

COST INDEX REPORT 2021

**NJ Election Law
Enforcement Commission**

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State of New Jersey

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July 1, 2020

Dear Members of the Legislature:

This 2021 "Cost Index Report" is presented to you in fulfillment of the Commission's statutory responsibility to adjust for inflation the thresholds and limits pertaining to the Gubernatorial Public Financing Program and the thresholds applying to non-gubernatorial candidates and committees. Moreover, the Report is presented in fulfillment of the statutory requirement that the Commission recommend to the Legislature adjustments to the contribution limits pertaining to non-gubernatorial candidates and committees.

The Commission believes that the quadrennial campaign cost adjustment process fulfilled pursuant to the New Jersey Campaign Contributions and Expenditures Reporting Act, N.J.S.A. 19:44A-1 et seq., is essential to ensure the continued viability of New Jersey's Gubernatorial Public Financing Program and the ability of non-gubernatorial candidates and committees to participate effectively in elections.

On behalf of the members of the Election Law Enforcement Commission, I am proud to present this report to the Legislature as part of the Commission's continuous effort to serve the citizens of New Jersey.

Respectfully,

Eric H. Jaso, Chairman

ACKNOWLEDGEMENT

The Commission would like to thank Deputy Director Joseph W. Donohue for the preparation of this report. He wrote the first draft and coordinated the efforts of the other staff members who worked on it.

The “Cost Index Report 2021” is the ninth such analysis in a series dating back to 1988.

Compliance Director Stephanie A. Olivo and Assistant Legal Counsel Benjamin Kachuriner reviewed the text, charts, and legal citations in it.

Research Assistant Steven Kimmelman helped check the accuracy of the report’s data. Executive Director Jeffrey M. Brindle served as a general editor and Administrative Assistant Elbia L. Zeppetelli added her usual creative touch to the cover, word processing, and graphics.

ELEC would like to extend special gratitude to Ioana Dănilă, Marketing Insights Manager for the World Federation of Advertisers, for helping to determine projected United States market inflation in 2020.



TABLE OF CONTENTS

	<u>Page No.</u>
INTRODUCTION	1
Table 1: Maximum Contribution to Candidates for Governor Per Election.....	2
Table 2: Key Milestones in New Jersey Gubernatorial Public Financing Program	5
GUBERNATORIAL PUBLIC FINANCING PROGRAM	6
Table 3: Cost of Gubernatorial Elections Ranked by Total Spending 1977-2017 (Sorted by Total).....	6
Table 4: Cost of Gubernatorial Elections-Candidate Spending Only- 1977-2017 (Sorted by Year)	7
Table 5: Cost of Gubernatorial Elections-Candidate and Independent Spending 1977-2017 (Sorted by Year)	7
Table 6: Comparison of Expenditures by Type: 2013 and 2017 Gubernatorial General Elections	8
Table 7: Amount Spent by Gubernatorial Candidates on Mass Communications- 1973-2017	9
Table 8: Mass Communication Spending by Party Gubernatorial Nominee- 2017.....	9
Table 9: Amount Spent by Gubernatorial Candidates on Administrative Costs-1973-2017	10
Table 10: Cost-Per-Thousand Mass Communication Percentage Increases.....	12
Table 11: Consumer Price Index for All Urban Consumers Monthly Index Number for December	14
Table 12: 2021 New Jersey Campaign Cost Index (NJCCI) Calculation.....	15
Table 13: 2021 Gubernatorial Cost Index Adjustments.....	15
NON-GUBERNATORIAL CANDIDATES AND COMMITTEES	16
Table 14: 2021 Adjustments for Non-Gubernatorial Candidates and Committees.....	17
Table 15: Recommended 2021 Non-Gubernatorial Contribution Amount Adjustments	18
Table 16: Recommended Contribution Limits for Non-Gubernatorial Candidates and Committees.....	19
PREVIOUS COST INDEX REPORTS	20



INTRODUCTION

New Jersey was the first state in the nation to provide public funds to candidates for governor. Its Gubernatorial Public Financing Program remains a national model.

The program was enacted in 1974 as an amendment to “The New Jersey Campaign Contributions and Expenditures Reporting Act.” It provided public matching funds to qualifying candidates starting with the 1977 general election for governor. In 1980, the program was extended to gubernatorial primary elections.

Among the goals of the program are to allow candidates of limited means to run for governor and to eliminate undue influence from the process. From both standpoints, the program has been a success.

Since its inception, 76 candidates have received \$137 million in public matching funds. That amounts to just \$5.28 per vote cast in those elections. In exchange, voters have been rewarded with publicly-financed elections that have been issue-oriented and scandal-free.

The program has allowed qualified candidates to mount competitive campaigns and has protected the integrity of the gubernatorial electoral process. The program has enabled three Republicans and four Democrats to win the office of Governor, and, in some cases, helped them win reelection.

Thirty-seven Republican candidates have received \$76.9 million, 36 Democrats have obtained \$57.7 million and three independents have been awarded \$2.1 million through the program.

In the most recent election in 2017, the \$19.7 million in public funds allotted for the gubernatorial election worked out to \$4.18 per taxpayer.

One reason for the program’s continued success is the fact that contribution limits and other thresholds are adjusted regularly to offset inflation.

New Jersey’s adjustments of its gubernatorial contribution limits and thresholds have helped insulate the program from constitutional challenges.



INTRODUCTION

While courts both nationally and within New Jersey generally have upheld contribution limits, they have struck down limits deemed unreasonably low. “Contribution limits that are too low . . . can harm the electoral process by preventing challengers from mounting effective campaigns against incumbent officeholders, thereby reducing democratic accountability,” stated the majority opinion in *Randall et al. vs. Sorrell et al.*, which was decided by the U.S. Supreme Court on June 26, 2006.¹

Table 1 Maximum Contribution to Candidates for Governor Per Election	
YEAR	LIMIT
1977	\$ 600
1981	\$ 800
1985	\$ 800
1989	\$ 1,500
1993	\$ 1,800
1997	\$ 2,100
2001	\$ 2,600
2005	\$ 3,000
2009	\$ 3,400
2013	\$ 3,800
2017	\$ 4,300
2021	\$ 4,900

At the recommendation of the New Jersey Election Law Enforcement Commission (ELEC), which oversees the program, the Legislature in 1989 enabled the Commission to make quadrennial (every four years) adjustments to its gubernatorial contribution limits and thresholds.

The move again was ground-breaking. “Pursuant to a 1989 revision to the Act, New Jersey, once again a pioneer, was the first state in the nation to create a campaign cost index to ensure the sufficiency of, among other things, the contribution limits, public funds caps, qualification threshold and expenditure limits.”²

¹ *Randall et al vs. Sorrell et al* (2006). p. 3.

²“Public Campaign Financing in New Jersey- Governor: Weeding Out Big Money in the Garden State”, Center for Governmental Studies, 2008, p. 11.



INTRODUCTION

Amendments to the Campaign Act called for the quadrennial adjustment of thresholds and limits pertaining to the gubernatorial primary and general elections. Specifically, ELEC was directed to “adjust the limits” and to “establish an index reflecting the changes occurring in the general level of prices of particular goods and services . . . directly affecting the overall costs of election campaigning in this State.”³

This automatic adjustment of gubernatorial thresholds and limits was to begin with the 1993 primary and general elections using 1989 as a base.

Also in 1993, the Legislature mandated that the thresholds and contribution limits that apply to non-gubernatorial candidates and committees be automatically adjusted at the same time as gubernatorial thresholds and limits. For the first time, the cost index calculation used for the Gubernatorial Public Financing Program would be applied to the thresholds and contribution limits pertaining to non-gubernatorial candidates, joint candidate committees, continuing political committees, political party committees, legislative leadership committees, and other entities. While the Legislature authorized the change in 1993, it didn’t schedule the adjustments until the 1997 elections.

Another change occurred prior to the 2005 elections. In December 2004, the Legislature passed and Governor Richard J. Codey signed into law P.L. 2004, c.174. This law froze non-gubernatorial contribution limits at the then- current levels. The limits have not been increased since that time.

Further, it required that by July 1st of each year preceding a gubernatorial election, ELEC must make public a report recommending to the Legislature any future adjustment of the contribution limits applicable to non-gubernatorial candidates and committees.⁴ The report must be transmitted to the Legislature by July 15th.

The law further states that “The Legislature shall have the option of adopting all or part of the recommended adjustments by the passage of appropriate legislation.”⁵ In other words, Legislative approval is necessary before higher limits can take effect.

³ See N.J.S.A. 19:44A-7.1b.

⁴ See N.J.S.A. 19:44A-7.3.

⁵ Ibid.



INTRODUCTION

The Legislature did not change the law involving gubernatorial thresholds and limits and non-gubernatorial thresholds. These thresholds and limits continue to be automatically adjusted every four years.⁶ The exception is that contributions to gubernatorial and non-gubernatorial committees must be in excess of \$300 before the identities of contributors are subject to disclosure requirements. This limit was frozen by P.L. 2004, c.28

Non-gubernatorial thresholds must be adjusted by the same percentage as the one applied to gubernatorial thresholds.

No later than December 1st of the year preceding the gubernatorial election, the Commission is required to determine a cost index and make necessary adjustments to gubernatorial limits and thresholds. By December 15th of the same year, the Commission must report to the Legislature and make public its final adjustments of gubernatorial and non-gubernatorial limits and thresholds.⁷

The report that follows fulfills the mandates set forth regarding the automatic and recommended adjustments in the “Campaign Act.” The adjustments to the thresholds and limits pertaining to the Gubernatorial Public Financing Program are presented in the first section. In the second part, the adjustments to the thresholds pertaining to non-gubernatorial candidates and committees are presented along with recommendations to the Legislature for adjusting contribution limits applicable to non-gubernatorial candidates and committees.

The Commission is pleased to present this report to the Legislature and looks forward to its deliberations upon the recommended non-gubernatorial contribution limit adjustments.

⁶ See N.J.S.A. 19:44A-7.1.

⁷ See N.J.S.A. 19:44A-7.1 and N.J.S.A. 19:44A-7.2.



Table 2 Key Milestones in New Jersey Gubernatorial Public Financing Program	
YEAR	MILESTONE
1974	Public Financing Program Created for General Election Candidates for Governor
1980	Public Matching Funds Extended to Gubernatorial Primary Elections
1986	ELEC Recommends Inflation Adjustments for Thresholds and Contribution Limits
1989	Legislature Authorizes Inflation Adjustments for Thresholds and Contribution Limits Imposed on Gubernatorial Candidates
1993	Legislature Authorizes Extension of Inflation Adjustments to Non-Gubernatorial Thresholds and Contribution Limits
1997	Automatic Inflation Adjustments for Thresholds and Contribution Limits Take Effect for First Time
2004	Legislature Freezes Contribution Disclosure Threshold at \$300 Along With Non-Gubernatorial Contribution Limits While Authorizing ELEC to Recommend Changes

Overview of Gubernatorial Spending

Four years after a relatively uncompetitive gubernatorial election in 2013, the 2017 contest over an open governor's seat drew the third heaviest combined spending in history- \$83.2 million in inflation-adjusted dollars.

Spending jumped nearly 60 percent higher than four years earlier, when Governor Chris Christie won reelection with relative ease.

Table 3 Cost of Gubernatorial Elections Ranked by Total Spending 1977-2017(Sorted by Total)		
RANK	YEAR	INFLATION ADJUSTED TOTAL
1	2005	\$115,369,948
2	2009	\$ 83,631,392
3	2017	\$ 83,211,305
4	2001	\$ 69,355,017
5	1981	\$ 54,865,728
6	1989	\$ 54,152,561
7	2013*	\$ 53,518,166
8	1997	\$ 41,086,104
9	1993	\$ 41,036,959
10	1977	\$ 35,944,134
11	1985	\$ 24,851,650

*Revised 6/26/24

Several forces unleashed the geyser in 2017.

One is that the election prize was an open seat, which tends to draw more challengers from both parties. As a result, there were 16 candidates running in either the primary or general elections- the second largest total since a record 21 candidates competed in the 1981 governor's race. The \$55.3 million spent just by candidates was the third most spending ever. It was more than twice the amount in the 2013 election.

Another factor was that Governor Phil Murphy, the winner, used his personal wealth to invest \$22.5 million during and before the primary to run advertising that captured the attention of potential voters. Since he did not accept public funds during the primary, he faced no spending limit. He did take public funds during the general election and therefore was subject to the same cap as his opponent, former Lieutenant Governor Kim Guadagno.



GUBERNATORIAL PUBLIC FINANCING PROGRAM

Table 4 Cost of Gubernatorial Elections- Candidate Spending Only- 1977-2017 (Sorted by Year)				
YEAR	PRIMARY SPENDING	GENERAL SPENDING	BOTH ELECTIONS	INFLATION ADJUSTED
1977	\$ 5,200,000	\$ 3,309,366	\$ 8,509,366	\$ 35,898,993
1981	\$14,751,459	\$ 4,741,698	\$19,493,157	\$ 54,824,665
1985	\$ 6,224,289	\$ 4,235,184	\$10,459,473	\$ 24,851,650
1989	\$15,034,503	\$10,943,835	\$25,978,338	\$ 53,189,723
1993	\$ 9,967,456	\$12,901,061	\$22,868,517	\$ 40,460,183
1997	\$10,132,370	\$15,661,251	\$25,793,621	\$ 41,086,104
2001	\$23,019,458	\$18,214,250	\$41,233,708	\$ 59,557,549
2005	\$28,461,596	\$59,263,392	\$87,724,988	\$114,836,187
2009	\$14,807,441	\$41,292,468	\$56,099,909	\$ 66,852,498
2013	\$ 9,677,478	\$17,143,856	\$26,821,334	\$ 29,434,882
2017	\$34,494,741	\$20,782,827	\$55,277,568	\$ 57,653,791

Another factor that drove up spending in 2017 was the record \$24.5 million spent independently by special interest groups on the gubernatorial election.

Table 5 Cost of Gubernatorial Elections- Candidate and Independent Spending 1977-2017 (Sorted by Year)				
YEAR	CANDIDATES	INDEPENDENT GROUPS	TOTAL	INFLATION ADJUSTED
1977	\$ 8,509,366	\$ 10,700	\$ 8,520,066	\$ 35,944,134
1981	\$19,493,157	\$ 14,600	\$19,507,757	\$ 54,865,728
1985	\$10,459,473		\$10,459,473	\$ 24,851,650
1989	\$25,978,338	\$ 287,000	\$26,265,338	\$ 54,152,561
1993	\$22,868,517	\$ 326,000	\$23,194,517	\$ 41,036,959
1997	\$25,793,621		\$25,793,621	\$ 41,086,104
2001	\$41,233,708	\$ 6,783,119	\$48,016,827	\$ 69,355,017
2005	\$87,724,988	\$ 407,748	\$88,132,736	\$115,369,948
2009	\$56,099,909	\$14,080,168	\$70,180,077	\$ 83,631,392
2013*	\$26,821,334	\$21,350,619	\$48,171,953	\$ 53,518,166
2017	\$55,277,568	\$24,504,152	\$79,781,720	\$ 83,211,305

*Revised 6/26/24



GUBERNATORIAL PUBLIC FINANCING PROGRAM

Review of Campaign Expenditures

While overall spending in 2017 was up considerably from 2013, spending solely by candidates in the general election was not much higher- 21 percent.

Combined general election in both years was well below the record \$59.3 million spent on the 2005 general election, when both candidates self-financed their campaigns and faced no spending caps.

Table 6 Comparison of Expenditures by Type: 2013 and 2017 Gubernatorial General Elections				
	2013 Election		2017 Election	
EXPENDITURES	AMOUNT	PERCENT	AMOUNT	PERCENT
Administration				
Candidate Travel	\$ 369,192	2%	\$ 130,536	2%
Contributions- Political			\$ 230,630	4%
Contributions- Charitable			\$ 31,790	1%
Consulting			\$ 911,724	15%
Food and Beverage/Fundraising	\$ 193,196	1%	\$ 856,068	14.2%
Election Night Activities	\$ 418,081	2%	\$ 121,684	2.0%
Compliance Legal/Accounting	\$ 600,857	3%	\$ 888,486	14.7%
Telephone	\$ 32,898	0.2%	\$ 26,546	0.4%
Personnel/Taxes	\$ 1,422,121	8%	\$ 1,119,538	18.5%
Research and Polling	\$ 238,726	1%	\$ 553,956	9.2%
Other	\$ 619,350	4%	\$ 1,164,888	19.3%
Subtotal – Administration	\$ 3,894,422	22.7%	\$ 6,035,846	29.0%
Mass Communication				
Media Time				
Television	\$ 1,521,429	9%		
Media Time Unidentified (Mostly TV)	\$ 9,586,657	56%	\$12,111,631	58.3%
Cable/Internet (Digital)	\$ 405,034	2%	\$ 1,854,930	8.9%
Internet (Digital)			\$ 164,664	0.8%
Radio	\$ 175,112	1%		
Robocalls	\$ 60,732	0.4%	\$ 246,745	1.2%
Subtotal - All Media Time	\$11,748,964	68%	\$14,377,969	69.2%
Advertising Production	\$ 411,505	2%	\$ 11,532	0.1%
Newspaper Advertising	\$ 2,420	0.01%	\$ 24,762	0.1%
Printing Literature	\$ 618,211	4%	\$ 284,619	1.4%
Mailing Literature	\$ 494,646	3%	\$ 47,672	0.2%
Billboards	\$ 5,505	0.03%	\$ 427	0.0%
Subtotal - Mass Communications	\$13,281,251	77.3%	\$14,746,981	70.96%
Total Expenditures	\$17,175,673		\$20,782,827	



GUBERNATORIAL PUBLIC FINANCING PROGRAM

While the two candidates spent \$14.7 million combined on mass communications, the percentage overall was just 71 percent. Not since 1977 has the total been lower.

Table 7 Amount Spent by Gubernatorial Candidates on Mass Communications- 1973-2017	
MASS COMMUNICATION	
1973	53.1%
1977	62.3%
1981	76.0%
1985	83.9%
1989	81.9%
1993	81.7%
1997	82.5%
2001	82.7%
2005	83.7%
2009	80.0%
2013	77.3%
2017	70.96%

Phil Murphy, who was elected governor in the election, spent more than twice as much as opponent Kim Guadagno on the communications- \$10.3 million versus \$4.3 million. Murphy sank 70 percent of his campaign budget into communications, versus 75 percent for Guadagno.

Table 8 Mass Communication Spending by Party Gubernatorial Nominee- 2017		
MEDIA TIME	PHIL MURPHY	KIM GUADAGNO
Media Time- Unspecified (Mostly TV)	\$ 9,951,395	\$2,160,236
Cable/Internet		\$1,853,906
Radio	\$ 92,574	\$ 67,860
Robocalls	\$ 200,000	\$ 46,745
Subtotal- Media Time	\$10,243,969	\$4,128,746
OTHER COMMUNICATIONS		
Advertising Production		\$ 5,599
Newspaper Advertising	\$ 20,191	
Printing Literature	\$ 92,297	\$ 174,204
Mailing Literature		\$ 47,672
Subtotal- Other Communications	\$ 112,488	\$ 224,374
Total- Communications	\$10,356,457	\$4,353,120
Percent of Total Spending	70%	75%



GUBERNATORIAL PUBLIC FINANCING PROGRAM

Historically, administrative costs have been the second largest expense for publicly-financed gubernatorial candidates in New Jersey. The 2017 total was the highest since the 1977 election reaching 29.04 percent.

Table 9 Amount Spent by Gubernatorial Candidates on Administrative Costs-1973-2017	
ADMINISTRATION	
1973	46.9%
1977	37.0%
1981	24.3%
1985	15.8%
1989	18.0%
1993	18.3%
1997	17.5%
2001	17.3%
2005	16.3%
2009	20.0%
2013	22.7%
2017	29.04%

The Commission will use as the basis for calculating the 2021 New Jersey Campaign Cost Index (NJCCI) the following mix of mass communication and administration expenditures:

Mass Communication Expenditures: 70.96 %
Administration Expenses: 29.04 %



Measuring Mass Communication Cost Inflation

Mass communications typically are the biggest ticket item for political candidates. The 2017 election was no exception.

All candidates combined spent \$14.7 million on mass communications- 71 percent of total spending. This figure includes only media spending during the general election. It does not include primary spending on advertising by declared gubernatorial candidates. Nor does it include pre-primary spending by prospective candidates.

The \$14.7 million in general election media spending in 2017 total is 21 percent higher than the \$13.3 million spent in the 2013 campaign.

The 2017 figure is half the nearly \$33 million spent on mass communications in 2009. Spending in that campaign was driven up largely because the biggest spender was incumbent Governor Jon Corzine, who ran without public funding and who alone spent \$27.5 million of his personal wealth only to lose.

Also following tradition, broadcast media, including television, radio and digital, drew the heaviest spending- \$14.4 million, or 97 percent, of the media budgets.

The Commission has adjusted gubernatorial thresholds and limits since 1993. Since then, the proportion of expenditures used for mass communications has been a component of the formula used to calculate campaign cost inflation.

It is believed that New Jersey is the only state that places such emphasis on mass communications, meaning that its adjustments should be a better reflection of real-world cost pressures.

ELEC obtained media cost inflation data for the United States from the World Federation of Advertisers in Brussels, Belgium with assistance from Ioana Dănilă, Marketing Insights Manager. ⁸

⁸ <https://wfanet.org/outlook>



GUBERNATORIAL PUBLIC FINANCING PROGRAM

Ad revenue information used to help weight the inflation data was obtained from two analyses distributed by Vincent Letang, Executive Vice President of Global Market Intelligence at Magna, a worldwide media firm, in New York City.⁹

Table 10 Cost-Per-Thousand Mass Communication Percentage Increases			
MEDIA TYPE	2008-2012 PERCENTAGE INCREASE	2012-2016 PERCENTAGE INCREASE	2016-2020 PERCENTAGE INCREASE
Broadcast			
Network Television	21.3%	22.6%	26.4%*
Cable Television	21.6%	22.5%	NA
Radio	3.0%	4.0%	4.9%
Print			
Newspapers	7.0%	13.0%	6.4%
Magazines	-3.0%	10.5%	8.9%
Online	7.0%	10.7%	11.8%
Outdoor	9.0%	10.2%	10.7%
All Media Composite**	12.37%	16.1%	14.7%

*Includes cable

**Not a simple average of above numbers. Includes weighting adjustments

Source: 2016-2020 World Federation of Advertisers with 2020 projected

Table 10 measures the inflationary impact on the various types of media buys applicable to campaigns for governor. The percentage increases displayed are derived from the cost-per-thousand indexes. These indexes measure the change in the cost of advertising targeted to reach 1,000 individuals in the media markets. The chart compares the estimate for the current four-year period to estimates used in the previous cost index report.

The media cost-per-thousand composite for the period 2016 to 2020 is expected to rise by 14.7 percent- a slight decrease from the previous figure. The highest composite ever was 23.8 percent for the period from 1997 to 2001.

⁹ Vincent Letang, "Magna Forecasts V-Shaped Recovery for the US Advertising Market," March 26, 2020

<https://magnaglobal.com/magna-forecasts-v-shaped-recovery-for-the-us-advertising-market/> and Vincent Letang, "US Ad Market Remains Strong But Rest Of The World Slows Down," December 9, 2019 <https://magnaglobal.com/magna-advertising-forecasts-winter-2019-update/>



Measuring the Change in Administration Costs

The Commission traditionally has used the Consumer Price Index (CPI) to measure inflationary increases in costs related to campaign expenditures that were made for purposes other than mass communications.

For purposes of this report, the following expenses are categorized as administration: candidate travel, food and beverage, fundraising, election night activities and compliance. In addition, this category includes costs for telephone, personnel and miscellaneous.

The CPI is maintained by the United States Bureau of Labor Statistics (BLS). It measures the average change in prices of goods and services affecting all urban consumers. CPI data relevant to New Jersey is being included as part of the formula used to calculate the adjustments pursuant to thresholds and limits.

Statistics from the BLS for the purposes of this analysis involve data compiled for two geographical regions, New York/New Jersey (NY/NJ) and Pennsylvania/New Jersey (PA/NJ).

To develop its estimates, the Commission combined CPI data from the base year 2016 through February 2020 with a mathematically projected increase for the remainder of 2020.

In order to determine the percentage increase in the CPI to be used in calculating the Campaign Cost Index for 2021, the percentage change in the two regional numbers was then weighted at a ratio of two-to-one to reflect the larger population in the NY/NJ region.

Thus, the NY/NJ 2016 through 2020 inflationary number of 8.66 percent was multiplied by two yielding a percentage increase of 17.32 percent. This number was then added to the four-year percentage increase of 7.58 percent for the PA/NJ region, yielding a total of 24.90 percent. Finally, the 24.90 percent number was divided by three to yield a weighted CPI of 8.30 percent.



GUBERNATORIAL PUBLIC FINANCING PROGRAM

This number is being used to help calculate the 2021 Campaign Cost Index.

Table 11 Consumer Price Index for All Urban Consumers Monthly Index Number for December		
DATE	NEW YORK/ NEW JERSEY	PENNSYLVANIA/ NEW JERSEY
December 2016	265.421	246.591
December 2017	269.564	248.617
December 2018	273.836	251.148
December 2019	279.816	257.194
December 2020 (Projected)	288.396	265.282
Index Change 2016-2020	22.975	18.691
Percentage Change 2016-2020	8.66%	7.58%
Weighted CPI 2016-2020	8.30%	

The Commission computed the 2021 Campaign Cost Index by applying the formula first contained in the 1993 Gubernatorial Cost Index Report. The formula is as follows:

- Step 1. The 14.7 percent increase in mass communication costs was applied to the proportion of all 2017 general election spending on media advertising, or 70.96 percent. The result: a mass communications cost component of 10.43 percent ($14.7 \times .7096 = 10.43$).
- Step 2. The 8.30 percent increase in the CPI was applied to the proportion of all 2017 general election administrative expenses or 29.04 percent to yield a component for non-communication spending of 2.41 percent ($8.3 \times .2904 = 2.41$).
- Step 3. The mass communication and administration components were then added together to yield a Campaign Cost Index for New Jersey of 12.84 percent ($10.43 + 2.41 = 12.84$).



GUBERNATORIAL PUBLIC FINANCING PROGRAM

Table 12 2021 New Jersey Campaign Cost Index (NJCCI) Calculation			
EXPENSE CATEGORY	PERCENT OF 2017 GENERAL ELECTION SPENDING	FOUR-YEAR INCREASE	COMPONENT OF CAMPAIGN INDEX*
Mass Communication Costs	70.96	14.7%	10.43
Administration Costs	29.04	8.3%	2.41
Campaign Cost Increase			12.84

*Percent of 2017 general election spending multiplied by four-year change in costs.

Based on the above calculations, the Commission has determined that the cost index multiplier for the limits and thresholds applicable to publicly-financed candidate gubernatorial campaigns is 1.128.

Applying the 1.128 index to the various public financing thresholds and caps and rounding as required by the formula contained in N.J.S.A. 19:44A-7.1b, produces the following statutorily required adjustments for 2021 as displayed in Table 13.

Table 13 2021 Gubernatorial Cost Index Adjustments				
LIMIT/THRESHOLD	2017 AMOUNT	COST INDEX MULTIPLIER	UNROUNDED	2021 ROUNDED AMOUNT
Contribution Limit	\$ 4,300	1.128	\$ 4,850	\$ 4,900
Qualification Threshold	\$ 430,000	1.128	\$ 485,040	\$ 490,000
Amount Not Matched	\$ 138,000	1.128	\$ 155,664	\$ 156,000
Primary Public Fund Cap	\$ 4,000,000	1.128	\$ 4,512,000	\$ 4,600,000
Primary Expenditure Limit	\$ 6,400,000	1.128	\$ 7,219,200	\$ 7,300,000
General Public Fund Cap	\$ 9,300,000	1.128	\$10,490,400	\$10,500,000
General Expenditure Limit	\$13,800,000	1.128	\$15,566,400	\$15,600,000



NON-GUBERNATORIAL CANDIDATES AND COMMITTEES

In 1993, the Governor and Legislature enacted legislation that directed the Commission to adjust the limits and thresholds pertaining to non-gubernatorial candidates, committees, and political party entities in the same manner as it adjusts the gubernatorial limits and thresholds. In other words, the same campaign cost index used to calculate the limits and thresholds pertaining to the gubernatorial public financing program would now be applied to non-gubernatorial thresholds and limits. The 1993 amendment would apply for the first time to the 1997 primary and general elections.¹⁰

Additional amendments to the Campaign Act relating to the automatic adjustment of non-gubernatorial contribution limits were enacted in December, 2004. The amendments left in place the automatic adjustment of thresholds and limits pursuant to the Gubernatorial Public Financing Program and the thresholds applicable to non-gubernatorial candidates and committees.

But the Legislature directed the Commission to only recommend changes for the contribution limits that apply to non-gubernatorial candidates, political committees, continuing political committees, political party committees, and legislative leadership committees.¹¹

A report containing these recommendations must be issued by July 1st in the year preceding a gubernatorial election.

In furtherance of the statutory directives, the Commission used the same campaign cost index as developed for adjusting the thresholds and limits applicable to the gubernatorial elections. Using the cost index multiplier of 1.128, the Commission presents tables 14, 15, and 16 containing the adjustments for non-gubernatorial thresholds and the recommended adjustments for contribution limits pertaining to non-gubernatorial candidates and committees.

It should be noted that the contribution threshold remains frozen at \$300 pursuant to P.L.2004, c.28, while the pro rata return of contributions remains frozen at \$300 pursuant to a Commission regulation; see N.J.A.C. 19:25-6.5(a)5.

¹⁰ See N.J.S.A. 19:44A-7.2

¹¹ See N.J.S.A. 19:44A-7.3



NON-GUBERNATORIAL CANDIDATES AND COMMITTEES

Table 14 shows the adjustments to the various thresholds pertaining to non-gubernatorial candidates and committees. The cost index multiplier was applied to the 2017 threshold amounts to obtain the 2021 amounts as rounded by virtue of N.J.S.A. 19:44A-7.1b and N.J.S.A. 19:44A-7.2 and 7.3.

Table 14 2021 Adjustments for Non-Gubernatorial Candidates and Committees				
THRESHOLD	2017 AMOUNT	COST INDEX MULTIPLIER	UNROUNDED	2021 ROUNDED AMOUNT
Political Committee Reporting Threshold	\$ 2,800	1.128	\$ 3,158	\$ 3,200
CPC Reporting Threshold	\$ 6,300	1.128	\$ 7,106	\$ 7,200
Contribution Reporting Threshold (P.L. 2004, c.28)*	\$ 300	1.128	\$ 300	\$ 300
48-hr Notice Contribution Threshold	\$ 1,600	1.128	\$ 1,805	\$ 1,900
48-hr Notice Expenditure Threshold	\$ 1,600	1.128	\$ 1,805	\$ 1,900
JCC Thresholds - 2 candidates	\$ 9,700	1.128	\$10,942	\$11,000
JCC - 3 or more candidates	\$14,000	1.128	\$15,792	\$15,800
Form A-3 Threshold	\$ 6,300	1.128	\$ 7,106	\$ 7,200
Form A-1 & School Board/Write-in Threshold	\$ 5,100	1.128	\$ 5,753	\$ 5,800
Independent Expenditure Threshold	\$ 1,600	1.128	\$ 1,805	\$ 1,900
Section 20.1 Penalties (P.L. 2004, c. 32)				
First Time	\$ 8,600	1.128	\$ 9,701	\$ 9,800
Subsequent	\$17,200	1.128	\$19,402	\$19,500
Section 22 Penalties (P.L. 2004, c. 32)				
First Time	\$ 8,600	1.128	\$ 9,701	\$ 9,800
Subsequent	\$17,200	1.128	\$19,402	\$19,500
Pro Rata Return of Contributions**	\$ 300	1.128	\$ 300	\$ 300

*Frozen at \$300 pursuant to P.L. 2004, c.28

**Frozen by regulation to conform to contribution reporting threshold pursuant to P.L. 2004, c.28

In table 15 below, the recommended 2021 non-gubernatorial contribution amount adjustments are displayed. The Commission derived the 2021 recommended amounts by applying the cost multiplier of 1.128 to the contribution levels from 2005, the last year when adjustments were made. The recommended amounts for 2021 are rounded pursuant to N.J.S.A. 19:44-7.1b.



NON-GUBERNATORIAL CANDIDATES AND COMMITTEES

Table 15 Recommended 2021 Non-Gubernatorial Contribution Amount Adjustments			
2005 CONTRIBUTION AMOUNT	COST INDEX MULTIPLIER	UNROUNDED	2021 ROUNDED AMOUNT
\$ 2,600	1.128	\$ 2,933	\$ 3,000
\$ 7,200	1.128	\$ 8,122	\$ 8,200
\$ 8,200	1.128	\$ 9,250	\$ 9,300
\$ 25,000	1.128	\$28,200	\$29,000
\$ 37,000	1.128	\$41,736	\$42,000
\$ 72,000	1.128	\$81,216	\$82,000



NON-GUBERNATORIAL CANDIDATES AND COMMITTEES

Finally, in Table 16, a chart is provided showing the recommended contribution limits for non-gubernatorial candidates and committees. This chart contains those limits that would apply to contributions to and from candidates, committees and political party entities if the Legislature adopts the Commission's recommendations.

Table 16 Recommended Contribution Limits for Non-Gubernatorial Candidates and Committees							
Entities Making Contributions	Candidate Committee	Political Committee	Continuing Political Committee	Legislative Leadership Committee	State Political Party Committee	County Political Party Committee	Municipal Political Party Committee
Individual to:	\$3,000 per election	\$8,200 per election	\$8,200 per year	\$29,000 per year	\$29,000 per year	\$42,000 per year	\$8,200 per year
Corporation or Union to:	\$3,000 per election	\$8,200 per election	\$8,200 per year	\$29,000 per year	\$29,000 per year	\$42,000 per year	\$8,200 per year
Association or Group to:	\$3,000 per election	\$8,200 per election	\$8,200 per year	\$29,000 per year	\$29,000 per year	\$42,000 per year	\$8,200 per year
Candidate Committee to:	\$9,300 per election	\$8,200 per election	\$8,200 per year	\$29,000 per year	\$29,000 per year	\$42,000 per year	\$8,200 per year
Political Committee to:	\$9,300 per election	\$8,200 per election	\$8,200 per year	\$29,000 per year	\$29,000 per year	\$42,000 per year	\$8,200 per year
Continuing Political Committee to:	\$9,300 per election	\$8,200 per election	\$8,200 per year	\$29,000 per year	\$29,000 per year	\$42,000 per year	\$8,200 per year
Legislative Leadership Committee to:				NO LIMITS			
State Political Party Committee to:				NO LIMITS			
County Political Party to:	NO LIMITS, EXCEPT THOSE SET FORTH IN <u>N.J.A.C. 19:25-11.7</u> FOR A COUNTY POLITICAL PARTY COMMITTEE						
Municipal Political Party to:				NO LIMITS			
National Political Party to:	\$9,300 per election	\$8,200 per election	\$8,200 per year	\$29,000 per year	\$82,000 per year	\$42,000 per year	\$8,200 per year

Pursuant to N.J.S.A. 19:44A-7.3



PREVIOUS COST INDEX REPORTS

- [2017 Cost Index Report](#)
- [2013 Cost Index Report](#)
- [2009 Cost Index Report](#)
- [2005 Cost Index Report](#)
- [2001 Cost Index Report](#)
- [1997 Cost Index Report](#)
- [1993 Gubernatorial Cost Index Report](#)
- [Gubernatorial Cost Analysis Report \(1988\)](#)

Copies available at: <http://www.elec.state.nj.us/aboutelec/publicfinancedoc.html>

