

MINUTES

TO: Members of the New Jersey Citizens' Clean
Elections Commission

FROM: Frank J. Parisi, Commission Secretary

DATE: June 17, 2005

SUBJECT: Minutes of April 26th Meeting

The second meeting of the New Jersey Citizens' Clean Elections Commission (NJCCEC) took place at the Douglass College Center at Rutgers University, New Brunswick, on April 26, 2005. The meeting was called to order by Chairman Schluter at 3:10 PM. In addition to the chairman, also present were Senator Anthony Bucco, Assemblywoman Linda Greenstein, Assemblyman Bill Baroni, Mr. Victor DeLuca, Mr. Steven Lenox, and the Honorable Carol Murphy. The minutes of the March 2, 2005 meeting were approved.

Chairman Schluter opened the meeting by bringing several items before the NJCCEC. It was agreed not to adopt separate by-laws for the commission. It was also agreed to continue to have the meetings recorded and transcribed by the Office of Legislative Services and to ask the Secretary to keep a file of news ideas for changes in the current pilot project law as well as new ideas for changes outside the scope of the law that can be offered when the commission reports to the Legislature. Chairman Schluter then suggested that a vice-chair be selected from among the commission members from a different political party. Commissioner Greenstein nominated Commissioner Lenox and the nomination was seconded by Commissioner Murphy. The members concurred by unanimous consent.

After a brief review of a timeline for the pilot project and the work of the NJCCEC by the secretary, the commission was briefed on the pilot project by Dr. Frederick Herrmann, Ms. Nedda Masser, Esq. and Ms. Amy Davis, Esq. of the Election Law Enforcement Commission (ELEC). Dr. Herrmann explained that while the role of the commission was to evaluate the pilot project, the role of ELEC was to administer it. He explained how his agency intended to do so by following P.L.2004, c.121 and through the promulgation of regulations, a draft copy of which was made available to the

commissioners. Dr. Herrmann spoke about how the administration of the pilot project will be based on ELEC's experience with administering the gubernatorial public financing program, which has been law since 1973. Ms. Masser next offered a brief explanation of the regulatory process for the pilot project. She noted that the goal was to make the rules public as soon as possible so all potential candidates will be aware of them, can ask questions about them and, if any adjustment needs to be made, those changes can be made as soon as possible. She proceeded to discuss what ELEC believed would be the 10 most common questions that would be asked by participants in the pilot project. Ms. Davis spoke about ELEC's plans to insure compliance with the pilot project statutes and regulations, provide information and guidance to candidates and the public and the new electronic filing software. It will be used exclusively by certified candidates to make information about the contributions received and expenditures made available to the public on the ELEC website as soon as possible.

Following ELEC's presentation, NJCCEC members asked numerous questions regarding precisely how the pilot project would affect both certified and non-participating candidates in the participating districts. A concern raised by Commissioner Baroni was the fairness of penalizing a candidate who tries to raise the necessary number of qualifying contributions but is unable to do so. That person would not be certified as a Clean Elections candidate and the money that person would have received would go to his or her opponent, who would be a certified candidate. It was suggested that the Legislature amend P.L.2004, c.121 to address this situation. Dr. Herrmann remarked that the Legislature could do so, but changing the rules for the project at this point could lead to confusion among the candidates and delay its implementation. After further discussion, it was agreed that the commission would send a letter to ELEC expressing its concern. The secretary was instructed to draft the letter and circulate it among commission members prior to the end of the regulation comment period. Other questions were raised including, but were not limited to: how contributions from so-called "527" organizations would affect certified candidates; how a certified candidate would know if a non-participating candidate outspent the certified candidate in time to receive additional money, as provided for by P.L.2004, c.121; what happens if a participating candidate receives more than 1,000 contributions of \$5 and 500 contributions of \$30; whether a contributor to a participating candidate must be a registered voter; whether contributions must be in exact denominations (\$5 or \$30); whether the contributions must be from different donors; and how "slated" candidates will be handled. A final question raised by the commissioners concerned whether ELEC had determined how much money certified candidates in each of the six participating districts would receive. Dr. Herrmann noted that some calculations had been done but the figures had not been finalized. Chairman Schluter asked that that information be made public prior to the next NJCCEC meeting and that the agenda for that meeting be sent to the chairs of the two largest political parties in the State with an invitation to meet with the commission to offer comments regarding the pilot project.

Members of the NJCCEC and the officials from ELEC also responded to questions raised by the public. These questions included, but were not limited to: whether the total number of donations required to become a certified candidate (1,500)

were per candidate or for two candidates running together; whether money raised before a primary counted as seed money; whether there was any restriction on the candidates' use of volunteer or professional fundraisers; and whether donations could be made by credit card over the Internet. Toward the end of the meeting, Dr. Herrmann was asked by Commissioner Greenstein to send a representative to each subsequent meeting to continue to answer such questions and he agreed to do so whenever possible.

Ms. Ingrid Reed of the Eagleton New Jersey Project, Rutgers University, informed the NJCCEC that a group of academics had formed a committee to offer assistance to and serve the commission as a resource. The committee was committed to the goals of the pilot project and offered to select a group of control districts as a way to compare what occurs in those districts with what occurs in the selected districts. The committee offered to assist the NJCCEC in any way necessary to keep the evaluation of the pilot project open and valid. Chairman Schluter, speaking for the NJCCEC, thanked Ms. Reed for the offer and requested that she appear before the commission at its next meeting to discuss how the committee could assist the commission.

The meeting was adjourned at 5:25 PM.