



State of New Jersey

ELECTION LAW ENFORCEMENT COMMISSION

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PUBLIC SESSION MINUTES

November 15, 2001

Vice Chair Franzese, Commissioner Ware, Commissioner Lederman, Counsel Wyse, Senior Staff, and Deputy Legal Director Nedda Gold Massar were present. Chair Martin participated by telephone.

1. Open Public Meetings Statement

Vice Chair Franzese called the meeting to order and announced that pursuant to the "Open Public Meetings Act," N.J.S.A. 10:4-6 et seq., adequate notice of the meeting of the Commission had been filed with the Secretary of State's Office and distributed to the entire State House Press Corps.

The meeting convened at 11:00 a.m. in Trenton, New Jersey.

2. Approval of Public Session Minutes of October 18, 2001

On a motion by Vice Chair Franzese, seconded by Commissioner Lederman and passed by a vote of 4-0, the Commission approved the Public Session Minutes of October 18, 2001.

3. Executive Director's Report

A. Staff Activities

Executive Director Herrmann recognized the outstanding work of Deputy Legal Director Nedda Massar, Director of Compliance and Information Evelyn Ford, and Director of Systems Administration Carol Neiman and their staffs during the general election this year.

The Executive Director stated that a gubernatorial election held at the same time as an election for all of the seats in both houses of the Legislature is always a challenging time for the ELEC staff but with the events of September 11th and its aftermath, this year was particularly difficult. He said that the three directors and their

staffs did an extremely competent job under the most trying circumstances and deserve special recognition at today's meeting.

Executive Director Herrmann announced that a major change was made to ELEC's procedures for receiving candidate reports. He mentioned that because of the State police's new September 11th priorities, the Compliance Section was unable to use troopers to deliver candidate reports filed with the county clerks. The Executive Director said that an overnight mail system was substituted. He noted that this system will be used in the future. Executive Director Herrmann added that due to the anthrax scare at the Hamilton Post Office, the Compliance Section had to notify candidates through a mailing from the Edison Post Office to not use the mail for filing but to file with the county clerks, by overnight mail, or in person.

According to Executive Director Herrmann, Representative Greg Vitali of Pennsylvania has reintroduced into his State Legislature a gubernatorial public financing bill modeled after the New Jersey program. He said that he has worked with Representative Vitali over the years, including testifying before the State Government Committee of the Pennsylvania House of Representatives on the New Jersey program. He noted that it is a great compliment to our program that Representative Vitali has chosen it as a model. Executive Director Herrmann informed the Commission that he will be meeting with Representative Vitali tomorrow to discuss how the New Jersey Public Financing Law worked during this year's election.

B. FY 2002 Budget Update

The Executive Director reported that ELEC's operating budget for this fiscal year was set at \$3.1 million. He said, however, that a recent cut, due to the State's current budget situation, has resulted in \$180,000 being taken out of the Commission's \$360,000 equipment account. He added that this amount represents a 50% reduction. Moreover, continued Executive Director Herrmann, \$8,000 is being taken out of the \$10,000 travel account, representing an 80% reduction. Executive Director Herrmann stated that the equipment cut is particularly of concern due to the large amount of money involved and the fact that the money was going to be used to further ELEC's ongoing computerization initiative.

According to Executive Director Herrmann, ELEC and all of state government, may be entering a more challenging era in which new ways will have to be found to maintain the highest standards for public service. The Executive Director said that the Commission has dealt with lean budget years in the past, and the staff is confident that ELEC can do so again. He added that any future plans for campaign finance reform should take into account the need for proper budgeting to administer and enforce the law.

C. Future Meeting Schedule

December 19, 2001 at 11:00 a.m. in Trenton.

Executive Director Herrmann asked for approval of the 2002 Meeting Schedule

On a motion by Vice Chair Franzese, seconded by Commissioner Lederman and passed by a vote of 4-0, the Commission approved the 2002 Commission Meeting Schedule.

4. Planning for Hearings Concerning the 2001 Public Financing Program

A schedule for public hearings concerning the 2001 gubernatorial public financing program was proposed by Deputy Legal Director Massar. It was suggested that time be reserved for hearings at the February and March, 2002, regularly-scheduled Commission meetings in Trenton.

A tentative calendar reflecting preparations for the hearings was presented. It includes:

December, 2001	The compilation of a mailing list of individuals interested in participating or attending the hearings. The filing of a notice of the hearings in late December with the Office of Administrative Law for publication in the <u>New Jersey Register</u> .
January, 2002	The mailing of announcements to individuals on the mailing list, requesting that potential witnesses call the Commission to indicate that they will testify.
February, 2002	The scheduling of the hearing at 11:15 a.m. at the regularly-scheduled Commission meeting.
March, 2002	The scheduling of the hearing at 11:15 a.m. at the regularly-scheduled Commission meeting.

Commissioner Lederman suggested that staff reach out to individuals and groups, such as the PEW Charitable Foundation to attend.

Chair Martin stated that the Commission has the best public financing program in the United States, and that we ought to direct individuals who wish to testify toward specific topics for discussion, rather than discussing the history of the program. Chair Martin suggested the Commission attempt to get definitive responses from people who will testify.

Commissioner Lederman said that it is important, however, to hear views that would involve proposals for legislative action. The Commissioner said it may be helpful to hear this information.

On a motion by Vice Chair Franzese, seconded by Commissioner Ware, and passed by a vote of 4-0, the Commission adopted the Planning for Hearings Concerning the 2001 Public Financing Program.

5. Report on 2001 Gubernatorial General Election Matching Fund Submissions

Deputy Legal Director Massar presented a report to the Commission on matching fund submissions processed by the Public Financing staff since the last such report, dated October 17, 2001.

Candidate Bret Schundler, Submissions 6, 7, and 8

Staff has completed review of Candidate Schundler's sixth, seventh, and eighth submissions. As the result of these submissions, staff has deposited the \$5.6 million maximum in 2001 general election public matching funds into Candidate Schundler's public funds account.

Candidate McGreevey had received \$5.6 million in public funds earlier.

Submission #6

Candidate Schundler's sixth submission, filed October 15, 2001, reported \$399,648.24 in net contributions eligible for match. Using the percentage certification process, approved by the Commission on July 11, 2001, staff deposited 80% of the anticipated public funds for Submission Six, that is \$639,437.18, on October 19, 2001. After complete review, staff determined that Candidate Schundler was entitled to receive matching funds totaling \$747,788.48 for Submission #6. Therefore, the \$108,351,30 balance of public funds for Submission #6 was deposited into his public funds account on October 26, 2001. Staff notes that the error rate on Submission #6 was five percent.

Submission #7

Candidate Schundler's seventh submission, filed October 22, 2001, reported \$454,202.76 in net contributions eligible for match. Using the percentage certification process, staff deposited 80% of the anticipated public funds for Submission Seven, that is \$726,724.42, on October 24, 2001. As a result of that deposit, Candidate Schundler had received matching funds totaling \$5,592,009.38.

Staff completed its review of Candidate Schundler's seventh submission, but no additional public funds were deposited because he had already received the maximum in primary election matching funds. Staff notes that the error rate on Submission #7 was six percent.

Submission #8

Candidate Schundler's eighth submission, filed October 29, 2001, reported \$129,288.29 in net contributions eligible for match. On October 30, 2001, staff deposited matching funds totaling \$7,990.62, the amount necessary to reach the \$5.6 million public funds maximum for the 2001 general election. Staff has reviewed Candidate Schundler's eighth submission and determined that it contained \$107,488.29 in contributions eligible for match at the two-to-one ratio, an amount greater than the \$7,990.62 that was deposited for Submission #8.

On a motion by Commissioner Lederman, seconded by Commissioner Ware and passed by a vote of 4-0, the Commission approved the reported distribution of public funds.

6. Public Comment

Mr. Benjamin Walters addressed the Commission concerning his 1993 general election candidacy in a matter scheduled for Executive Session discussion. He stated that he accepted responsibility for the late filing of reports and asked that the Commission consider his personal and financial circumstances in deciding his case.

7. Resolution to go into Executive Session

On a motion by Vice Chair Franzese, seconded by Commissioner Ware and passed by a vote of 4-0, the Commission resolved to go into Executive Session to discuss the following matters, which will become public as follows:

- A. Final Decision Recommendations in violation proceedings which will not become public. However, the Final Decisions resulting from those recommendations will become public no later than 35 days after mailing.
- B. Investigative Reports of possible violations, which reports will not become public. However, any complaint generated as the result of an Investigative Report will become public no later than 50 days after mailing.

8. Return to Public Session

Vice Chair Franzese congratulated Executive Director Herrmann on his receipt of the NORCOL 20th Anniversary Service Award.

On a motion by Commissioner Ware, seconded by Commissioner Lederman and passed by a vote of 4-0, the Commission voted to return to Public Session.

9. Adjournment

On a motion by Vice Chair Franzese, seconded by Commissioner Lederman and passed by a vote of 4-0, the Commission voted to adjourn at 12:00 p.m.

Respectfully submitted,

Frederick M. Herrmann, Ph.D.
Executive Director

FMH/elz