



# NEWS RELEASE

Respond to:  
P.O. Box 185  
Trenton, New Jersey 08625-0185  
(609) 292-8700

CONTACT: JEFFREY M. BRINDLE  
DEPUTY DIRECTOR

FOR RELEASE:

September 13, 1999

## PRESS RELEASE

The New Jersey Election Law Enforcement Commission (ELEC) has published Trends in Legislative Campaign Financing: 1987- 1997, 2<sup>nd</sup> Volume, a twenty-year analysis of campaign financial activity in legislative elections.

According to Frederick M. Herrmann, Executive Director of the Commission, the study, the 13<sup>th</sup> in a series of internationally recognized White Papers written by Deputy Director Jeffrey M. Brindle, "traces financial activity in State Senate and Assembly elections between 1987 and 1997, comparing financial patterns of this ten-year period to those of the previous decade, 1977-1987."

"The Commission is very proud to announce the publication of this study," said Herrmann. "This comprehensive work analyzes trends in legislative campaign financing over a twenty-year period. To my knowledge, it is the first such study of its kind in New Jersey and should serve as the basis of further scholarly research as well as contribute to any changes in the campaign law that may be currently under consideration."

The study notes that while campaign financial activity increased between 1987 and 1997, the increase was more modest than the previous ten-year period 1977 through 1987. According to the study, though campaign receipts reached an all-time high of \$25.4 million and expenditures \$20.7 million in 1997, these figures represented an increase of only 57 percent and 60 percent respectively since 1987. In comparison, fundraising and expenditure activity had increased by 295 percent and 195 percent between 1977 and 1987.

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Located at: 28 W. State Street, 13<sup>th</sup> Floor, Trenton, New Jersey

"The study concludes that the reform of the Campaign Contributions and Expenditures Reporting Act in 1993 and a low rate of inflation between 1987 and 1997 were factors that were responsible for the slower rate of increase in legislative campaign financial activity during this period," said Deputy Director Brindle.

The new campaign law imposes a significantly lower limit on contributions to candidates than on contributions to party entities and allows party entities, such as the state and county party committees and legislative leadership committees, to spend unlimited amounts on their candidates. Because of this provision, money is flowing in different directions than before. Moreover, while inflation increased by 84 percent between 1977 and 1987, it slowed to a rate of 41 percent between 1987 and 1997.

"Similar to the previous decade," continued Brindle, "incumbents enjoyed a considerable advantage in fundraising, and, with the exception of 1991, a typical high rate of return to office exceeding 90 percent.

Brindle said that the relatively low incumbent reelection rate of 76 percent in 1991 was due to a national anti-incumbent mood, a backlash against higher taxes, and challenger funding levels that permitted them to take advantage of the political discontent.

"The study concludes that money was not the foremost factor in challenger successes in 1991," said Brindle. "The statistical variation of challengers receiving 39 percent of receipts in 1991 compared to 36, 32, and 38 percent in 1987, 1993, and 1997 is insignificant. Clearly, challengers gained seats in 1991 because of a combination of factors, not the least of which was issues."

According to Brindle, another interesting finding of the study is that while the number of special interest political action committees (PACs) registered in New Jersey continued to increase between 1987 and 1997, their contributions to legislative candidates actually declined.

Brindle said: "From 1987 through 1997 special interest PACs registered in New Jersey increased in number by 29 percent to 308 but their contributions decreased by 30 percent to \$2.4 million. Ten years before these PACs contributed \$3.4 million to legislative candidates."

"In one sense," he said, "the campaign reform of 1993 is having the desired effect of reducing direct contributions from PACs to the candidates. While PACs may now be inclined to contribute to the more broad-based party entities, their potential direct influence over the legislative electoral process seems to not have lived up to predictions."

In 1997, PAC contributions accounted for 12 percent of all legislative candidate receipts, 11 percent of state party committee receipts, and 28 percent of legislative leadership committee receipts. PACs contributed 20 percent of candidate receipts in 1987.

Brindle said that the study analyzes a wide range of topics related to the legislative elections occurring between 1987 and 1997. He said the study analyzes in detail fundraising and expenditure activity by legislative candidates between 1987 and 1997 as well as the activity of PACs and political party entities.

He said that copies of the report can be obtained by contacting the Commission at (609) 292-8700 or writing to Election Law Enforcement Commission, P.O. Box 185, Trenton, New Jersey 08625-0185.

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