



NEWS RELEASE

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FOR RELEASE:
March 20, 1992

PRESS RELEASE

The New Jersey Election Law Enforcement Commission (ELEC), today released its comprehensive report on the publicly-financed 1989 gubernatorial primary and general elections. With the release of "New Jersey Gubernatorial Public Financing Revised: 1989 and Beyond," the Commission continued its tradition of analysis, critical examination, and review of the operation of New Jersey's Gubernatorial Public Financing Program.

"The Commission concluded that a fundamental financial restructuring of public financing is called for to keep the program viable and responsible," said Frederick M. Herrmann, the Commission's Executive Director. Herrmann explained that the Commission continues its strenuous support for the gubernatorial public financing program, which is essential to maintaining gubernatorial elections which are free from improper influence and which permit candidates of limited means to seek election to the office of Governor. The report stresses that New Jersey's gubernatorial

public financing program is necessary to maintain public confidence in campaign financing methods at a time when they are coming increasingly under attack.

"If it were possible to apply the recommendations contained within this report to the 1989 public financing program, the Commission projects that the record distribution of \$15.3 million in public funds could have been reduced by at least \$5 million," Herrmann emphasized. "Further, the effect of the Commission's suggestions, if adopted, would be to reverse the mix of private and public dollars in publicly-financed gubernatorial campaigns. Instead of reliance upon public funds as approximately three-fifths of total campaign receipts, as was the case in 1989, public funds would represent approximately two-fifths of campaign receipts using the Commission's recommendations," Herrmann suggested.

Herrmann noted that the focus of the new report is therefore to offer recommendations for legislation which would restore fiscal balance in order to maintain the program. The Commission has recommended that the public financing program be refinanced by altering its three major fiscal components.

"The primary and general election public funds caps should be revised downward from the 1989 levels to reduce the amount of public money distributed," said Herrmann. The Commission has recommended that the \$1.35 million primary election public funds cap be reduced to \$1 million per candidate and that the \$3.3 million general election cap be reduced to \$2 million per candidate. Herrmann went on to explain that the matching ratio

of public dollars to private dollars should be reduced from two-for-one to one-for-one in future general elections to increase the campaigns' reliance on private rather than public campaign dollars. Finally, the Commission recommended that the voluntary income tax check-off, the source of funds paid to candidates, should be increased from \$1 to \$2 to account for inflation since the program began over 15 years ago. In spite of tremendous increases in the costs of campaigns, the check-off amount has remained static since it was enacted in New Jersey in 1976. "In this time of increased care in spending, the Commission believes these three changes are crucial to restore fiscal balance to gubernatorial public financing in New Jersey," concluded Herrmann.

The report documents the Commission's successful implementation of the first-ever gubernatorial debate requirement. New Jersey is the first state to require that candidates agree to participate in a series of debates as a condition for receipt of public funds. In the report, a recommendation is made to expand further the pool of potential gubernatorial debate sponsors to include "public" entities such as New Jersey Network and Rutgers University. "Such entities are currently excluded by a statutory criterion which requires that a sponsor be a private organization," explained Herrmann. The report concludes that exclusion of these potential sponsor applicants deprives the process of groups which possess technical expertise and specialized knowledge of New Jersey issues.

The report contains additional recommendations for legislation to modify the public financing program based upon the Commission's fourth experience with gubernatorial public financing.

The analysis contained in the 107-page report is supported by 26 pages of charts and data which summarize the contribution and expenditure activity of the eight 1989 primary election and two 1989 general election publicly-financed campaigns. Expenditure information is provided on the \$26 million spent by the primary and general election campaigns. Totals contributed to the candidates are broken down by type of contributor. Data from 1989 may therefore be compared to that available for prior gubernatorial races.

Copies of the report are available for inspection at the Commission offices and may be ordered by calling (609) 292-8700.

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