



State of New Jersey

ELECTION LAW ENFORCEMENT COMMISSION

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ELEC Response to OLS Discussion Point 12

New Jersey enacted a major ethics reform package in 2004 that gave the Election Law Enforcement Commission (ELEC) jurisdiction over 17 new laws beyond its core responsibility of monitoring the campaign financing of all State elections including those of the governor, legislature, 21 counties, 566 municipalities, over 600 school districts, and nearly 200 fire districts. The new laws included: a State and local Pay-to-Play prohibition, an ongoing Clean Elections Pilot Project, and the most expansive lobbying regulation program in the nation. The package included legislation that increased ELEC's operating budget at the time from three million to five million dollars so that the Commission could increase its staff size from 54 to 90 positions.

The package has had a very heavy impact on the Commission's workload. Extensive regulatory work is ongoing and advisory opinion requests have become much more complex. New forms and instructions continue to be developed and the computer system is undergoing reprogramming and hardware enhancements. The website is also experiencing major changes. Many additional filer training sessions have become necessary and more complex compliance questions are being asked by regulated entities. Public, good government group, academic, and media interest in the work of the Commission has heightened greatly leading to an increase in telephone calls and larger open public records requests. The number of campaign financing and lobbying reports filed with the agency continues to rise as well. ELEC's investigative responsibilities have multiplied and sister law enforcement agencies have an increased need for Commission staff to provide ongoing technical assistance in court cases involving ethics law transgressions.

In spite of all of this activity, ELEC has only been able to fill 69 of its 90 intended positions because of ongoing executive branch budget assessments and a Statewide hiring freeze that caught the Commission in the middle of its hiring. In the FY 2009 recommended budget, the Commission is losing \$250,000 in computer money despite its request, in a 2004 legislatively-mandated report on its information technology, to receive ongoing additional financial support for its greatly expanded computerization needs. This reduction will make it particularly difficult to pay for computer maintenance contracts and will adversely impact

the further development of Clean Elections, Lobbying, and Pay-to-Play software. Moreover, the "unfunded" Pay-to-Play disclosure law enacted in 2006 added filings to ELEC's workload from over 2,000 business entities. They have reported 24,345 contracts worth \$10.3 billion and \$14.8 million in contributions being made. The Commission is also responsible for enforcing filings with every State agency, county, municipality, school district, and fire district.

Meanwhile, campaign spending has exploded driven by inflation and the rising costs of advertising and other campaign expenses. Spending in the 2007 legislative races set a new record. Nearly \$69 million was spent for both the primary and general elections. This figure is 21 percent higher than the previous record of \$57 million set in 2003, the last time that both houses were running. In the general election of 2007, \$43.3 million was spent as compared to \$40.4 million in 2003. This growth in spending has put an additional burden on the agency's burgeoning responsibilities.

ELEC is not expecting any immediate need to cut personnel even though the recommended budget is proposing a \$450,000 cut in its salary account to \$3.9 million. This money is coming from funded vacancies that the Commission has not been allowed to fill. However, while the proposed salary funding is sufficient to maintain current staffing levels, any further assessments during FY 2009 may well result in a loss of staff. A \$50,000 reduction in the supplies account to only \$10,000 should cause immediate distress. Moreover, ELEC's administrative budget for the gubernatorial public financing program is to be cut by \$120,000 to \$480,000 even though the program was funded at \$600,000 during the past two gubernatorial election cycles.

In sum, the recommended budget reductions will have a severely negative impact on the Commission's ability to perform its mission in the face of greatly increased mandated responsibilities and services in recent years. The 15 percent proposed budget cut in ELEC's operating budget from \$4.9 million to \$4.1 million would appear to be disproportionate to the overall five percent reduction in the executive branch as a whole especially considering that the Commission is a small agency with a greatly expanded workload in the critical field of governmental transparency. Campaign financing and lobbying laws without adequate funding cannot be effective. If these reductions are allowed to stand, the vital future of ethics reform in this State will be endangered.