" regular campaigns.

Who are these independent groups? They are two types of non-profits that report to the IRS—527 groups and 501(c) 4 social welfare organizations—and Super PACs, which report to the Federal Election Commission. All three can raise and spend unlimited funds as long as they operate separately from candidates.

Under current New Jersey law, they will have little or no obligation to publicly report on their activities during next year's gubernatorial campaign.

Unless they expressly support or oppose a named candidate in their advertisements, they won't have to disclose their finances before the election, if ever. Even if they use ads to directly attack or promote candidates, they will have to disclose only their expenditures, not their donors. Hopefully, the Legislature will see fit to enact legislation expanding disclosure requirements for these groups before next year's campaign.

If history is any guide (as well as trends in other states), the public can expect a big dose of outside money in next year's gubernatorial campaign.



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During the 2009 gubernatorial campaign, independent spending topped \$14 million. Democratic and Republican Governor's associations, as well as labor unions, all participated and attempted to influence the outcome of the election.

In the 2011 contest for state Senate and Assembly, over \$1.3 million was spent independently by such groups as: Republican State Leadership Committee, America's Families First, Environment New Jersey, Americans for Prosperity, Strong New Jersey, and New Jersey's Family's First.

Fortunately next year, the state does have one antidote, the Gubernatorial Public Financing Program.

The inaugural year for the program was 1977, when public funds were provided to candidates in the general election. Funds were expanded to primary elections in 1981.

Since the program's inception, 67 primary and general election candidates for governor have qualified for public matching funds totaling \$105 million, or a modest \$4.98 per vote cast in those elections.

From Brendan T. Byrne to Chris Christie, every governor since 1977 (except Jon Corzine), has participated in New Jersey's Gubernatorial Public Financing Program.

Perhaps the greatest proof of program's importance is the fact that all ten publicly funded gubernatorial elections in New Jersey have been scandal-free. Even more remarkable, this achievement has taken place in a state with an undeserved national reputation for corruption at other levels of government.

The program has two major goals: to eliminate undue influence from the electoral process and to allow candidates of limited personal means to run for governor.

In the coming year, with the anticipated independent spending, the Gubernatorial Public Financing Program becomes more important than ever.

It is the one pillar of the electoral system that stands to offset the influence of independent spending by providing candidates with enough funds so that they won't have to depend on those groups. This, in turn, will help assure the integrity of the gubernatorial electoral process.

The program is a matching program

that has served as a model for other states. By matching two public dollars to every dollar raised, candidates who qualify for the program can receive millions of public dollars to help them get their message to the voters and offset the less accountable voices of independent groups.

To qualify for the program, candidates must pass a viability test by raising a threshold amount in private donations. Once candidates qualify they must agree to abide by expenditure limits and to participate in three publicly financed debates, two by the candidate for governor and one by the candidate for lieutenant governor.

Candidates for governor and lieutenant governor run as a single slate. For public financing purposes only the gubernatorial candidates receive public funds.

In addition to the expenditure limit, participating gubernatorial candidates are subject to a public funds cap. Moreover, all candidates for governor, whether participating in the program or not, must adhere to contribution limits, which are the same for both.

By law, the thresholds and limits are adjusted by a special campaign inflation index every four years. The following thresholds and limits will apply in the 2013 gubernatorial election.

- Contribution Limit \$3,800
- Qualification Threshold \$380,000
- Amount not Matched \$122,000
- Primary Fund Cap \$3.5 million
- Primary Expenditure Limit \$5.6 million
- General Fund Cap \$8.2 million
- General Expenditure Limit \$12.2 million

The New Jersey Gubernatorial Public Financing Program stands out as a one of the monumental bipartisan achievements in the state's legislative history. The program has allowed three Republicans and three Democrats to win the office of Governor, and, in some cases, helped them win reelection.

A tax check-off fund supports the program. Additional funding is provided via an appropriation from the State Budget.

More than ever, New Jersey needs the Gubernatorial Program as the guardian of the electoral process.

While millions of public dollars will be awarded to qualifying candidates, the public can be assured that funds

will be spent in its best interest and with strict adherence to the law.

Every submission is scrutinized by a professional staff at the Election Law Enforcement Commission before any public dollars are provided to candidates.

Moreover, strict observance of expenditure guidelines are not only mandated by law but energetically enforced by the staff and the Commission.

The Commission recognizes its solemn duty to maintain the integrity of a program that not only has served the public well through four decades but is also one of the proudest accomplishments of the state.

The 2013 Gubernatorial Public Financing Program will be no exception. With the added pressure on the system being brought by independent spending, the staff and the Commission know that its role in administering the program is of signature importance. ▲

Jeff Brindle is the Executive Director of the New Jersey Election Law Enforcement Commission. The opinions presented here are his own and not necessarily those of the Commission.

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