NEW JERSEY OPINION

Financing Gubernatorial Elections

By JEFFREY M. BRINDLE

LAST January, the New Jersey Election Law Enforcement Commission held a public hearing on the state's gubernatorial financing program

At the time, Richard A Zimmer, Democrat of the 23d District andchairman of the Assembly State Government Committee, told the commission "I believe that we do have a good system conceptually and in its basic dimensions I believe it needs fine-tuning, and I believe that the major respects in which it should be fine-tuned were very well set out in your 1982 report which evaluated the results in the 1981 election "

Mr Zimmer, who has since introduced reform legislation of his own, makes an important point He suggests that the gubernatorial public-financing program is conceptually sound but in need of fine-tuning to insure its viability as part of the gubernatorial election process

The commission agrees

In its report on the 1985 gubernatorial elections, the commission makes several recommendations that would fine tune the program without tampering with its basic concept.

Its first recommendation — to automatically adjust all thresholds and limits by the Consumer Price Index — goes right to the heart of the matter This recommendation would fine-tune the program every four years and keep the various thresholds and limits in line with inflation

Moreover, the adjustment would occur without action by the Legislature, although the Legislature would retain the power to revise the law at any time.

Frederick M Herrmann, the commission's executive director and an enthusiastic supporter of the proposal, states flatly that the recommendation is one of the most innovative and far-reaching made by the commission since the program began in 1977

"This automatic inflation-adjuster mechanism would modify the program's thresholds and limits in a way that would take into account changes in the economy," said Mr. Herrmann

"I can't think of a better way to insure that the program continues to meet the goals of enabling persons of limited personal wealth to run for Governor and keeping the process free from improper influence."

Basically, the commission recommends that New Jersey emulate the Presidential public-financing program by linking contribution limits, public financing caps and other thresholds to the C P I

At the Federal level, several provisions of the Presidential financing program are tied to changes in the C.P I , and this system of automatic adjustments has worked extremely well

"Under the commission's proposal, the Federal model is followed closely, except in one novel respect," said Mr. Herrmann "If this recommendation becomes law, New Jersey would do what no other state or the Federal Government does — tie the contribution limit to the C.P.I."

To be sure, New Jersey's program of gubernatorial public financing is no stranger to innovation. In many quarters, in fact, it is viewed as a national model.

Dr. Herbert E. Alexander, the head of the California-based Citizen's Research Foundation and an expert on public financing, recently remarked:

"New Jersey can take pride in having been the first state to provide public funding for its gubernatorial campaigns. Now New Jersey is one of six states providing partial public funding of gubernatorial campaigns and one of only four with provisions covering primary elections as well "

Established by the Legislature in 1974, the program has provided more than $17 million in public funds to gubernatorial candidates since the election of 1977

At first, public funds were available to candidates only in the general election

In 1977, the Republican challenger, Raymond A. Bateman, and the incumbent Democrat, Gov Brendan T Byrne, received a combined total of almost $2.1 million in public funds

Four years later, due to an amendment to the public financing law, candidates in the primary election also gained access to public funds

Altogether, 16 candidates took advantage of the 1981 amendment, receiving more than $6 3 million.

In the general election of that year, Representative James J. Florio, Democrat, and Thomas H Kean, Republican, received almost $2 4 million in public money

Support for the program continued in 1985 as candidates in the primary and general elections collectively received more than $6 1 million

Obviously, the gubernatorial public financing program is a valuable addition to the electoral process in New Jersey. By distributing public funds to candidates who choose to participate in the program, it provides many qualified individuals, who otherwise would lack the means to run for Governor, with the opportunity to be elected to the state's highest office

Periodic fine-tuning of the program, therefore, is essential.

In its report, the Election Law Enforcement Commission is aware of the necessity to change the program so as to adapt it to changes in the economy and to the concerns of the public.

Besides recommending that limits and thresholds be automatically adjusted to keep pace with inflation, the commission also recommends that the expenditure limits be abolished, believing that there is no link between these caps and the goal of controlling improper influence, as long as the contribution limit is in place

In addition, it recommends changes that would reduce the overall amount of public money spent in future gubernatorial elections

For instance, the report calls for the contribution and expenditure qualifying threshold to be raised to $100,000, for the adoption of continuing thresholds in units of $25,000, for the public-private funds matching ratio to be reduced from two-to-one to one-to-one and for the reduction of the public financing cap in both the primary and general elections

The qualifying threshold represents the point at which candidates are eligible to receive public funds. The continuing thresholds represent the subsequent points at which candidates would be able to receive additional public funds

It is impossible to forecast the exact savings that would be brought about by the adoption of these recommendations.

The number of candidates who will apply for public funds in 1989 is unknown, as is the inflation rate But one thing is clear. Whatever the circumstances, significant savings would be realized over that which would occur if the recommendations were not enacted

Using the 1985 campaign as a model, for example, the commission estimates that $1 1 million in the primary and $758,000 in the general election would be saved as a result of these recommendations

Essentially, there are two good reasons for fine-tuning the state's gubernatorial public financing program — to preserve its viability as part of the electoral process and to preserve public money

In the four years between the 1981 and 1985 gubernatorial elections, the Legislature did not make any changes to the program

Despite bills introduced by Senator Carmen A Orechio, Democrat of the 30th District (part of Essex County), and other members of the Legislature, no action was taken

Through its report, the commission has laid a good foundation for action, and it is important that this action be taken before the onset of the 1989 campaign

As Angelo Genova, treasurer of Peter Shapiro's gubernatorial campaign committee suggested in his testimony to the commission

"What is most important in your deliberations is not only the substantive changes which you may consider but change itself

"In other words, whatever the changes may be that are ultimately made or recommended, we cannot permit revisions of the law to again be put on the back burner until the eve of the 1989 gubernatorial election " ■

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