

NEWS RELEASE



CONTACT: FREDERICK M. HERRMANN, Ph.D.
EXECUTIVE DIRECTOR
(609) 292-8700

FOR RELEASE:
December 19, 1989

Frederick M. Herrmann, Executive Director of the Election Law Enforcement Commission (ELEC), has unveiled a research analysis that discusses possible approaches for increasing the agency's funding and autonomy by transferring the responsibility for the Commission's fiscal base from the State's taxpayers to PACs, political parties, and lobbyists.

According to Herrmann, the Commission, at its meeting today, approved releasing for public discussion an alternate funding study that discusses a constitutional or statutory change that would guarantee the Commission an adequate base budget to be adjusted each year by the Consumer Price Index.

The paper reviews numerous approaches to alternate funding. For example, ELEC's budget, excluding costs associated with administering the Gubernatorial Public Financing Program, could be funded primarily through a filing fee on PACs, parties, and lobbyists. Additional monies could be raised through the retention of fine money by the Commission. The public financing program could be funded by ELEC keeping a small percentage for

administrative purposes of the millions of dollars being paid out to gubernatorial candidates.

"This survey addresses two serious problems facing the Commission," said Herrmann. "First, it suggests where to locate the financial resources needed by the Commission to keep pace with an exploding workload. Second, it explores statutorily or constitutionally removing ELEC's budget from the normal State appropriations process, making the agency even more independent from the people it regulates."

He added, "the ability of the Commission to maintain its high level of services and national leadership prominence is being jeopardized by budget cuts and a burgeoning workload. The alternate funding concept would both ease this situation and allow the Commission to obtain the level of funding necessary to maintain and improve its vital disclosure efforts."

"Moreover," continued Herrmann, "the beauty of the ideas discussed is that they would save the taxpayers money and place the burden to finance ELEC on those entities that are fueling the tremendous increase in the Commission's workload."

The analysis contained in a Commission White Paper, reviews a filing fee that could be exacted against PACs, parties, and lobbyists. It is estimated that these fees alone could raise a considerable amount of needed funding for ELEC.

PACs and lobbyists represent special interests, and while their activity is protected and part of the legitimate governmental process, filing fees may be viewed as a reasonable cost of their doing business.

Included in the study is a discussion of the Commission retaining all the fine money it collects. At the present time, fine money reverts to the general treasury and the Commission derives no benefit from it. ELEC has previously recommended that the current fine levels, which go back to the Commission's creation in 1973, be raised at least to account for inflation.

ELEC also analyzes obtaining a guaranteed base budget by statute or by constitutional amendment. Such a budget base, adjusted yearly for inflation, could provide the Commission with fiscal independence from an appropriations process controlled by the Governor and the members of the Legislature, who ELEC regulates when they run for office.

"The integrity of the Commission has never been interfered with and ELEC is grateful for the Governor and Legislature's continuing respect for its role," said Herrmann. "Under the current governmental structure, however, the potential for interference is always present, and it is in the interest of the public that the Commission be as independent of the appropriations process as possible. There should not even be an appearance that ELEC is not a completely autonomous agency."

Herrmann termed the study "innovative and visionary" and said that it is an attempt to review methods that would save taxpayers money and preserve the meaningful enforcement of campaign finance and ethics laws through independent and responsible budgetary means.

According to ELEC's own statistics, each election cycle witnesses more and more money being raised and spent. Herrmann stated, "it seems that the only campaign-related figure that hasn't increased dramatically is ELEC's budget." Indeed, last year, due to State budgetary problems, the Commission's budget actually decreased by 13 percent.

"The purpose of ELEC's latest research project," Herrmann concluded, "is to start a public discussion of the agency's need to achieve budgetary adequacy and autonomy while saving the taxpayers money. Certainly, the Commission welcomes modifications, additions, and alternatives to its preliminary ideas by governmental leaders, the media, and the public."