



State of New Jersey

ELECTION LAW ENFORCEMENT COMMISSION

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PUBLIC SESSION MINUTES

SEPTEMBER 16, 1992

Commissioner Stanley G. Bedford, Commissioner David Linett, senior staff, and Director of Public Financing Nedda Massar were present. Chairman Owen V. McNany, III was not in attendance.

Commissioner Stanley G. Bedford called the meeting to order and announced that pursuant to the "Open Public Meetings Act," N.J.S.A. 10:4-6 et seq., special notice of the meeting of the Commission had been filed with the Secretary of State's Office and distributed to the entire State House Press Corps.

The meeting convened at 9:40 a.m. at 28 W. State Street, Trenton.

1. Approval of Public Session Minutes of July 22, 1992

On a motion by Commissioner Linett, seconded by Commissioner Bedford and passed by a vote of 2-0, the Commission approved the Public Session Minutes of July 22, 1992.

2. Executive Director's Report

A. Staff Activities

Executive Director Herrmann advised the Commission that the Compliance and Information staff conducted the general election public information session on September 11, 1992. He added that on September 19, 1992, he is scheduled to speak on campaign finance reform at the League of Women Voters' statewide meeting to be held at Douglass College in New Brunswick.

Executive Director Herrmann noted that during the week of September 21, 1992, he will be participating in the Council on Governmental Ethics Laws' (COGEL) annual conference in Toronto, Canada. He said that he will be on a panel discussing how ethics agencies in the United States and Canada are affected by budgetary problems. The Executive Director said that he will also be conducting a session on possible COGEL responses to the budget problems facing member agencies. Executive Director Herrmann mentioned to

the Commission that at the conference he will also be interviewed by the Center for Responsive Politics (based in Washington, D.C.) for a national study the Center is conducting on campaign finance reform.

Executive Director Herrmann advised the Commission that he has been invited to speak at the national conference of the Public Affairs Council on reforming state campaign financing and lobbying laws. The speech will occur on October 28, 1992.

B. Personnel Audit Update

Executive Director Herrmann reported that on August 26, 1992, a representative of the Department of Personnel met with Deputy Director Brindle and Director of Administration Barbra Fasanella to present the completed comprehensive audit of ELEC conducted by the Department.

The Executive Director conveyed the fact that the report included two major components. He said that a written record review of every position assigned to the Commission, including those that were vacant, was completed. He said also that an "on-site audit" of five filled positions and two positions "indicated as being in a supervisory role over the targeted positions" was conducted.

Executive Director Herrmann indicated that the Department found ELEC to be "a well run and efficient organization" in spite of "years of hiring freezes and ever-decreasing budgets."

He said that the audit held that "most employees now perform more than one job Both the Executive Director and the Deputy Director are without secretarial support"

Executive Director Herrmann said that the report recommends to the Merit System Board, which sets policy for the Department, that ELEC needs two new titles for supervising the public financing program and the computer section, and a number of other appropriate title adjustments to perform its mission.

Executive Director Herrmann, stating that the Merit System Board is scheduled to review the report on September 22, 1992, said that staff is delighted with the report.

C. Public Financing Staff Update

Executive Director Herrmann said that pursuant to the request of the Commissioners at the last meeting, a letter was sent to the Governor and Legislature asking for support of ELEC's request to the Office of Management and Budget (OMB) two months ago for an exemption to the hiring freeze to enable the Commission to hire public financing staff. He added that funding for this purpose was approved in this fiscal year's budget.

According to the Executive Director, the lack of necessary staff would: lead to delays in distributing public funds to candidates, prevent an adequate review of the money collected by candidates for eligibility for public dollars and compliance with the contribution limit, and hinder the preelection release to the public of contributor data.

Executive Director Herrmann said that the letter was sent on September 4, 1992, instead of September 1, 1992, because staff had some indication from OMB that the matter might be resolved shortly after the Commission-directed deadline. He indicated that when an answer was not forthcoming by September 4, 1992, the letter was mailed.

Executive Director Herrmann, specifying that a copy of the letter was sent to OMB, informed the Commission that there has been no response to the letter at this point. He mentioned that the Commission was now over two months behind schedule in hiring and training staff for the program. The Executive Director said that an Assistant Director and Computer Assistant should be on board by now and that the first of two analysts were scheduled to be offered jobs today so that ELEC could begin training them in October.

D. Legislative Update

Executive Director Herrmann advised the Commissioners that A-100 et al (Martin), an omnibus campaign finance reform bill, was posted on August 3, 1992, for a vote. He said that for the third time no action was taken.

The Executive Director reported that S-1017 (Inverso/Kosco), a similar bill in the Senate, is currently in the Senate Budget and Appropriations Committee and may get a hearing next month.

E. Future Meetings

The Commission determined that its next meeting would be on October 21, 1992, in Trenton. The Commission will meet on November 19, 1992 in Maplewood and on December 16, 1992 in Trenton.

Executive Director Herrmann said that the gala holiday season luncheon would follow the December meeting.

F. More Praise for ELEC

Executive Director Herrmann noted that in an August, 1992 article in Governing magazine, Rob Gurwitt referred to ELEC and the California Fair Political Practices Commission (FPPC) as "the most highly regarded campaign disclosure agencies" in the nation. Executive Director Herrmann said that the author lamented, however, ELEC's "severe budget cuts over the past few years."

3. Public Hearing

The Commission convened a public hearing to discuss the proposed amendments to the Lobbying Regulations at N.J.A.C. 19:25-20.11 and 20.13 and the proposed amendments to the Gubernatorial Public Financing Primary Election Regulations at N.J.A.C. 19:25-3.1, 12.7, 16.3, 16.5, 16.18, 16.24, 16.25, 16.27, 16.28, 16.29, 16.39, and 16.43. Also proposed was the repeal of N.J.A.C. 19:25-16.16, a new rule at N.J.A.C. 19:25-16.48, and the proposed repeal and new rule at N.J.A.C. 19:25-16.30.

Details of the public hearing are provided in the transcript as recorded by a court reporter. No witnesses appeared to testify concerning the Gubernatorial Public Financing regulations. Testimony was made by Robert Woodford of the New Jersey Business and Industry Association on the proposed amendments to the lobbying regulations.

The public hearing began at 10:00 a.m., and continued until 10:30 a.m., when the Commission recessed for 15 minutes. At 10:45 a.m., the Commission reconvened the public session, delaying the return to the public hearing to allow more time for interested individuals to attend and provide testimony.

4. Proposed Regulations to Implement Public Financing Cost Index

For detailed information please see memorandum from Nedda Gold Massar, Director of Public Financing, to Frederick M. Herrmann, Ph.D., Executive Director, dated September 9, 1992, and entitled "Proposed Amendments to Implement Public Financing Cost Index."

By December 15, 1992, the Commission is required to report to the Legislature changes to the various public financing thresholds and limits for the 1993 primary and general elections. In order to accomplish this task, the Commission must begin the proposal process for amendments to the 1993 gubernatorial primary election public financing regulations that implement cost index adjustments to the various limits and thresholds of the program.

In proposing that the Commission begin the regulation amendment process, the memorandum outlined the changes in the thresholds and limits on the basis of a "campaign cost index" for 1993 of 1.1791, which represents an increase in campaign costs since 1989 of 17.91 percent.

Under the new regulation, the contribution limit would increase to \$1,800, the qualification threshold to \$177,000, the amount for which no public funds are awarded to \$59,000, the primary election expenditure limit to \$2,600,000, and the primary election public fund cap to \$1,600,000.

On a motion by Commissioner Linett, seconded by Commissioner Bedford and passed by a vote of 2-0, the Commission approved the staff recommendation to propose regulations to implement the campaign cost index

changes. The Commission also directed staff to make public the memorandum outlining the proposed changes to the various limits and thresholds.

5. Return to Public Hearing

The Commission reconvened the public hearing on the proposed changes to the lobbying regulations and the gubernatorial public financing regulations at 11:25 a.m.

A brief discussion of the comments by Mr. Robert Woodford of New Jersey Business and Industry Association ensued. The Commission directed staff to deliberate upon Mr. Woodford's comments in favor of leaving the "specific event" regulation alone as opposed to amending the regulation to eliminate this language and require allocation of benefits to covered officials attending these events to be disclosed.

On a motion by Commissioner Linett, seconded by Commissioner Bedford and passed by a vote of 2-0, the Commission closed the public hearing at 11:35 a.m.

6. Resolution To Go Into Executive Session

On a resolution by Commissioner Linett, seconded by Commissioner Bedford and passed by a vote of 2-0, the Commission resolved to go into closed Executive Session to discuss the following matters which will become public as follows:

1. Investigative Reports of possible violations, which reports will not become public. However, any Complaint generated as the result of an Investigative Report will become public 30 days after mailing; and,
2. A report on written requests for investigations of possible violations, which report will not be become public. However, any complaint which may be generated as a result of a request for an investigation will become public 30 days after mailing.

7. Adjournment

On a motion by Commissioner Bedford, seconded by Commissioner Linett and passed by a vote of 2-0, the Commission voted to adjourn at 12:05 p.m.

Respectfully submitted,



FREDERICK M. HERRMANN, PH.D.