Public Financing

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In politics there is nothing worse than not being talked about. For the better part of six years, that fate has befallen New Jersey's Gubernatorial Public Financing Program.

The State's Election Law Enforcement Commission has repeatedly said that "New Jersey's excellent Gubernatorial Public Financing program needs some important fine-tuning," but the program has not been modified since 1980.

But why is it necessary to modify a program that has worked so well? Because without changing its various limits and thresholds to keep the program at pace with inflation the very health of public financing in the Garden State is threatened.

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Candidates for governor since the general election of 1977 have participated in the program because there is broad public support for it and because the various limits and thresholds have, up to now, permitted them to undertake serious campaigns.

This may not be the case if the program is not amended soon. The program may limp through the 1989 elections with wide-ranging participation by candidates, but that participation will start to drop off in the 1990's as gubernatorial campaigns gamble that their candidate's chances of winning are better if they do not participate in a public financing program containing unrealistic limits and thresholds.

This would surely be a shame!

Since its inception in 1977, New Jersey's partial public financing program has allowed viable candidates to run for governor who might not otherwise have been able to because of limited personal wealth. Moreover, it has eliminated undue influence from gubernatorial elections.

As the mainstay of the gubernatorial elections process, the program has distributed approximately $17.1 million in public funds and given 24 serious candidates the opportunity to run for the State's highest office.

By pulling the rug out from under this popular program (New Jersey has a phenomenal tax check-off rate of almost 40 percent) because of a failure to adjust it for inflation would be counter to the public good.

Without doubt the debilitating effect of creeping inflation is made abundantly clear in the New Jersey Election Law Enforcement Commission's recent publication, *1988 Gubernatorial Cost Analysis Report*.

In this report, the Commission estimates that the costs of campaigning for governor in 1989 will have increased by 60.3 percent since 1981, the last time the thresholds and limits of the public financing program were adjusted.

Putting this figure into perspective, the estimated eight-year rise in campaign costs is almost double that of the projected inflation rate for the same period. Using the U.S. Labor Department's actual six-year (1981-87) Consumer Price Index (CPI) measure of inflation and combining it with the two-year projection of the Congressional Budget Office, the Commission estimates an eight-year rise in general inflation of 35.4 percent.

In specific terms what this means to the gubernatorial public financing program is this: the value of an $800 contribution in 1981 would erode in value by $209 and be worth only $591 in 1989.

Campaigns would be forced into spending more of their time trying to raise maximum contributions, yet would not be able to buy as much with these funds, nor communicate as well with the voters, as they did in past elections.

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Moreover, if general inflation has this impact upon the contribution limit, and therefore on campaigns, consider the toll on it and other provisions of the program when put in the context of campaign cost inflation, which is almost double the CPI.

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More and more candidates will opt to forego participating in the program, choosing instead to raise all of their money in private donations and not be subjected to unrealistically low expenditure limits.

The possibility is all the more clear when considering other findings of the report.

For instance, the report concludes that there has been a trend toward spending on mass communications since the general election of 1973. And this strategy, which is the result of cultural and social development as well as the weakening of the party system, is not cheap.

Between 1973 and 1985, the proportion of total campaign expenditures made for mass communications by general election candidates for governor have increased by 56 percent. In 1973, 54 percent of all expenditures went toward mass communications, compared with 84 percent in 1985.

And even more significant is the fact that the trend within the mass communications category is toward spending on broadcast media as a means of reaching a mass audience.

During the general election of 1985, gubernatorial candidates spent 87 percent of their communication budget on radio and television. This compares with 45 percent spent by candidate Brendan T. Byrne on broadcast media in the general election of 1973. Only Byrne provided a breakdown of communication expenditures in that year. To say that this approach is expensive is an understatement. Overall television advertising costs will increase by a projected 77 percent between 1981 and 1989 and overall radio advertising costs will rise by a projected 68 percent.

New Jersey, which is serviced by New York and Philadelphia media, is in one of the most expensive media markets in the country. A 30-second prime time political advertisement on New York television can cost $25,000 and in Philadelphia it can cost as high as $14,000. Similarly, a "20 plan" radio advertising package on a New York radio station can cost $2,004.

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The point is this: reasonable changes to the program are necessary in New Jersey if public financing is to avoid the fate of the dinosaurs and survive the flood of campaign dollars necessitated by campaign strategies that emphasize high technology.

Some legislators have introduced legislation that would amend gubernatorial public financing. State Senators Richard Zimmer (R-23rd District) and Richard Van Wagner (D-19th District) and Assemblymen Robert Martin (R-26th District) and Dennis Riley (D-4th District) have all introduced bills that in one way or another modify the program.

The Election Law Enforcement Commission, too, has made recommendations that would bring the program in line with inflation. These recommendations were made public in a report on the 1985 gubernatorial election published in September 1986.

The one recommendation that breaks new ground and would permanently keep the program current with inflation is to link the various thresholds and limits to the Consumer Price Index. An alternative is to use the Election Law Enforcement Commission's campaign cost inflation estimate, contained in its recent cost report, to adjust the program. If the public financing law were amended in either way, the program would always remain viable and an integral part of the elections process.

Other Commission recommendations would work to that end as well. For instance, removing the expenditure limits would encourage candidates to take public funding and simultaneously discourage independent expenditures by groups not connected with the campaigns.

Moreover, in this age when statewide campaigns for governor are reliant on mass communications to get their candidate's message to the voters, elimination of the expenditure limit would allow them to do just that.

And if the recommendations of the Commission were followed, candidates would pay for this message through a large pool of small donations, thus demonstrating broad based support in the process.

It makes perfect sense!

Yes! But one person's antidote is another's poison. In the world of politics and government what may seem the ideal solution may not be doable in practice.

Nevertheless, some type of reform that realistically adjusts the contribution limit, expenditure limits, public funds caps, qualifying threshold, and perhaps even the public private funds mix is needed.

In a phrase, the New Jersey program has four goals: to help candidates of limited means, to eliminate undue influence, to preserve public funds, and to be simple to administer and comprehend.

These goals can only continue to be met through legislation that alters this very worthwhile program in a way that removes its vulnerability to inflationary pressures, and thereby retains its ability to attract the participation of those who would seek the most powerful office in the State.