



ELEC tronic

An Election Law Enforcement Commission Newsletter

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Comments from the Chairman

Eric H. Jaso

“Relativity applies to physics, not ethics.” – Albert Einstein

From its inception as one of the Nation’s first ethics-in-government oversight agencies in 1973, the New Jersey Election Law Enforcement Commission has developed and maintained a reputation for integrity.

ELEC imposes upon itself a strict Code of Ethics, to which those affiliated with the Commission have striven to adhere.

ELEC’s Code of Ethics sets an even higher bar than the very strict ethics rules that apply to Executive Branch officials and employees.

The Foreword to the Code of Ethics declares: “It is important that the work of the Commissioners and of the staff of the Commission be, and be publicly perceived to be, free from partisan influence and from conflicts of interests.”

The Code requires the Commission’s Legal Counsel, Legal Director, and Legal staff to conduct themselves in accordance with the duties and

obligations imposed by the New Jersey Rules of Professional Conduct and other laws, directives and court rules governing the conduct of attorneys.

Staff attorneys, unless they represent their spouse, domestic partner, partner in a civil union, children, or parents, are not permitted to represent any other party than the Commission.

If a staff attorney represents a personal family member, there can be no compensation involved and permission must first be granted by the agency’s Ethics Liaison Officer.

The Code of Ethics is very stringent in limiting political activity by any Commissioner or employee.

In restricting political activity, the Code prohibits members and staff from:

1. Acting as a leader or holding any office in a political organization;
2. Making speeches for a political organization or candidate or publicly endorsing a candidate for public office;
3. Attending political functions or functions which are likely to be reasonably considered to be partisan in nature;
4. Soliciting funds or making a contribution to a political

- organization or candidate (Commissioner’s may contribute at the federal level);
5. Allowing the use of the home by the spouse of the Commissioner or employee for political meetings; or
 6. Allowing the use of joint assets for political contributions by the spouse of the Commissioner or employee, except that the spouse may contribute from separate assets solely his or her own.

Further, Commissioners and employees are prohibited from acting in any official capacity in any matter wherein their spouse, child, parent or sibling has a financial or employment interest in the political activity in question that would be reasonably expected to impair their objectivity or independence of judgment.

Finally, Commissioners and staff are prevented from engaging in any business, profession, trade or occupation, which is subject to regulation by the Commission. For example, Commissioners cannot act as state or local government lobbyists.

Strict adherence to these guidelines through the years has contributed to the Commission’s reputation as a national leader in the fields of campaign finance regulation and ethics.

“Furthering the Interest of an Informed Citizenry”

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Executive Director's Thoughts

Jeff Brindle

From Tammany Hall to Antonin Scalia, Concerns About the Decline of Parties

Reprinted from insidernj.com

In a classic political memoir first published in 1905, a long-time legislator and New York ward boss summed up why he thought political parties were essential.

"First, this great and glorious country was built up by political parties; second, parties can't hold together if their workers don't get offices when they win; third, if the parties go to pieces, the government they built up must go to pieces, too; fourth, then there'll be hell to pay," said George Washington Plunkitt (pictured) of Tammany Hall fame.

Plunkitt is best known for coining the term "honest graft." To him, it was okay to take a cut of the action as long as it also benefited party and state. Most prosecutors today see that practice as corruption.

While his advice on ethics is suspect, Boss Plunkitt's insight into parties so impressed the late U.S. Supreme Court Justice Antonin Scalia that the judge cited the entire quote about parties in his dissent in *Rutan v. Republican Party of Illinois* (1990), a case about political patronage.

In his dissenting opinion, in which he argued against the total elimination of patronage, the Trenton-born Scalia also stated:

"Not only is a two-party system more likely to emerge, but the differences between those parties are more likely to be moderated, as each has a relatively greater interest in appealing to a majority of the electorate and a relatively lesser interest in furthering philosophies or programs that are far from the mainstream. The stabilizing effects of such a system are obvious."

At first glance, the concern about parties of both Plunkitt and Scalia may seem unwarranted given an analysis just issued by the New Jersey Election Law Enforcement Commission (ELEC). It shows that financial activity by county political party organizations has increased over the four-year period from 2015 to 2019.

The election of 2015 is like the one in 2019 in that just one legislative house—the state Assembly—was up for election at the state level.

According to the analysis, which covers the first two quarters of 2019, Assembly candidates have reported raising \$3.2 million and spending \$3.3 million. These figures amount to 39 percent and 50 percent more than in 2015 when candidates for the Assembly raised \$2.6 million and spent \$2.4 million.

At first blush, this is good news for political parties. The increase in financial activity during the four-year period appears to be a step toward reinvigorating the political party system in New Jersey.

County party organizations have historically been the lifeblood of the party system in the Garden State. Any increase in their fundraising is a welcome sign.

Before becoming too optimistic, however, certain immediate factors should be considered before drawing any conclusions. And then there are the long-term trends.

For example, county party fundraising was aided in 2017 by significant contributions from the Democratic Governor's Association (DGA), the Democratic national finance committees, national and state unions, and candidates for governor. In 2018, fundraising was aided by Republican Senatorial Candidate Bob Hugin.

Why this is important is that money can be banked and rolled over from one year to the next, something which did happen during the last couple of years.

To be sure, the skies have brightened somewhat for county parties. However, the long-term trend paints a cloudier picture.

In comparing election year expenditure totals between 2007-2017, it is true spending by county parties declined just 1.4 percent from \$14.3 million to \$14.1 million.

But going back just a few years earlier shows clearly that county party fundraising used to be far more vigorous.

Combined party fund-raising in 2003 was \$27.2 million and spending was \$28.1 million. So between 2003 and 2017, fundraising fell 54 percent while spending plummeted 50 percent.

This long-term decrease in county political party financial activity is due largely to laws that sharply curtailed the flow of public contractor cash to county parties as well as to state and municipal parties.

Another important factor- compared to 2003, special interests now are doing far more of their political spending independent of parties and handing over fewer checks to party committees.

The longer-term party fundraising decline should be of serious concern to citizens. It indicates an overall weakening of the party system in general with an attending undermining of the electoral system.

As noted previously, Americans have always looked skeptically upon political parties, believing them to be divisive.

However, despite this skepticism, political parties have been an integral part of the ongoing movement toward greater democracy in America, especially regarding their historic role of contributing to the expansion of voting rights.

In his dissenting opinion in *Rutan*, Justice Scalia further stated, ". . . we find that political leaders at all levels increasingly complain of the helplessness of elected government, unprotected by 'party discipline' before the demands of small and cohesive interest groups."

The political party system in New Jersey remains in crisis, threatened by the ever-growing influence of single-issue independent groups.

Throughout the gubernatorial and legislative elections of 2013 and 2017, and the congressional elections of 2018, independent groups spent \$163 million dollars attempting to influence the outcome of the elections. On the other hand, the more accountable political parties barely spent half that much during the three elections in question.

In order to offset this increasing influence by often completely unaccountable independent groups, it is important for the Legislature to consider legislation that would strengthen the party system in New Jersey.

By organizing majorities in government, disciplined political parties encourage leaders to work together rather than at cross purposes. By contrast, special interest, independent groups foster greater polarization and division within the governmental process.

Political parties serve as a link between the people and their government by organizing all aspects of government; legislative, executive, judiciary, county and municipal. They serve as a guide to voting by simplifying matters for voters through their symbols and labels. Moreover, they specialize in getting-out-the-vote, an issue that has taken on heightened importance in recent years.

The New Jersey Election Law Enforcement Commission has made several recommendations to strengthen political parties in New Jersey and to thereby bring greater balance to the State's electoral and governmental systems.

The recommendations include:

1. Raising contribution limits applicable to parties;
2. Allow state parties to participate in gubernatorial elections;
3. Remove political parties from the pay-to-play law;
4. Include PACs under the pay-to-play law;
5. Allow county party committees to donate to each other.

It is hoped that the Legislature will take up these measures as well as a personal recommendation of mine that a tax credit be provided to taxpayers donating to political parties in New Jersey. Undertaking these steps will lead to a healthier electoral system as well as to improved governance.

WITH ASSEMBLY RACES LOOMING THIS FALL, “BIG SIX” HAS SMALLEST ELECTION-YEAR RESERVES IN MORE THAN A DECADE

The two major state parties and four legislative leadership committees are heading toward the fall elections with \$2.1 million in cash reserves, according to the latest quarterly reports filed with the New Jersey Election Law Enforcement Commission (ELEC).

Technically known as cash-on-hand, the reserves represent the amount of money available as of July 1 to spend on the fall elections. The impending races will decide 80 Assembly seats and one state Senate seat in a first legislative district special election.

Compared to 2015, which was the last time the Assembly was the only legislative house on the ballot, the current total is four percent less. But if the 2015 figure is adjusted for inflation, the gap widens to 11 percent.

“A dollar today has less buying power than four years ago. So it isn’t good news for party leaders that the combined cash-on-hand of the Big Six is the lowest in more than a decade for an election year,” said Jeff Brindle, ELEC’s Executive Director.

**TABLE 1
CAMPAIGN FINANCE ACTIVITY BY “BIG SIX” AT END OF SECOND QUARTER BY YEAR**

BOTH PARTIES	RAISED	SPENT	CASH-ON-HAND	NET WORTH*	STATE ELECTIONS**
2007	\$5,776,859	\$2,328,316	\$8,015,277	\$7,911,808	S/A
2008	\$3,438,622	\$2,238,356	\$1,577,591	\$ 918,612	
2009	\$3,653,103	\$1,811,223	\$3,682,236	\$3,548,060	G/A
2010	\$2,175,742	\$1,637,673	\$1,835,526	\$1,666,742	
2011	\$3,684,467	\$1,915,020	\$3,329,478	\$3,051,770	S/A
2012	\$2,988,610	\$2,590,387	\$1,426,366	\$1,193,221	
2013	\$3,382,737	\$1,874,081	\$3,189,889	\$3,093,711	G/S/A
2014	\$1,276,109	\$1,319,714	\$ 800,994	\$ 287,246	
2015	\$2,476,599	\$1,983,389	\$2,160,318 ¹	\$1,624,601	A
2016	\$1,661,559	\$1,513,987	\$1,127,086	\$ 979,443	
2017	\$2,751,561	\$2,205,599	\$2,263,401	\$2,178,899	G/S/A
2018	\$2,991,664	\$2,416,353	\$1,321,894	\$1,237,392	
2019	\$2,283,313	\$1,729,263	\$2,075,620	\$1,988,194	A ²

*Net worth is cash-on-hand adjusted for debts owed to and by the committee.

**G=Gubernatorial; S=Senate; A=Assembly

Through June 30, Democrats have raised and spent about twice as much as Republicans and have more than twice the cash-on-hand. Democrats have controlled both legislative houses since 2001.

**TABLE 2
FUNDRAISING BY “BIG SIX” COMMITTEES JANUARY 1 THROUGH JUNE 30, 2019**

REPUBLICANS	RAISED	SPENT	CASH-ON-HAND	NET WORTH*
New Jersey Republican State Committee	\$ 340,235	\$ 335,882	\$ 122,155	\$ 122,155
Senate Republican Majority	\$ 152,092	\$ 140,299	\$ 184,045	\$ 178,595
Assembly Republican Victory	\$ 258,083	\$ 123,543	\$ 321,571	\$ 319,452
SubTotal-Republicans	\$ 750,411	\$ 599,724	\$ 627,771	\$ 620,202
DEMOCRATS				
New Jersey Democratic State Committee	\$ 709,653	\$ 470,469	\$ 341,866	\$ 312,448
Senate Democratic Majority	\$ 333,520	\$ 138,863	\$ 500,638	\$ 480,638
Democratic Assembly Campaign Committee	\$ 489,729	\$ 520,207	\$ 605,344	\$ 574,906
SubTotal-Democrats	\$1,532,902	\$1,129,539	\$1,447,849	\$1,367,992
Total-Both Parties	\$2,283,313	\$1,729,263	\$2,075,620	\$1,988,194

*Net worth is cash-on-hand adjusted for debts owed to or by the committee.

¹ Worth \$2,334,644 if adjusted for inflation.

² There is also a special legislative election for the first legislative district Senate seat.

While fundraising by both parties is down from more than a decade ago, Democratic fundraising has improved since 2015 while GOP numbers are down.

TABLE 3
CAMPAIGN FINANCE ACTIVITIES FOR "BIX SIX" COMMITTEES THROUGH SECOND QUARTER
2015 VERSUS 2019

REPUBLICANS	RAISED	SPENT	CASH-ON-HAND	NET WORTH*
2015	\$1,317,520	\$1,073,965	\$1,238,022	\$ 792,487
2019	\$ 750,411	\$ 599,724	\$ 627,771	\$ 620,202
Difference-Dollars	\$ (567,109)	\$ (474,241)	\$ (610,251)	\$ (172,285)
Difference-%	-43%	-44%	-49%	-22%
DEMOCRATS				
2015	\$1,159,079	\$909,424	\$ 922,296	\$ 832,114
2019	\$1,532,902	\$1,129,539	\$1,447,849	\$1,367,992
Difference-Dollars	\$ 373,823	\$ 220,115	\$ 525,553	\$ 535,878
Difference-%	32%	24%	57%	64%
BOTH PARTIES				
2015	\$2,476,599	\$1,983,389	\$2,160,318	\$1,624,601
2019	\$2,283,313	\$1,729,263	\$2,075,620	\$1,988,194
Difference-Dollars	\$ (193,286)	\$ (254,126)	\$ (84,698)	\$ 363,593
Difference-%	-8%	-13%	-4%	22%

*Net worth is cash-on-hand adjusted for debts owed to or by the committee.

Brindle said he believes strong parties are necessary to counter the fast-growing influence of independent special interest spenders. He noted that ELEC has recommended changes that may help stem the steady decline in party fundraising since the mid-2000s.

These recommendations include letting party committees accept larger contributions from regular donors as well as public contractors, while sharply limiting the amount public contractors can contribute to political action committees,

"Party committees represent voter-elected officials and they need to be reinvigorated. Otherwise, special interest groups that are not elected by citizens and face no limits on fund-raising will be dictating the political and governmental agendas in New Jersey," Brindle said.

State Parties and Legislative Leadership Committees are required to report their financial activity to the Commission on a quarterly basis. The reports are available on ELEC's website at www.elec.state.nj.us. ELEC also can be accessed on Facebook (www.facebook.com/NJElectionLaw) and Twitter (www.twitter.com/elecnj).

ELEC Training Sessions

The seminars listed will be held at the Election Law Enforcement Commission
25 South Stockton Street, 1st Floor

For registration information, please visit ELEC's website at:
https://www.elec.nj.gov/seminar_train/SeminarTraining.html

IN-PERSON TRAINING SEMINARS BEGINS AT 10:00 AM		
CAMPAIGN TREASURER	9/12/2019	10/1/2019
PAC (CPC/PPC)	9/17/2019	10/3/2019
ELEC EFILE (R-3 FILERS)	9/24/2019	

Webinars

Introducing ELEC's new web-based Electronic File Filing System. Please register for one of the following Webinars:

R-1 Webinars

- September 04, 2019 10:00 a.m.
- September 10, 2019 2:00 p.m.
- September 18, 2019 10:00 a.m.
- September 26, 2019 2:00 p.m.
- October 02, 2019 10:00 a.m.
- October 04, 2019 10:00 a.m.
- October 15, 2019 2:00 p.m.
- October 23, 2019 2:00 p.m.
- November 19, 2019 10:00 a.m.

R-3 Webinars

- October 08, 2019 10:00 a.m.

2019 Reporting Dates

	INCLUSION DATES	REPORT DUE DATE
FIRE COMMISSIONER - FEBRUARY 16, 2019		
29-day Preelection Reporting Date	Inception of campaign* - 1/15/19	1/18/2019
11-day Preelection Reporting Date	1/16/2019 - 2/2/2019	2/5/2019
20-day Postelection Reporting Date	2/3/2019 - 3/5/2019	3/8/2019
48-Hour Notice Reports Start on 2/3/2019 through 2/17/2019		
APRIL SCHOOL BOARD – APRIL 16, 2019		
29-day Preelection Reporting Date	3/15/2019*	3/18/2019
11-day Preelection Reporting Date	3/16/2019 - 4/2/2019	4/5/2019
20-day Postelection Reporting Date	4/3/2019 - 5/3/2019	5/6/2019
48-Hour Notice Reports Start on 4/3/2019 through 4/16/2019		
MAY MUNICIPAL – MAY 14, 2019		
29-day Preelection Reporting Date	4/12/2019*	4/15/2019
11-day Preelection Reporting Date	4/13/2019 - 4/30/2019	5/3/2019
20-day Postelection Reporting Date	5/1/2019 - 5/31/2019	6/3/2019
48-Hour Notice Reporting Starts on 5/1/2019 through 5/14/2019		
RUNOFF (JUNE) ** - JUNE 11, 2019		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	5/1/2019 - 5/28/2019	5/31/2019
20-day Postelection Reporting Date	5/29/2019 - 6/28/2019	7/1/2019
48-Hour Notice Reporting Starts on 5/29/2019 through 6/11/2019		
PRIMARY (90-DAY START DATE: MARCH 6, 2019)*** - JUNE 4, 2019		
29-day Preelection Reporting Date	Inception of campaign* - 5/3/2019	5/6/2019
11-day Preelection Reporting Date	5/4/2019 - 5/21/2019	5/24/2019
20-day Postelection Reporting Date	5/22/2019 - 6/21/2019	6/24/2019
48-Hour Notice Reporting Starts on 5/22/2019 through 6/5/2019		
GENERAL (90-DAY START DATE: AUGUST 7, 2019)*** - NOVEMBER 5, 2019		
29-day Preelection Reporting Date	6/22/2019 - 10/4/2019	10/7/2019
11-day Preelection Reporting Date	10/5/2019 - 10/22/2019	10/25/2019
20-day Postelection Reporting Date	10/23/2019 - 11/22/2019	11/25/2019
48-Hour Notice Reporting Starts on 10/23/2019 through 11/5/2019		
RUNOFF (DECEMBER)** - DECEMBER 3, 2019		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	10/23/2019 - 11/19/2019	11/22/2019
20-day Postelection Reporting Date	11/20/2019 - 12/20/2019	12/23/2019
48-Hour Notice Reporting Starts on 11/20/2019 through 12/3/2019		

PACs, PCFRs & CAMPAIGN QUARTERLY FILERS

1 st Quarter	1/1/2019 - 3/30/2019	4/15/2019
2 nd Quarter	4/1/2019 - 6/30/2019	7/15/2019
3 rd Quarter	7/1/2019 - 9/30/2019	10/15/2019
4 th Quarter	10/1/2019 - 12/31/2019	1/15/2019

GOVERNMENTAL AFFAIRS AGENTS (Q-4)

1 st Quarter	1/1/2019 - 3/30/2019	4/10/2019
2 nd Quarter	4/1/2019 - 6/30/2019	7/10/2019
3 rd Quarter	7/1/2019 - 9/30/2019	10/10/2019
4 th Quarter	10/1/2019 - 12/31/2019	1/10/2020

*Inception Date of Campaign (first time filers) or from January 1, 2019 (Quarterly filers).

**A candidate committee or joint candidates committee that is filing in a 2019 Runoff election is not required to file a 20-day postelection report for the corresponding prior election (May Municipal or General).

***Form PFD-1 is due on April 15, 2019 for the Primary Election Candidates and June 14, 2019 for the Independent General Election Candidates.

Note: A fourth quarter 2018 filing is needed for the Primary 2019 candidates if they started their campaign prior to December 6, 2018. A second quarter is needed by Independent/Non-Partisan General Election candidates if they started their campaign prior to May 9, 2018.

HOW TO CONTACT ELEC

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