
Commission Meeting

of

NEW JERSEY CITIZENS' CLEAN ELECTIONS COMMISSION

*"Work session to discuss the content and
structure of its preliminary report to the Legislature"*

LOCATION: Winants Hall
Rutgers, The State University of New Jersey
New Brunswick, New Jersey

DATE: December 13, 2005
2:00 p.m.

MEMBERS OF COMMISSION PRESENT:

William E. Schluter, Chair
Assemblywoman Linda R. Greenstein
Victor DeLuca
Carol Murphy

ALSO PRESENT:

Frank J. Parisi
*Commission Secretary
Office of Legislative*
Gina M. Winters
*Commission Staff
Office of Legislative Services*



Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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SENATOR WILLIAM E. SCHLUTER (Chair): Let's start our Commission meeting.

Will you take attendance, please, Mr. Secretary?

MR. PARISI (Secretary): Certainly.

SENATOR SCHLUTER: I'm saying that facetiously.

MR. PARISI: I think you will find, Mr. Chairman, that you are the only person who is here.

SENATOR SCHLUTER: Yes.

For those who are in attendance here, I have to leave at 3:45, unfortunately.

And we plan to do as much work as we can before then to prepare the report, frame the report. We will take testimony from others after that time. I know that Citizen Action has prepared testimony. I know that the Fund for New Jersey -- Mark Murphy -- has testimony. And I'm sure that Steve Ma, of AARP, will have testimony. And, also, Ingrid Reed will have testimony.

Just to have it on the record, we met in Trenton last Friday. Because of the snowstorm, we changed it from New Brunswick to Trenton.

And who was present at that meeting, Mr. Secretary?

MR. PARISI: It was you, Mr. Chairman. And by conference call -- in person, you were. By conference call it was Assemblywoman Greenstein, Curtis Tao, and Steve Lenox, and Vic DeLuca, also. So that's who we had in the conference call.

SENATOR SCHLUTER: And Ingrid Reed did--

MR. PARISI: Ingrid Reed did come by.

SENATOR SCHLUTER: --come by.

And we got a lot done, as far as advancing the matter of the report.

I would like to suggest, because we have these two dates which are back to back -- and that maybe was not too good an idea, because it doesn't give people enough time to absorb and digest the material on one day and then be able to respond and expand on it the next day -- that we consider having one or two more meetings before that first report is finalized. This will be a work in progress. It will be something that proceeds incrementally.

Having said that, I wonder if you can describe, Mr. Secretary, for the record, the documents that are here today and what we have to work with.

MR. PARISI: Certainly, Mr. Chairman.

What we did on Friday is -- as mentioned. Since the weather was inclement, there was a meeting that was held. The Chairman, myself, Ms. Winters, and Ms. Reed -- at the State House Annex. And it was also held with teleconference with several members, as noted.

At that time, what we did is, as a Commission was, the Commission members decided to discuss what the structure of the report should look like. And as it's a model, it looked at the report which was produced by the Ad Hoc Commission on Legislative Ethics and Campaign Finance, which was produced in 1990 by Alan Rosenthal -- the so-called Rosenthal Report. And in that report, it was structured in a way in which there was an introduction, there was a set of assumptions, and then there was a set of recommendations and a discussion of the rationale for each of the recommendations.

The Commissioners thought that that seemed like it was a pretty good model. And what occurred on Friday was -- to begin by talking about some of the assumptions that were -- that the Commissioners wanted to either adopt or consider. There were some that they thought were firm, some they wanted to deliberate more about.

Would you like me to read those, Mr. Chairman?

SENATOR SCHLUTER: No, but we're going to pass them out to people in the audience here, and we will put them on our Web site so that everybody will know what we're working with. And these are not final by any means. But they are just giving you an idea of some of the concerns.

MR. PARISI: Another issue that had come up -- I believe it was at Seton Hall University, when we were there last week, was a question about the amount of money that was spent in the general election by candidates for a member of the Legislature, and, in particular, how that amount of money compared to the number of votes that they received. And the Office of Legislative Services, with the assistance of Research Assistant Luke Wolff, was able to put together a comparison of all -- the amount of money spent, and compare with the percentage of the vote, and the amount of money received per vote.

I believe, Mr. Chairman, your thought on that was to try to get an idea of whether or not the candidates that spent the most money were the ones who were reelected, and also to look at so-called *safe districts*. And I present this to you as a product of that work.

Some of the highlights-- I would note, just very quickly, that in not every instance was the candidate who spent the most money the candidate who necessarily won the election. It's interesting to note that in

the 2nd District, the challenger, Damon Tyner, who is a Democrat, spent a total of \$1,359,504.68 and received 26,264 votes, 24 percent of the vote. And his cost per vote was \$51.76. And he was the highest spender per vote in the election. Others spent significantly less. Mr. Tyner lost, despite the fact that he spent so much. His running mate, however, Jim Whalen, was elected. He spent about \$6 less, \$45.46, and he, in fact, did win. So that's what this information responds to.

SENATOR SCHLUTER: Thank you.

Also, do you want to say about PIRG -- PIRG's testimony is in the--

MR. PARISI: Okay. I would point out, Mr. Chairman, Abigail Caplovitz, from New Jersey PIRG, was unable to be here. She gave me a copy of her testimony, which she asked be distributed to the committee members. It is in your folders. It also has been emailed to everybody today. It has a number of recommendations for -- that they believe they would like -- they think need to be looked at, as well.

So I offer you that.

SENATOR SCHLUTER: Thank you.

We have Mr. DeLuca with us. And Mr. DeLuca has been with us at all meetings. He's a very loyal and very thoughtful member of the Commission. And he's added tremendously to what we do.

Victor, we just have gotten started. We're doing a little housekeeping. You haven't missed anything, other than what's in your program there.

I said that, as you probably heard from the -- or you got from the e-mail -- that I have to leave at 3:45. We hope to get work done as we

did last Friday, with your help and others on the conference call, in advancing this a little bit along the line.

Now, we're going to reserve direct testimony, which is also printed, until later in the program, after I leave. But that does not mean it's downgraded in any way. It certainly is very important. And I will go over it as thoroughly as I've gone over anything.

What I would like to suggest -- and, Victor, this is going to be a conversation between you and me -- is that we ask staff to proceed, generally, with the report, to do some of the basic text in the report which is not controversial -- but some of the background: how it originated, some of the testimony, who we heard from, what our experiences were. Because that is going to have to be done anyway. So we might as well get that underway. And then, in a few weeks, if they have a draft, we can go over that as part of it.

But there's a lot that can be said. I mean, we can talk about the different people who testified, where they came from. We can talk about the people who qualified for Clean Elections, and we can decide what documents we might add as appendices. For example, the testimony of different individuals -- which I think could very appropriately go into our finished preliminary report.

And, last Friday, it was decided that this first report was not going to make recommendations as such -- as specific -- but was going to be listing the findings in general, and some presumptions -- or assumptions.

Is that what you characterize it as?

MR. PARISI: Yes.

SENATOR SCHLUTER: So with that in mind, I think if we could frame out the preliminary report with slots for findings to go in, and another slot for presumptions, and we don't get into recommendations.

Is that generally agreed?

MR. DeLUCA: Yes.

SENATOR SCHLUTER: Gina and Frank, is that understood? (affirmative responses) Okay.

The statute said that we have to report -- give the Legislature a preliminary report by -- I think it's February 8 -- February 6, 90 days. And this is what we're outlining now. The final report comes 180 days after the election. And the final report not only is to make recommendations, but is also to present a model bill -- model legislation. And that's going to take a little bit of work on the part of this Commission.

So with that, I think we can proceed and go over the list of assumptions that Mr. Parisi wrote down from our last Friday's meeting. And these are based on findings which I think he can pretty well articulate in the -- in a rough form for us to approve. Because these assumptions are based on the findings. And even though they're not recommendations, they say where the Commission believes that the present statute is deficient or needs improving.

So with that, let's turn to the report of Mr. Parisi.

Have you had a chance, Mr. DeLuca, to read that or to go over it?

MR. DeLUCA: Yes.

SENATOR SCHLUTER: I've got a number of comments, all in line of expanding a little bit on it. And then maybe you could--

Well, why don't you read each one, Mr. Parisi, and then we'll get comments from members of the Commission.

We have Ms. Murphy, who is joining us now.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: You came at a good time. We're just getting started.

ASSEMBLYWOMAN MURPHY: Good.

MR. PARISI: The first one is-- These are not in any particular order. These were in the order in which -- basically in the order in which we discussed -- they were discussed by the Commission. And, certainly, if you wish to change this by any means, you're more than welcome to do so.

The first one is, Fair and Clean Elections Pilot Project was a success and is worthwhile continuing.

SENATOR SCHLUTER: Before we get into a discussion of this, Ms. Murphy, we are proceeding--

ASSEMBLYWOMAN MURPHY: On the list.

SENATOR SCHLUTER: --on the list.

Did you have a chance to look over the list?

ASSEMBLYWOMAN MURPHY: Yes, I did.

SENATOR SCHLUTER: And what we have laid out, just in the last couple of minutes, is that staff will try and frame out the report -- the preliminary report with respect to some of the conditions under which we met, the background of this thing, and some of the testimony that we got, and some of the experiences that we've had -- all of which are well-known -- but just to put them in the report. And they probably will include

documents which were given to us, which are appropriately part of that report.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: And now we're getting into what we did last Friday in an ad hoc kind of way, down in Trenton, and put some of these thoughts on paper from which to work. And then we will have-- I said two components, but it could be whatever is best. And one component being findings, and then list the various findings. And then they will lead right into assumptions. And the assumptions will be somewhat our conclusions. This has to be changed -- but we won't make our recommendation.

The final report, which would come out 90 days later, would be our recommendations, and would include a model piece of legislation.

MR. PARISI: Mr. Chairman, if I could interrupt just for a point of clarity, you do want us, in this report, to discuss what happened, in fact, with the Clean Elections candidates -- with the actual campaigns themselves -- correct?

SENATOR SCHLUTER: Yes.

MR. PARISI: In other words -- so to describe what the -- kind of give, like, almost a history of the campaigns in the two districts. Is that correct?

SENATOR SCHLUTER: Yes. And you could also point to the fact that as part of our research, we had visitation from the Maine Clean Election executive. I went up to Boston to attend the COGEL Conference, and got a lot of information there. And let people know that this is a working Commission, is a credible Commission, I think.

MR. PARISI: Okay.

SENATOR SCHLUTER: Okay. Comments from Commissioners on Item No. 1?

MR. DeLUCA: Mr. Chairman, I think-- (malfunction of PA microphone) (laughter)

ASSEMBLYWOMAN MURPHY: Well that takes care of that.

MR. DeLUCA: Obviously.

Let's see if that works.

I think that calling this a success might be a little bit of a reach here. I was-- I pulled out the *Asbury Park Press*, which called it an unmitigated failure. I'd like to see if we could find something in between a success and an unmitigated failure.

SENATOR SCHLUTER: Can I--

Do you have comments, Ms. Murphy?

ASSEMBLYWOMAN MURPHY: I tend to agree. Success is quite a word.

SENATOR SCHLUTER: Can I offer this? Just see if it fits, and then the Secretary can-- I wrote in here, "The experience of the Fair and Clean Election Pilot Project offers promise of success and is worthwhile continuing."

ASSEMBLYWOMAN MURPHY: I think I would almost just say, "Offers promise."

SENATOR SCHLUTER: Mr. DeLuca.

MR. DeLUCA: I could go with either. I guess the question I have is, how much do we want to wordsmith at this point? Because we could spend a lot of time on just a couple of words. I think we want to

qualify it a bit. But, certainly, I think promise of success or promise -- either one would work for me.

SENATOR SCHLUTER: All right.

ASSEMBLYWOMAN MURPHY: It was a very good experience for people in this state. It really was -- and for us, too.

SENATOR SCHLUTER: Well, I think we can say the experience offers promise, and is worthwhile continuing, and it was a very good experience.

ASSEMBLYWOMAN MURPHY: Yes.

MR. DeLUCA: Yes.

SENATOR SCHLUTER: And it was a very good experience.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: Okay. The second-- Do you want me to read it, or do you want to-- I'll read it.

The number of required qualifying contributions for participating candidates was too high.

ASSEMBLYWOMAN MURPHY: Now, was that -- when you're saying the number -- 150, or is that the dollar amount?

SENATOR SCHLUTER: Number of qualifying--

MR. PARISI: That has to do with the actual number of contributions necessary, the 1,500.

MR. DeLUCA: It's the 1,500, right?

MR. PARISI: Yes.

SENATOR SCHLUTER: Okay?

ASSEMBLYWOMAN MURPHY: And I think the number of required contributions should -- there should be a parentheses after that that says, "X number of \$500, X number of \$5.

SENATOR SCHLUTER: Right.

ASSEMBLYWOMAN MURPHY: Just to clarify exactly the number we're speaking of, no mistakes, no misunderstandings.

MR. DeLUCA: And, Mr. Chair, I would offer to -- if we could -- go back to No. 1 for a moment, where we say it's worthwhile continuing. And then, in No. 3 (*sic*), we talk about members of the public who were aware of Clean Elections -- that there appears to be widespread support for it. We might want to merge those two.

SENATOR SCHLUTER: That's number--

ASSEMBLYWOMAN MURPHY: No. 13.

MR. DeLUCA: No. 13 in the back.

SENATOR SCHLUTER: Oh, 13, okay.

MR. DeLUCA: Since it talks about just the finding of continuation. And this here talks of the public. It might be something where we can put these two together.

And while I'm at it, I would suggest we put No. 14 with No. 2, which talks about the qualifying contributions, but at the same time saying that approximately \$6,000 was raised.

SENATOR SCHLUTER: Well--

ASSEMBLYWOMAN MURPHY: No, I think they're two different things.

MR. DeLUCA: Two different things? Okay.

SENATOR SCHLUTER: I think that you made your point about No. 13 going back with No. 1.

Agreed, Ms. Murphy?

ASSEMBLYWOMAN MURPHY: Not exactly. One is the project. The project isn't overall, the project isn't just the money or just the people were aware. It was how they became aware, the whole process. The process was -- is worthwhile continuing. The process is not necessarily just-- Part of the process was making people aware.

SENATOR SCHLUTER: Why don't we add--

ASSEMBLYWOMAN MURPHY: So to say, among the members who are aware-- Well, who made them aware? You have to--

SENATOR SCHLUTER: Well, why don't we add another one, and add 13 there as--

ASSEMBLYWOMAN MURPHY: Well, what else are you going to put in that says that it was a success, but it wasn't a success at the same time, because there was no public awareness given by the legislation? The Legislature did not offer any dollars to make the public aware of what was going to happen. They did nothing to help this. The candidates did it. And this makes it seem that some candidates were better than others, while the voters select who is the "better candidate."

I really think that anything that says the -- among the members of the public who were aware-- That has to do, I think, mostly with the people who told the public about it. It wasn't the fact that the project itself was particularly well-publicized by anyone except the candidates who were running and the members of this Commission, who then talked to the press, who then began to publicize more about it. But a lot of people didn't know

anything about this project, because it wasn't widely spread that there was going to be one, and this is what it was, and this is how it worked -- and that has to be rectified. And if we don't separate these two things, I really think we won't get the dollars to do the proper job next time, which is to tell the world -- in New Jersey -- "This is how it will be run." And everyone has to understand this that wants to be participants.

SENATOR SCHLUTER: How would you translate that into these, sort of, summary findings without quoting you exactly in everything you said?

ASSEMBLYWOMAN MURPHY: I don't know how to capsulize that. (laughter)

MR. PARISI: If I can offer a suggestion, Mr. Chairman, maybe the way to do it is just to leave it as a separate recommendation or separate finding, and just say, "Among the members of the public who were aware of the Clean Elections -- due to the efforts of the candidates and the Clean Elections Commission -- there appears to be a widespread -- there appears to have been widespread support for it and its continuation, with modifications."

ASSEMBLYWOMAN MURPHY: And then I think there has to be a suggestion from us that says that, in the legislation, there has to be -- this Commission should judge, every year if we have to, whether or not there has been enough public knowledge distributed or disseminated in some way, in a public fashion, not by the candidates knocking door-to-door-to-door -- which they will have to do anyway. But there should be particular pieces of information made public, through the legislative

initiative. If this is worth doing, then there should be information made available to everybody, generally.

SENATOR SCHLUTER: Let me suggest that we don't want-- These are not our final recommendations, Ms. Murphy.

ASSEMBLYWOMAN MURPHY: No, no. But I'm just saying, that would be-- To me, that's the final recommendation. So we have to include in here the fact that there was no public education.

SENATOR SCHLUTER: Well, I think-- And, of course, we did this in an ad hoc manner. But if you look at No. 12, I think that covers a lot of what you're saying.

ASSEMBLYWOMAN MURPHY: Okay. So then 12 and 13, somehow, have to be--

SENATOR SCHLUTER: Go together.

ASSEMBLYWOMAN MURPHY: Go together, more than 1. I think 1 is a flat statement about the program itself -- the pilot program. We've got to do this.

MR. DeLUCA: The problem I have with 1 is, just to say it's worthwhile continuing is a finding. But there was not -- and I heard everyone. There was not one person who testified who said this should not continue. And so I think if we're going to say its worthwhile continuing, we ought to say that public testimony supports that somehow -- in No. 1. I think it's too weak to say it's worthwhile continuing. I think we ought to just add on there something that says it is worthwhile continuing, and we heard X amount of speakers, and not one disagreed with that.

SENATOR SCHLUTER: I think Ms. Murphy implied that, in a way, that she had -- the experience was a good one, for No. 1.

And I think if you could add a few words, Mr. Parisi, to No.1 to the effect, as Mr. DeLuca said, that not one person testifying said that the program was not worthwhile continuing.

ASSEMBLYWOMAN MURPHY: And while the press has said -- and the *Asbury Park Press* said -- it was an unqualified failure, that doesn't speak to the concept. That speaks only to the implementation through this one pilot program.

MR. DeLUCA: Right.

ASSEMBLYWOMAN MURPHY: But no one has said you shouldn't try to have a good project, a good Fair and Clean Elections program, period.

SENATOR SCHLUTER: Well--

ASSEMBLYWOMAN MURPHY: Only, I think it's going to have to be changed to something else besides Fair and Clean Elections program.

SENATOR SCHLUTER: Well, let's then-- I think we have disposed of 12, 13, and 1. But I would like to--

ASSEMBLYWOMAN MURPHY: And 2.

SENATOR SCHLUTER: Well, let's get back to 2.

I would like to add to 13, if the others agree-- As an addition to 13, I have a comment. Editorials and New Jersey newspapers were almost universally in support of the Clean Election concept. Is that a fair statement?

MR. DeLUCA: I'm not sure about the *Asbury Park Press*. I think we'd have to look at that -- the initial ones.

SENATOR SCHLUTER: That is not what the experience was. It's a concept.

MR. DeLUCA: I think the initial editorials were not favorable, even before the program started. The very first one-- We can take a look at that. But, certainly--

SENATOR SCHLUTER: I said almost universally.

MR. DeLUCA: Okay. (laughter) Almost.

SENATOR SCHLUTER: This is a report by committee--

MR. PARISI: Editorial comments of newspapers in New Jersey were almost universally in favor of the concept of Clean Elections.

SENATOR SCHLUTER: Of Clean Elections, in concept. Okay.

MR. PARISI: And then, among members of the public who were aware of-- Then the next sentence is, "Among members of the public--"

SENATOR SCHLUTER: No, that came right after it.

MR. PARISI: Oh, you want that afterwards. Okay.

SENATOR SCHLUTER: Now we go back-- And let's be more general. Because we're going to have a couple of chances to edit this and revisit all of these.

ASSEMBLYWOMAN MURPHY: Right.

SENATOR SCHLUTER: The number of required qualifying contributions, (1,000 at \$5, 500 at \$30) for participating candidates was too high. Okay?

No. 3, having two qualifying contribution amounts, established at \$5 and \$30, was unnecessary and led to confusion among potential contributors.

ASSEMBLYWOMAN MURPHY: I think you have to have two amounts. Different times, when I was campaigning, I received a number of \$1 checks from senior citizens. And they were as valuable as \$100, or \$1,000 from other people, because it was commitment. And I think the people who can't afford to give you more, the \$5 thing is perfectly (indiscernible).

Maybe you want to say--

SENATOR SCHLUTER: But can I suggest this? We are saying, having two qualifying amounts is -- led to confusion.

ASSEMBLYWOMAN MURPHY: Yes, but see, people couldn't give you anything in between. They couldn't give you 25, couldn't give you 50.

SENATOR SCHLUTER: But you could structure it as, candidates can-- In order to qualify, you need a thousand contributions of up to \$10, which gives you an amount, and it gives you the number. And we haven't decided that yet. I mean, that's to be decided somewhere down the line. Or contributions up to \$20 -- the first \$10 of which shall count toward the amount.

ASSEMBLYWOMAN MURPHY: I think we have to work on those amounts. But perhaps you are correct. Perhaps just having a total--

SENATOR SCHLUTER: Yes.

But here we are specifically distinguishing that there are two qualifying specific amounts, which seem to be, in everybody's testimony, undesirable.

ASSEMBLYWOMAN MURPHY: Yes.

MR. DeLUCA: I think that the word *unnecessary* doesn't work for me. I would say that there was no rationale to have the two amounts.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: *Unnecessary* doesn't make sense to me there.

ASSEMBLYWOMAN MURPHY: How about saying, "Having two qualifying amounts led to confusion among potential contributors."

MR. DeLUCA: I think that is true, but I think it's also-- The finding is, there was no rationale for it.

SENATOR SCHLUTER: Had no rationale.

ASSEMBLYWOMAN MURPHY: Okay.

MR. DeLUCA: I mean, I remember going-- I remember having this conversation in the beginning. And I actually think it was more to generate the threshold amount of the \$1,500, at 30 times 5.

MR. PARISI: Can I suggest then, the language would then be, "There was no rationale for having two qualifying contribution amounts, established at \$5 and \$30. It led to confusion among potential contributors."

SENATOR SCHLUTER: Fine.

MR. DeLUCA: I guess the other question is, was it just *potential*, or was it contributors also? It just led to confusion.

MR. PARISI: Okay.

SENATOR SCHLUTER: Yes.

MR. PARISI: Contributors.

MR. DeLUCA: I think people who gave were also confused.

SENATOR SCHLUTER: Yes.

MR. PARISI: Okay.

SENATOR SCHLUTER: No. 4, the participating candidates did not have sufficient time to collect the requisite number of contributions to become certified as New Jersey Fair and Clean Election candidates. Straight forward?

ASSEMBLYWOMAN MURPHY: Yes.

MR. DeLUCA: The only thing I would add is the time they had. Having two months, or three months, or whatever it was -- or 65 days -- just make that as a statement of fact that that's how much time they actually had.

SENATOR SCHLUTER: Well, you could do like Ms. Murphy had, put in parentheses, (62 days during the Summer).

MR. DeLUCA: Yes.

SENATOR SCHLUTER: After *sufficient time*.

Next, the \$3,000 seed money limit for participating candidates was not sufficient.

ASSEMBLYWOMAN MURPHY: Now, if we gave that in a primary--

SENATOR SCHLUTER: Pardon me?

ASSEMBLYWOMAN MURPHY: If you were doing that in-- Whatever sum we're putting in here, or whatever sum we used in this theory, would that be the sum that we were going to be using in the primary, or would you have two different amounts, do you think?

SENATOR SCHLUTER: To be determined.

ASSEMBLYWOMAN MURPHY: Okay.

MR. PARISI: I think you need to think of this in terms of what happened in 2005, rather than project for what is occurring in 2007. This is a look back, as opposed to a look forward -- would be my recommendation for one way to conceive of this.

ASSEMBLYWOMAN MURPHY: I think you're right. It won't ever get over -- never get done.

SENATOR SCHLUTER: I think it's generally agreed, is it not, that's a fair statement?

MR. DeLUCA: I could live with it.

SENATOR SCHLUTER: Six, participating candidates were confused in regard to what constituted an in-kind contribution to their campaigns, and how such a contribution fit with the qualifying contributions and seed money amounts set by the statute, the law that created the New Jersey Fair and Clean--

ASSEMBLYWOMAN MURPHY: I think that's absolutely true. Baking their own coffee cake to take to someone's coffee that they were having for them-- So I do think there was confusion as to how you counted those.

SENATOR SCHLUTER: Mr. DeLuca.

MR. DeLUCA: Yes.

SENATOR SCHLUTER: I would like to, without gilding the lily here-- It really didn't have much to do with qualifying contributions. It had to do with seed money amounts. Because qualifying contributions

could not be used, and were not considered in-kind at any time. They had to go right to-- So I think you'd have to take qualifying contributions out.

MR. PARISI: Okay.

ASSEMBLYWOMAN MURPHY: Except, I think-- Weren't some of them confused as to whether or not those were, if they had-- If I went to a coffee at my neighbor's house, and she had prepared all the food, was that a contribution that would be considered part of my qualifying contributions?

SENATOR SCHLUTER: No, it's not--

ASSEMBLYWOMAN MURPHY: But I think that's what they were concerned -- some of those people were concerned about during the election, which was why they baked their own things, took their own coffee, bought their own milk for it. Because they were afraid that if they took anything from anyone, it would be considered--

SENATOR SCHLUTER: Leave it in there. I'm not going to argue, because if it's in there, the law says you can't use it for--

MR. DeLUCA: The other thing is, Mr. Chair, we can just state how such a contribution fit with public law 2000-blah-blah-blah. Just cut out that "with the qualifying contributions and seed money amounts."

MR. PARISI: So you just want it to say, "Participating candidates were confused in regard to what constituted an in-kind contribution to their campaigns, period?"

SENATOR SCHLUTER: No.

MR. DeLUCA: No, and then I would say, "And how such a contribution fit" or "how such contributions fit" with the law that you cite.

ASSEMBLYWOMAN MURPHY: Yes.

MR. DeLUCA: And just cut out the words, *with the qualifying contributions and seed money amounts*. And just say that there was confusion in how does it work with the law.

ASSEMBLYWOMAN MURPHY: Right.

SENATOR SCHLUTER: All right.

ASSEMBLYWOMAN MURPHY: Very good.

SENATOR SCHLUTER: Moving right along, No. 7: The paperwork required by the Election Law Enforcement Commission, ELEC, to make a contribution to a Clean Elections candidate was burdensome, onerous, and counterproductive.

MR. DeLUCA: Yes, ELEC. (laughter)

SENATOR SCHLUTER: Where is our ELEC representative?

MR. DeLUCA: Amy.

SENATOR SCHLUTER: That's a fair statement, Ms. Murphy?

ASSEMBLYWOMAN MURPHY: Oh, indeed. (laughter)

SENATOR SCHLUTER: No. 8, the law unfairly penalized participating candidates who tried, earnestly, to raise the required number of qualifying contributions in the time available, but failed to do so.

MR. DeLUCA: I think this is too broad. I think what we discussed is that there was-- There were two cases, actually, where candidates indicated their interest in participating, and then they were unable to qualify. And the unfairness was, as I remember, (a) that it was all or nothing. If you met even 85 percent or 99 percent, you weren't able to get any support. And (b) that you had a desire to participate, and if you failed the money that you were entitled to went to your opponent. And in crafting this legislation, I don't think that was the intent. The intent was to

really identify candidates who weren't going to participate and give that money to the opponent. So I don't think this says enough, and it's very general.

ASSEMBLYWOMAN MURPHY: It has a very bad sound.

SENATOR SCHLUTER: Well, I would agree with both -- what you said, myself. And I think you've got two concepts here. Let me try to throw one concept out for consideration.

By awarding to qualifying candidates the public funds that are forfeited by non-qualifying candidates, the law unfairly penalizes participating candidates who tried earnestly to raise the required number of qualifying candidates (*sic*) in the time available and failed to do so.

ASSEMBLYWOMAN MURPHY: That's true.

MR. DeLUCA: Yes.

SENATOR SCHLUTER: That's one concept.

I've got that written down.

MR. PARISI: Okay.

SENATOR SCHLUTER: And then what Mr. DeLuca said -- which we get to another aspect coming down the line here -- is that it does not recognize that candidates got very, very close but didn't make it and, therefore, were totally excluded from public funds.

ASSEMBLYWOMAN MURPHY: Right.

SENATOR SCHLUTER: It didn't recognize-- Close didn't count. Is that right?

MR. DeLUCA: And also that if you were close, and you didn't make it, your money went to the other candidate.

SENATOR SCHLUTER: That's right.

ASSEMBLYWOMAN MURPHY: Not in every instance, though. In one instance, it went back to the people who had written the checks.

MR. DeLUCA: But that was-- Oh, yes, that's right. But that was because there were no candidates that qualified.

ASSEMBLYWOMAN MURPHY: But, also, it seems to me that, to some degree, if I write a check for a party, and it goes to the other party, I am disenfranchised, also.

SENATOR SCHLUTER: But it's not--

ASSEMBLYWOMAN MURPHY: And I understand the concept of putting the money into a pool so it's available every year. But I think the strictness of the law would be-- Were we to reduce the amount if that -- if the close did count in some way, then people wouldn't mind that so much, because they're part of the larger picture. But I think it was the all or nothing thing that was kind of a--

SENATOR SCHLUTER: Yes. Well, there's two concepts, respectfully, here. And that is that the people who contributed the funds which went into Clean Elections Fund, presumably at ELEC -- and it didn't make it -- their funds didn't go back into the amount of money that was the public funds for the candidate. That came from another source. It is not from the Clean Election Fund itself.

ASSEMBLYWOMAN MURPHY: So it went directly to ELEC's budget.

SENATOR SCHLUTER: It went to the Clean Election Fund. But it's a different concept.

ASSEMBLYWOMAN MURPHY: Yes, but it's into the same pot, in terms of the same program.

SENATOR SCHLUTER: I think that can be addressed in a way that comes up later on in some of these things, about how you return moneys that don't go.

There's another thing that could be added to this section. I'll throw it out for your thought.

This law also can add, unnecessarily, to the amount of public funds used. In other words, because of the money that a person who tries to qualify and doesn't qualify-- That's just added to the campaign of somebody who qualifies and just doubles the amount that the winner gets. And the other person doesn't get anything, and has very, very little, and just adds to the cost.

ASSEMBLYWOMAN MURPHY: And if you wanted to put 10 into that, also -- into this part we were discussing -- penalization of candidates. The Green Party candidates, in a sense, were penalized because they didn't get the same amount of money that the -- one of the two major parties would get.

SENATOR SCHLUTER: Don't you think that's worthy of a separate item?

ASSEMBLYWOMAN MURPHY: All right. But it's part of the penalization concept, I think, in this -- in the funding.

SENATOR SCHLUTER: Do you have enough on--

MR. PARISI: Yes. That's going to require some significant rewriting.

SENATOR SCHLUTER: Yes. But you've got that.

MR. PARISI: Well, I'll look at yours, as well.

SENATOR SCHLUTER: Okay.

Now we're going along to 9. Candidates were inconsistent in reporting qualifying contributions to ELEC.

ASSEMBLYWOMAN MURPHY: Absolutely.

MR. DeLUCA: The way this is written, it sounds like the fault was the candidates. There was, as I understand it from ELEC-- There were not specific dates that they had to reply by and say -- on a quarterly basis, or every month, or every week. It's just that when they made their total, they could send it in.

Is that correct?

MR. PARISI: Come up to the microphone.

MR. DeLUCA: I just want to state it clearly so that if it was a deficiency in the process, as opposed to-- This makes it sound like candidates didn't do what they were supposed to do. And I'm not sure that we had a system that was supposed to be that way.

A M Y D A V I S: Right.

Amy Davis, Director of Public Financing for ELEC.

Actually, the submission dates were submissive. So there were a series of dates--

SENATOR SCHLUTER: They were what?

MR. DeLUCA: Submissive.

Why don't you explain that?

MS. DAVIS: Meaning that they were not required to come in on any particular date, or come in every date. They could, in fact, make the decision themselves when they wanted to come in.

SENATOR SCHLUTER: All right.

That clarifies exactly what Mr. DeLuca was saying. I had some language, which I'll just throw out: The law and regulations should be specific and clear with respect to requirements for reporting qualifying contributions to ELEC.

MR. DeLUCA: I would agree, and then I would just say that all candidates should be required to respond to them, or something like that.

MR. PARISI: If you want to put that, in terms of a finding, I think you need to say, Mr. Chairman, that the law and regulations were not specific and clear in respect to reporting.

SENATOR SCHLUTER: Yes.

I have this written down, and you can modify that.

MR. PARISI: Okay.

SENATOR SCHLUTER: No. 10-- And we have here -- what we talked about before -- and it should be a separate item because it's important enough -- which is, the law gave no rationale providing a third party candidate, who became a certified New Jersey Fair and Clean Elections candidate, with half the amount of public funding provided to a major party candidate.

ASSEMBLYWOMAN MURPHY: And I think, by the way, that one of the things we're going to have to think of is that, opening this door may allow us to have seven party groups applying. The left toe group, the right toe group, the straight forward group, the backward group-- There's going to be 99 parties. I think you have to, somehow, clarify the parties that -- or how they would apply to become -- or to whom they would

apply to become considered a party eligible for this concept. And I think it has to do somehow, perhaps, with the percentage of the population that has pledged themselves or voted in other elections. I don't know how you do it. I really don't, because I don't know that our laws presently allow 99 names of parties on there. We can use slogans, but I don't think it allows us to declare different parties.

SENATOR SCHLUTER: Well, we're talking here, Ms. Murphy, about individual candidates. It's the candidate who applies and the candidate who receives the public funds. It's not a party.

ASSEMBLYWOMAN MURPHY: But I could become a candidate of the left toe party.

SENATOR SCHLUTER: You could become a candidate of nothing. You can just put--

MR. DeLUCA: You could be an independent. You could just be a person.

SENATOR SCHLUTER: --a person. You don't have to have a party to be a candidate.

MR. DeLUCA: But if you meet the threshold, then-- What we're saying is, if you meet the threshold as a candidate, then you should get the same amount of money.

ASSEMBLYWOMAN MURPHY: So, no rationale for providing a third party candidate--

SENATOR SCHLUTER: All right. Maybe you should say a third party or independent candidate.

ASSEMBLYWOMAN MURPHY: Right.

MR. DeLUCA: Actually--

ASSEMBLYWOMAN MURPHY: I think you have to say that this is more inclusive than that one -- those two words, *third party*, makes it sound.

MR. DeLUCA: Mr. Chairman, isn't it true that in New Jersey, for ballot purposes, we recognize no party automatically, other than Democrats and Republicans? Everything else has to be by individual petition.

SENATOR SCHLUTER: But that is correct. But they have a slogan, and they'll say--

MR. DeLUCA: Yes. So I think we can just cut out party -- third party candidates and just say, "providing an independent who becomes a certified New Jersey Fair and Clean Elections candidate."

SENATOR SCHLUTER: Respectfully, having been through that route myself once, I think you ought to say -- because there is confusion.

MR. DeLUCA: Okay. That's fine.

SENATOR SCHLUTER: People think that--

MR. DeLUCA: I agree with the sentiment. I just was looking to figure out a word.

SENATOR SCHLUTER: But we say third party or independent.

MR. DeLUCA: That's absolutely fine.

SENATOR SCHLUTER: Okay. All right.

ASSEMBLYWOMAN MURPHY: Little *i*, right.

SENATOR SCHLUTER: Pardon me?

ASSEMBLYWOMAN MURPHY: Little *i* in independent, right?

SENATOR SCHLUTER: Yes.

Now we come to the other ones we talked a little bit about before.

Little information was provided to individuals who contributed to a candidate who did not qualify as a New Jersey Fair and Clean Elections candidate. Such contributors were not--

Oh, this is different.

Little information was provided to individuals who contributed to a candidate who did not qualify. Such contributors were not always aware of what a contribution to the Clean Election Fund meant and what happened to that contribution if the candidate did not qualify.

That is about the clarity of the law, with respect to what you do to dispose of contributions where a candidate does not qualify. And there was an advisory opinion.

Ms. Davis, there was an advisory opinion which said, in those cases it goes back -- it could go back to the donors.

Ms. Davis is nodding her head -- let the record show -- in affirmative.

But we have, in here, made a recommendation that the reporting dates and the report requirements become very specific and be enforced. And that would apply to this. Once the money gets into the Clean Election Fund, if they don't qualify -- whether or not they go back or not.

Correct.

ASSEMBLYWOMAN MURPHY: This is all part of the public information program that we're seeking.

SENATOR SCHLUTER: Actually, no, this--

ASSEMBLYWOMAN MURPHY: That would talk about what the contributors -- what happens to the money, and where the money is going. Those are all the things people need to know. Otherwise, it just looks like another addition to the Treasury.

SENATOR SCHLUTER: A black hole, as some people have said.

ASSEMBLYWOMAN MURPHY: That's where it is.

MR. DeLUCA: I just think this is pretty wordy -- No. 11 is pretty wordy. If the staff could, maybe--

MS. WINTERS (Commission Staff): Every third word.

MR. DeLUCA: Maybe. Just cut out every third word.
(laughter)

I N G R I D W. R E E D: Even the adjective *little* is not very helpful.

MR. DeLUCA: Yes.

SENATOR SCHLUTER: We can count on you, Ms. Reed, to do a little editing.

All right. We already approved 12 and 13 as discussed and modified.

Fourteen: Despite the difficulties that New Jersey Fair and Clean Election candidates experienced raising qualifying contributions, it is remarkable that approximately \$6,000 was raised.

I don't know if that's an assumption or anything.

MS. REED: Is that the right number? (speaking from audience)

SENATOR SCHLUTER: Well, it was-- Six thousand dollars minimum was raised in District 6, by the--

MR. DeLUCA: It's too low.

MS. REED: It's too low.

MR. DeLUCA: It's too low.

MS. DAVIS: (indiscernible) (speaking from audience)

SENATOR SCHLUTER: That's right.

MS. DAVIS: Amy Davis, again.

You would be required, by law, if you became a certified candidate, to raise, actually, at least \$20,000.

SENATOR SCHLUTER: Twenty thousand dollars.

MS. DAVIS: And we had two candidates that did, in fact, become certified candidates.

ASSEMBLYWOMAN MURPHY: So there was, at least, their moneys.

MS. DAVIS: Right. And other candidates who did not become certified, but still collected contributions and did turn them over to the Fund--

MR. PARISI: Could you provide us with that amount -- exactly how much they raised?

MS. DAVIS: Not right now, but I can.

SENATOR SCHLUTER: But it was over \$40,000.

MS. DAVIS: Yes.

SENATOR SCHLUTER: It had to be. You're right.

MR. DeLUCA: I think it would be useful if we could also say how many candidates did that. If it was \$40,000, it was six candidates, or whatever. And I would also suggest that we take the word *remarkable* out. That's a subjective word that doesn't mean anything. And I think we ought to just be straightforward and say that, "Despite the difficulties--" Let's say it's -- six candidates did raise approximately \$40,000 in contributions of \$5, and \$10, and \$30. Just be real factual and straightforward.

SENATOR SCHLUTER: We would have to, then-- Are you only talking about the one district?

MR. DeLUCA: No, I would say-- We can say, in the two districts, there was six candidates.

SENATOR SCHLUTER: Ten candidates.

MR. DeLUCA: That of the 10, six tried.

SENATOR SCHLUTER: All 10 tried.

ASSEMBLYWOMAN MURPHY: All 10 tried.

MR. DeLUCA: No, not all 10 tried. The Democrats pulled out.

MS. DAVIS: They all filed a declaration of intent to participate in the program.

MR. DeLUCA: Okay. Fine.

MS. DAVIS: And they all did receive qualifying contributions.

MR. DeLUCA: But then the Democrats, at some point, decided-- And the Democrats in the 13th decided, at some point, to pull out.

ASSEMBLYWOMAN MURPHY: And the Green Party candidates.

MR. DeLUCA: And the Green Party candidates tried--

ASSEMBLYWOMAN MURPHY: And determined that they would not.

MR. DeLUCA: Yes.

However, I just think the more factual-- If it's six of the 10 candidates in the two districts, that's fine. But just be factual on this, as opposed to using words like *remarkable*.

SENATOR SCHLUTER: Can we relegate this to the text, which Mr. Parisi is going to put as introductory and as general?

ASSEMBLYWOMAN MURPHY: Yes, general information.

MR. PARISI: But you still want to keep this as a finding, correct?

SENATOR SCHLUTER: No.

ASSEMBLYWOMAN MURPHY: Well, it is a finding.

MR. DeLUCA: Well, it should be a finding. Now, whether it goes in a particular bullet point, or you put this in some introductory comments about the total program--

SENATOR SCHLUTER: About the experience.

MR. DeLUCA: Yes.

I think where it goes is probably less important than just that it's in there.

SENATOR SCHLUTER: I think it should go in the text -- general text.

MR. PARISI: Okay.

ASSEMBLYWOMAN MURPHY: In the text, rather than as a finding.

SENATOR SCHLUTER: Okay.

No. 15, members of the public testified before the New Jersey Citizens' Clean Elections Commission that the Clean Elections program opens up the electoral process to members of the public who had not participated previously, especially women and minorities.

ASSEMBLYWOMAN MURPHY: I'm going to take an unpopular position here for a moment. How many members of the public did we hear from, as opposed to how many members of organizations who were -- had lobbied for this program -- did we hear from?

SENATOR SCHLUTER: Good point.

MR. DeLUCA: Well, we could say that there was public testimony.

ASSEMBLYWOMAN MURPHY: Public testimony implies it was made by the public, meaning the people who were not affiliated in a specific way with an organization who lobbied for this bill. This is lobbying. This is what we're talking about. These are not disinterested people who just wandered in off the room -- outside, into the room, because they were interested in this, they read about it, they heard about it, or they thought about it. These are people who had been lobbying for years -- not a week, not a day -- for years, to have Clean Elections in the State of New Jersey, and probably in many other states. And there's nothing wrong with that.

But, often, lobbying is decried -- and, quite often, by members of these organizations. Consequently, there has to be the frankness that these people who have decried lobbying by other lobbyists, whose points of view weren't the same as theirs, lobbied. And they were successful. And

that's fine. And the program has done very, very well. And it will continue to do better. And that's good. But I don't think we can say members of the public is three people from any one of the districts, in which we represented -- came forward, as public citizens, to testify.

Because I asked that question a number of times when we were in meetings. And I think I only found one member of the public who came out to talk about it, because someone had come to her house seeking money, and she was very impressed. And I thought that's-- I mean, that's really who I thought might show up at some of these things, or something.

And there have been letters in the press, and I don't -- I certainly can't speak for all of the-- But a number of them were people I could identify, in terms of where their background was, or where they were coming from on this, because I've run into them at different occasions.

And that's fine, but they aren't disinterested public, or even interested in better elections public. They are-- And there's a difference.

SENATOR SCHLUTER: Mr. DeLuca.

MR. DeLUCA: Well, I--

ASSEMBLYWOMAN MURPHY: If I write a letter, it's different.

MR. DeLUCA: I understand the concern about members of the public testifying. I guess I'm more concerned about the back end of this statement.

It's fine, for me, if we can just make a finding that there was testimony before the Commission that said that this opens up the process. I just don't want to lose this point that this process has the potential of

opening up electoral politics for women and minorities, people who are excluded.

ASSEMBLYWOMAN MURPHY: I don't want to lose the fact that it opens the process either. But I don't want to give ownership of it. I don't want people to think that this is heaven sent, that this was just a sunshine light that hit everybody for a good, noble idea. It was an idea brought forward by organizations who have particular policy views. And that's terrific. But you have to be clear about who owns what.

SENATOR SCHLUTER: I think you both have-- The point has been made. It's an excellent point. And what I would like to see is this notion relegated to the basic text of the purpose of why we're in this, and the basic background of the -- as we did that other item -- saying that there was testimony that the Clean Elections would enable greater participation. Now, there was that testimony.

ASSEMBLYWOMAN MURPHY: And there certainly was that, and there was a fair amount of that testimony. Absolutely.

SENATOR SCHLUTER: But we also had testimony saying that because it did not include the primaries, it really shortchanged these people.

ASSEMBLYWOMAN MURPHY: Right.

SENATOR SCHLUTER: So if we put that in that--

MR. DeLUCA: That's fine.

SENATOR SCHLUTER: Well, having gone through the first 15 with some sort of--

MR. DeLUCA: Dispatch. (laughter)

SENATOR SCHLUTER: Now, more deliberation, if necessary, on the following topics. So these are just open subjects. And, incidentally, I've got a list that I've picked from the League of Women Voters, candidate Gurenlian, from Assemblyman Roberts, and from others that we might talk about adding to this. But these are not assumptions at this time, these are for further consideration.

More deliberation is necessary -- and this is sort of -- we'll hold this for further discussions -- whether there was a rationale for requiring that candidates for the office of -- members of the General Assembly -- who were members of the same political party-- Both needed to become certified, Clean Election candidates for either of them to receive public funds for their campaigns. In other words, the question of you having to have both Assembly candidates in one district qualify with qualifying contributions is a matter for, I think, further discussion by this Commission as to what it wants to do, what it wants to recommend.

ASSEMBLYWOMAN MURPHY: Okay.

MR. DeLUCA: Yes, I think that's right.

SENATOR SCHLUTER: But I think it's a point that can be pointed out, as far as a lot of concern about--

B: It says, "Whether increasing." I would change that to, "How to increase the number of financial instruments available to make a financial contribution to a participating candidate would have much -- would have made raising the required number of qualifying contributions easier for such a candidate without increasing the possibility of fraud." I think that's a fair statement.

MR. DeLUCA: Yes.

SENATOR SCHLUTER: Which would include cash, if we can determine that cash is--

MR. DeLUCA: Cash and credit.

SENATOR SCHLUTER: In other words, instead of whether increasing, it's how to increase.

ASSEMBLYWOMAN MURPHY: It's how to handle it.

SENATOR SCHLUTER: Okay.

C: Whether the calculation for the amount of funding given to a certified New Jersey Fair and Clean Elections candidate -- limit to not more than \$100,000 -- was flawed.

Now, I don't know what the basis of that discussion was. Can anybody--

Frank, can you--

MR. PARISI: Well, as I recall, the basis was that the amount of money was not -- that there was some difference of opinion about whether or not it was sufficient, or it wasn't sufficient, or the formula that was used to come up with a limit of \$100,000 -- and whether it should be based upon the average of the previous two years. Or maybe it should have been the average of the previous two campaigns, rather -- or it should have been the average of more than those two campaigns, or should have been based on statewide average.

As it was, the law had it based upon the average of the previous two campaigns in that particular district -- how much money was raised -- not to exceed \$100,000. And I think there was some concern that that was not a realistic amount. There was some testimony to say that there should be enough money -- public money provided so that a Clean Elections

candidate can compete and possibly win in a district. And I think that that may lead into this, as well -- whether or not this amount that was being provided, in its maximum, was sufficient.

SENATOR SCHLUTER: Well, I can-- I then-- If this is left to more deliberation, as an open question, fine. But I think that we also ought to add in that the methodology -- you talked about the methodology of arriving at that. And also, part of that methodology is whether, in calculating the total expenditures for previous campaigns -- that those total expenditures be limited to what the candidate spent on a campaign and should not include what that candidate gave to PACs or other candidates in other parts of the state -- the money that was wheeled. Because that ballooned up the total, as a matter of fact.

MR. PARISI: Okay.

SENATOR SCHLUTER: Fair enough?

MR. DeLUCA: Yes.

SENATOR SCHLUTER: Now, presumably, we're going to work on another draft of these assumptions.

MR. PARISI: Yes.

SENATOR SCHLUTER: And you're going to take a couple of them and put them into the text, and maybe improve the wording a little. And then, of course, these will lead to specific recommendations. Like, we have one presumption which says, the number of required qualifying contributions for participating candidates was too high. At one of the next-- At one of the subsequent meetings, we're going to have to say what we recommend, or--

MR. DeLUCA: Correct.

SENATOR SCHLUTER: If we can, in specific enough terms, we might save that until the final report.

MR. DeLUCA: Mr. Chairman, are we going to have these changes that we did today for tomorrow's meeting? (laughter)

MR. PARISI: I can't guarantee that. I'm sorry.

SENATOR SCHLUTER: I would think that's an unreasonable request.

MR. DeLUCA: Well, some of the-- We wordsmithed some of these.

MR. PARISI: I will clean it up as best as possible.

MR. DeLUCA: Okay.

MR. PARISI: But I cannot guarantee that everything will be absolutely perfect by tomorrow.

SENATOR SCHLUTER: We don't have any snowstorm coming, Frank. I mean-- (laughter)

With the permission of the other Commissioners, I would like to ask if some additional thoughts should be considered as assumptions. And I did this by reviewing the testimony of others.

So, are we prepared, ready to go?

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: Do we feel that-- Was there something in here about employer information being unnecessary? I don't know if that was.

ASSEMBLYWOMAN MURPHY: Yes.

MR. PARISI: No.

ASSEMBLYWOMAN MURPHY: Well, we have said that the amount of information on the -- was onerous.

SENATOR SCHLUTER: Okay. So that--

MR. DeLUCA: No. 7.

SENATOR SCHLUTER: No. 7. So employer information would be under No. 7. And could we add to that No. 7, and just say that there was a general assumption that there seemed to be no need for the--

ASSEMBLYWOMAN MURPHY: The identity of an employer.

SENATOR SCHLUTER: --identify of employer, to make it even more--

MR. DeLUCA: Yes, more explicit.

SENATOR SCHLUTER: --more explicit?

Now, we have to consider in our recommendations whether to apply this to primaries, and how. And this is going to be a difficult issue of how you apply public funding and qualifying contributions to primaries. So that comes in to Item No. 15, 16 -- the last item to be determined -- 16 -- more deliberation.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: How this is factored into primaries-- One thing, of course, if it goes into primaries it will increase the time that candidates have for collecting contributions. And in this visit to Boston, and checking what other states do, other states have the Clean Elections for primaries.

Well, excuse me. Let me start off, no other state has the buddy system, where you have to have two--

ASSEMBLYWOMAN MURPHY: Where you run as-- You don't run together. You don't usually run together in a primary.

SENATOR SCHLUTER: And you don't run together in a primary. So the primary would have to be an individual anyway, under any circumstance.

To let you know about some of the states-- Some of the states, in order to make it competitive so you can get -- give outsiders a chance to win in a primary -- will determine if a district is dominated by one political party -- heavily dominated. And in those primaries, they give the challenging candidate, who is not part of the -- excuse me, who is in the primary of the heavily dominate party -- double the public money.

ASSEMBLYWOMAN MURPHY: The candidate in the primary of the dominant party?

SENATOR SCHLUTER: Yes, who is a challenger.

Now, how you figure out who the challenger is, as opposed to who the party candidate is, is difficult to say.

ASSEMBLYWOMAN MURPHY: But in many of our counties, there is -- there are closed primaries.

SENATOR SCHLUTER: Absolutely.

ASSEMBLYWOMAN MURPHY: And the candidate is picked by the party before they get to the poles.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: In only three counties, I believe -- Warren, Sussex, and Morris -- they still have open primaries. And anyone can be a candidate. I mean, you can be a candidate-- There can be nine candidates for one freeholder seat if nine people want to run for it.

And nine people have to raise their own money, and go on the ballot, and the luck of the draw -- and they win or they don't.

SENATOR SCHLUTER: I really shouldn't have raised this, because this gets to be very--

ASSEMBLYWOMAN MURPHY: It's very complicated.

SENATOR SCHLUTER: --very complicated. And it has to be thought out. And you get into other considerations.

ASSEMBLYWOMAN MURPHY: And I think it has to be done, really, Chairman, based on the configuration of the county, in terms of open primary and closed primary.

SENATOR SCHLUTER: Yes. And that goes into a lot more than--

ASSEMBLYWOMAN MURPHY: Sure does.

SENATOR SCHLUTER: --election. It goes into ballot.

ASSEMBLYWOMAN MURPHY: And it also goes into who funds the campaigns. In a close primary county, the party chairman can fund the campaign of his chosen candidates. In an open primary, the chairman cannot, because if his person doesn't win, they'd get killed.

SENATOR SCHLUTER: Well, there's only two counties. It's Morris and Warren.

ASSEMBLYWOMAN MURPHY: I thought Sussex still does.

SENATOR SCHLUTER: No, Sussex has a machine now. They have a line.

ASSEMBLYWOMAN MURPHY: Oh, that's too bad.

SENATOR SCHLUTER: But Warren has a card so you can't have lines on the machine. And Morris is the only pure open.

ASSEMBLYWOMAN MURPHY: Right.

MR. DeLUCA: Mr. Chairman.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: The law states that one of our obligations is to determine the feasibility and the amount of money that would be needed for candidates in a primary election. So we already have that responsibility. So I'm not sure it's necessary to put it in the findings.

SENATOR SCHLUTER: No, I know that. I'm just-- This is something that has to be deliberated on.

MR. DeLUCA: Yes.

SENATOR SCHLUTER: This is going to take a lot more work and a few more meetings.

You're right.

Next item-- There was talk by somebody about the fact that seed money should be allowed to come from outside of the legislative district. Is there any feeling for that? Should seed money have to--

MR. DeLUCA: No, that was-- Assemblyman Greenwald testified to that.

SENATOR SCHLUTER: Was that--

MR. DeLUCA: Yes, down in Collingswood when we were there.

I don't see the reason for it. These districts are big enough. They have 220,000 people in each district, or so.

ASSEMBLYWOMAN MURPHY: Why did he see-- Did he give a reason as to why he felt that that was a necessary thing? I'm sorry that I don't exactly remember.

SENATOR SCHLUTER: Well, he did not give a reason other than he felt that you want more candidates to qualify -- the seed money. And the-- Some people who have been in the Legislature for a length of time, who have interests all over the state because interest can contribute to seed money -- corporations, and lobbyists, and organizations. And if you have that kind of -- those kinds of people all around the state, it makes it very easy.

ASSEMBLYWOMAN MURPHY: And then you get your seed money quickly.

MR. DeLUCA: Right.

My notes say he suggests seed money come from in-state, and Clean Elections come from within district.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: I don't see any reason to allow that. I think it should all be in-district.

SENATOR SCHLUTER: What do you think?

ASSEMBLYWOMAN MURPHY: Well, you know there are districts where there are no-- There are poor districts and wealthier districts. That's a fact in this state.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: I don't know how else to express that. But I think for some candidates in a wealthier district, it certainly would be easier to get \$3,000 than it would be for some of the more -- the poorer and less populated districts.

SENATOR SCHLUTER: So you're saying, in Hudson County, it would be difficult for a Republican.

ASSEMBLYWOMAN MURPHY: Like, impossible -- well, not quite.

SENATOR SCHLUTER: And maybe in Somerset County, it might be--

ASSEMBLYWOMAN MURPHY: It would be very hard for a Democrat, although the Democrats have made quite--

MR. DeLUCA: Right now, the law-- I've just been informed that the law is that seed money can come from anywhere.

SENATOR SCHLUTER: It can?

MS. WINTERS: Correct.

MR. DeLUCA: So we've solved that, Mr. Chairman. (laughter)

SENATOR SCHLUTER: Seed money can come from anywhere.

MS. DAVIS: That's the way the law is written -- statute.

ASSEMBLYWOMAN MURPHY: This statute -- the public law statute.

SENATOR SCHLUTER: Oh, really.

I know it can come from your previous candidate fund-raising committee, as long as you can identify the source. And it's limited to the \$200.

MS. DAVIS: Yes.

MS. WINTERS: There's no restriction.

MR. DeLUCA: It says, "Seed money contributions means a contribution of money of no more than \$200 per individual made to a participating candidate. That includes a contribution from the candidate or

from a member of the candidate's immediate family." I think that's all it says.

SENATOR SCHLUTER: So that means, even from Pennsylvania.

MS. WINTERS: Anywhere.

SENATOR SCHLUTER: Not even in New Jersey.

MR. DeLUCA: If you consider Pennsylvania anywhere.
(laughter)

MS. DAVIS: Amy Davis, again.

Because, remember, they're allowed to transfer that amount from their war chest. And those prior contributions, before they were a Clean Elections candidate, could have come from anywhere. So I think that's the rationale.

SENATOR SCHLUTER: Do we want to-- Do you think the Commission should revisit that and say that maybe it should be restricted to a district?

ASSEMBLYWOMAN MURPHY: I think you penalize some of the districts -- I really do -- for a challenger.

SENATOR SCHLUTER: Are you willing to concede, Mr. DeLuca?

MR. DeLUCA: Yes.

SENATOR SCHLUTER: Okay. We'll leave it alone.

MR. DeLUCA: By the way, we don't use war chest at the Clean Elections Commission meeting. (laughter)

ASSEMBLYWOMAN MURPHY: Well, they will become a thing of the past, I think, if this works well enough.

SENATOR SCHLUTER: The question's come up--

We can't have any secrets here. The question has come up, should it be limited to who it can come from? Then you've got a whole other issue. Do you say it cannot come from leadership PACs, it cannot come from corporations, it cannot come from labor unions, it cannot come from lobbyists? And I don't know that we want to visit that. I mean, we might want to, but I don't know, as a practical matter--

ASSEMBLYWOMAN MURPHY: I have to tell you, I think this would all come to a dead stop if we shoved that in some people's faces. (laughter) Not right away. I think you have to go further down the road before you can look for changes like that.

SENATOR SCHLUTER: There are-- Here is a comment that I picked up in its prospective -- I think it was the League of Women Voters -- said that when you get in the primaries, you could not have a candidate get public funds for a general election, unless that candidate also agreed to the Clean Election for the primary.

Can you put that down, Mr.--

ASSEMBLYWOMAN MURPHY: Meaning, if I go through a primary, and I'm not a Clean Election candidate, I couldn't become one for the general.

SENATOR SCHLUTER: You cannot -- yes, the general -- because of the fact that once you get through a primary, it means that you can raise unlimited funds in the-- Excuse me. In a primary, you get special interest money, and you're not subject to the Clean Election--

ASSEMBLYWOMAN MURPHY: Right.

SENATOR SCHLUTER: And you get a big chunk of money to win your primary. But you know that the primary is the election in that county. So, therefore, for the general, you don't -- you go to the Clean Election money, the public money, which really is not necessary.

ASSEMBLYWOMAN MURPHY: But that says that we are predicting that any county that is philosophically, now, Democrat or more Republican will never change. And I think that's wrong.

SENATOR SCHLUTER: But what you're doing is, you're saying that if they do the one, they've got to do the other.

ASSEMBLYWOMAN MURPHY: I don't know how to-- I think when you have an open primary, you can allow people to run. There's *X* number of candidates, and there isn't enough money for them all to have so very much, when you end up with a lot of them, Bill.

But I do think that then, when they get into the general-- The parties in all counties are getting stronger.

SENATOR SCHLUTER: How about we leave that to be--

ASSEMBLYWOMAN MURPHY: Yes, that's all part of that other.

SENATOR SCHLUTER: --deliberated on.

MR. DeLUCA: But I do think, if we're going to talk about primaries, we do have to talk about that process. I mean, I favor-- If you're going to participate, then you have to participate on both ends, the primary and the general. You sign up, and you go through the whole thing, because you're a Clean Elections candidate.

SENATOR SCHLUTER: We'll discuss this-- We'll put this on the agenda for further--

Let the record show that this was a suggestion of the League of Women Voters. And it was done before the League of Women Voters was here to hear her own suggestion talked about. (laughter) So we are very open in this process.

There was another comment about -- if a contributor wants to give to two candidates in the same district, they should be able to do so on one form. They don't have to make out separate forms. It seems like a little simple thing that could be included in that catchall for the type of forms.

MR. DeLUCA: Yes, No. 7.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: Now, Linda-- JoAnn Gurenlian had suggested at one part that some people wrote -- were being generous and wrote checks for \$20, or other amounts, and it didn't count as a 30, and it didn't count as four 5s. How do we handle this?

SENATOR SCHLUTER: We said in that -- one of those opening few items--

ASSEMBLYWOMAN MURPHY: That we would use no specific amount but a general bottom and top.

ASSEMBLYWOMAN MURPHY: Well, we will determine that when we determine what the amount is. And is it up to? For example, a presidential candidate can receive a contribution -- they could in the past. I think it's \$1,000 from any donor -- individual, and only \$250 of that could count toward their qualifying for public funds in a primary in a state.

ASSEMBLYWOMAN MURPHY: But the rest of it was money they could still use.

SENATOR SCHLUTER: Yes.

So that concept we've got to revisit.

Now, as a matter of fact, the League also recommended that -- something in addition to what's in the law -- that maybe the contribution forms have a statement that the contribution is being made from the resources of the contributor and is not subject to any coercion or reimbursement. And if that is on the statement of contribution, and we go to a cash contribution, you could have the same kind of statement there.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: So I think that's something that we might want to talk about as an improvement.

Here is another one, which is a rather large one. And I've heard this from other states. A lot of other states, where you have-- Forget about the honest challengers who can't make the grade -- but these people may choose not to go into the public financing. If they don't sign the letter of intent, then the Clean candidate automatically gets that money, under our law. But under these other states, they don't get that money until the non-Clean candidate raises, say, 90 percent of what that money is. Then they get the money. Because you might get candidates who don't try.

So I think this is something that would save the taxpayers some money -- if you didn't have to automatically put that money into there. And I think it's something we should consider and look into.

Here's another thing I didn't write down. How do you-- If a candidate-- Well, if we decided, affirmatively, that candidates who genuinely try to make the threshold and they can't do it, their money does not automatically go to the Clean candidate, because they have tried. And,

through no fault of their own -- through -- without intentionally going for the big money -- they did not want to do that. We might have to determine a method of how you decide whether these -- somebody to certify that this is what really happened. And maybe we might want this Clean Elections Commission to pass judgment on those situations where-- Well, this was a genuine effort, or this was just a ruse.

MR. DeLUCA: That absolutely has to be talked about more. Because the law was written for two kinds of candidates, those that qualify and those that don't. And the don't was defined as a candidate who didn't want to participate. So there is no room in the current law for what you're describing as a candidate who tried and failed.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: And we should move away from the punitive aspect of that, where that money goes to the other candidate. But still leave the punitive piece for the candidate who says, "I don't want to participate."

SENATOR SCHLUTER: "And I want to spend a lot of money."

MR. DeLUCA: "And I want to spend a lot of money, and take it from everywhere."

SENATOR SCHLUTER: There's another thought, which is rather drastic, and it would change the basis of this. If you have a qualified candidate, and you have a nonqualified candidate-- But where you have a Clean Election district, where at least one candidate is running Clean, should you have a provision which cuts off all contributions and all expenditures two weeks before the election so people can't just dump tons of money in at the last--

ASSEMBLYWOMAN MURPHY: How would you do that?

SENATOR SCHLUTER: Well, they do this by putting into the law, reporting. And you have to report any contribution and any expenditure as of a certain date. And the treasurer of a campaign, or the candidate, has to certify that that is, and they can't spend any more after that. If they have an advertising budget for television late -- or cable late in the campaign, they have to pay for it ahead of time.

ASSEMBLYWOMAN MURPHY: But if they have paid for an event, or something like that--

SENATOR SCHLUTER: If they paid for an event, that would be an expenditure before the two weeks.

MR. DeLUCA: Well, Mr. Wayne suggested that we use -- that if we were to do something like that, we use the established dates that exist, which would be the 29-day report, and the 11-day report.

SENATOR SCHLUTER: Even the 11-day report is better.

ASSEMBLYWOMAN MURPHY: The 11-day report.

MR. DeLUCA: It's too late.

SENATOR SCHLUTER: But doesn't give you much time, because by the time ELEC gets it--

MR. DeLUCA: Well, the other recommendation that we received from Assemblyman Greenwald was to set up a watchdog process. And then we had a little discussion about putting a master in that district who could deal with issues like this. Maybe we need to discuss what monitoring mechanism we have to put in place in each of these districts to deal with these kinds of questions. And then sort out what are the trigger points that we need to identify.

SENATOR SCHLUTER: Well, when we take up that issue somewhere down the next few weeks, we would also bring in this idea of Assemblyman Greenwald's, of a master and how you regulate it.

MR. DeLUCA: Right.

SENATOR SCHLUTER: And if we decide that we don't want to change anything, then you wouldn't need to consider anything about a master, or an adjudicatory process.

ASSEMBLYWOMAN MURPHY: One of the other things that had been mentioned by the Green Party was this relation about the seed money. Because the statute says -- I think I'm right -- the return of the seed money applies only to qualifying candidates.

MS. DAVIS: It does state--

ASSEMBLYWOMAN MURPHY: Sorry. Have a drink of water.

MS. DAVIS: The law does state that all qualified candidates are required to return the seed money.

ASSEMBLYWOMAN MURPHY: What about a candidate who doesn't qualify? It's \$3,000.

MS. DAVIS: Correct. The law doesn't address the issue.

SENATOR SCHLUTER: Can you repeat that please, Ms. Davis?

MS. DAVIS: Sure. The law requires that once a candidate becomes a certified Clean Elections candidate, they are required to turn over any unspent seed money. However, the law is silent as to a candidate who has participated in the program but does not make it, does not become

certified -- whether or not they are required to, then, return their unspent seed money or not.

ASSEMBLYWOMAN MURPHY: But in 2005, ELEC requested seed money returned from all candidates.

MS. DAVIS: Correct. We felt that it should be-- Given that there was no further guidance, that it should be returned to the Fund.

SENATOR SCHLUTER: Returned to the Clean Election Fund.

ASSEMBLYWOMAN MURPHY: But you've got to straighten the law.

MR. DeLUCA: Maybe we could put in No. 5 -- where we say the \$3,000 seed money -- we can put also that there needs to be further clarification as to the disposition of seed money.

MS. DAVIS: I think that would be correct.

SENATOR SCHLUTER: Yes, and the Green Party recommended that unspent seed money go back to the -- be left with the unsuccessful, non-qualifying candidate. That's to be decided.

ASSEMBLYWOMAN MURPHY: It's something we have to look at.

SENATOR SCHLUTER: Okay. The Green Party said--

And, Ms. Davis, could you stay up here, please, for a second?

The Green Party said -- and I'm not clear on this -- that it would be better to send out candidates' statements with sample ballots. Are they sent-- How are these candidates' statements sent out now? Are they put on the Web?

MS. DAVIS: They're on our Web site.

SENATOR SCHLUTER: But that's all.

MS. DAVIS: Correct. That's all the law said.

SENATOR SCHLUTER: That's all the law said.

MS. REED: I've looked at--

Ingrid Reed, from Eagleton.

I've looked at that very carefully, because I think the other end of citizen information is the voter guide, are the debates. And I think, as I read the statute on that, it could imply that the candidates' statements are made available. And, to me, that implies mailed, but also on the Web site, which raises the question of what Web site? On my list of findings is that the information about this program was difficult to find, because it was imbedded in two separate Web sites, if you were looking for Clean Elections. And, therefore, a Clean Elections Web site would make sense.

And I think in-- The debates are in 16. The voter guide is in Section 13.

MR. DeLUCA: Line 31.

MS. REED: Copies of the guide shall be posted on the Web site of the Commission, as soon as may be practical.

I think anyone who -- when you say copies, it means something is produced. And then it's also on the Web site -- is the way I was reading it.

It's certainly the practice in other states that voters get a voter guide in connection with information about the election. And it's something that you can sit around the dining room table -- is the way people refer to it -- as well as it being on a Web site. And it's one of my items for clarification.

SENATOR SCHLUTER: Is the voter guide not only for the Clean candidates, but for the candidates who do not--

MS. REED: It includes the other candidates, as--

SENATOR SCHLUTER: Any other candidates.

MS. REED: According to the statute, yes.

SENATOR SCHLUTER: How about we revisit that issue -- the Commission revisits that issue, as far as what a -- clarifying the statement -- the voter guide -- and should it be mailed with a sample ballot, or should it just be posted on the Web site?

MR. DeLUCA: Well, Mr. Chairman, should we put that as a finding, that there--

SENATOR SCHLUTER: Yes, we can.

MR. DeLUCA: --needs some further definition as to the clarification, as to the preparation, and use, and distribution of the voter guide?

SENATOR SCHLUTER: Of the voter guide. Yes, absolutely.

MS. REED: Thank you.

MS. DAVIS: And I just want to remind the Commission that no funds were given to distribute the voter guide statements. And if that's something that you want to address in the future, I think certainly--

ASSEMBLYWOMAN MURPHY: That is my feeling anyway, that there has to be a funding mechanism for the entire process.

SENATOR SCHLUTER: Sure. And who sends out the sample ballots? The counties.

MR. DeLUCA: And for the Commission, funding for the Commission.

MS. DAVIS: Correct. And for instance--

SENATOR SCHLUTER: And that's funded by the counties.

MS. DAVIS: Right. And the State -- actually ELEC has a fund of \$425,000 this year to reimburse the counties for the balance statements for gubernatorial.

SENATOR SCHLUTER: Very good. We'll revisit that.

Thank you.

MS. DAVIS: Okay. Sure.

SENATOR SCHLUTER: My witching hour is about 20 minutes, but can I ask-- I've dominated. I didn't mean to. But as--

Ms. Murphy, do you have additional concerns that you want to add?

ASSEMBLYWOMAN MURPHY: I think we've pretty well shared all the concerns today, Mr. Chairman.

SENATOR SCHLUTER: How about you, Mr. DeLuca? Do you have additional concerns?

MR. DeLUCA: Not at this time. We'll be back here tomorrow, correct?

SENATOR SCHLUTER: We will be back here tomorrow--

MR. DeLUCA: I might do some thinking overnight.

SENATOR SCHLUTER: --and we'll do some thinking overnight. Everything is fine.

And therefore, I think we get into the public part of our program. Has everybody who wants to testify signed up? And I would like to call on Mr. Murphy, who has been very patient, was here 15 minutes

early so he could testify early on. I wonder if he would like to lead off, and give us your name and--

MARK M. MURPHY: Rank, serial number. (laughter)

MR. DeLUCA: Your employer identification. (laughter)

MR. MURPHY: Right, right.

MR. DeLUCA: And everything that ELEC requires.

MS. DAVIS: The law requires.

MR. MURPHY: Before I even do that, I'm going to refrain from cash contributions.

I'm Mark Murphy, President of The Fund for New Jersey. It's a pleasure to be with you again, and for the second time have an opportunity to address the Commission. It may be fitting that I'm going first, because my comments are more generalized and briefer than those detailed comments that will be brought forth by some of the groups directly involved. But I just wanted to say the following:

New Jersey's first small, yet historic, experiment in publicly financing State Assembly elections has revealed much to guide future reform. Critics have easily dismissed this first experiment for reasons that are readily identified and remedied: The window of time to collect qualifying contributions was too small; the ways contributions could be made were too constricted; the press and public were not informed or engaged. And while these and other shortcomings hampered the initial pilot, the Citizens' Commission is considering, as we heard today, a variety of useful changes to strengthen candidate participation and competitiveness in upcoming Clean Elections.

Pausing from the specific and going to the more general for a moment, putting our initial experience in context can be quite useful. Let's recall, New Jersey is among the frontline states nationwide working on experiments in Clean Elections reform. You've been looking hard at groundbreaking programs in Arizona, Maine, and elsewhere, and their experiences show that these kinds of reforms are subject to continual reexamination and refinement. So it's certainly fitting and proper that you are exercising that as well.

Last week, I attended a meeting in Washington of foundation colleagues from across the country looking at Clean Elections reform among the states. Most notably, we looked at the recent stunning success in Connecticut, which has adopted strict contribution limits in public financing for all statewide elective offices and the entire legislature. That reform is notable for us, both because it was comprehensive to all offices and because it received considerable bipartisan support, something that this Commission is dedicated to as well.

Connecticut's adopted reform should be added to the growing list of those we consult in refashioning our own. But let's also consider some of our own homegrown advantages in this effort: Our own long and successful history of public financing available for gubernatorial candidates; and as is represented at this meeting, and indeed all the meetings of the Commission so far, our deeply committed voluntary sector, organized to support reform and educate the public on its benefits.

In the brief pilot period just concluded, seniors, clergy, business and labor leaders, environmentalists, and others worked through New Jersey Citizen Action, AARP, the State Chamber of Commerce, Common Cause,

League of Women Voters, Black Ministers Council, and a host of other cooperating organizations to voice their support. And the Eagleton Institute, here at Rutgers University, coordinated academic expertise to monitor and help evaluate the pilot.

Together, this provides a very rich citizen infrastructure, which provides the very foundation on which campaign spending reform rests. The final report with recommendations of the New Jersey Citizens' Clean Elections Commission, which you will release next Spring, should build on the efforts of those other states and our own citizen leaders.

Thank you for your voluntary Citizens' Commission, the time you're putting into this, and thanks to all who've made the first pilot, if not an unqualified success, in your own language, at least something that we can be proud to build upon.

Thanks.

SENATOR SCHLUTER: Mr. Murphy, we have some questions.

And we welcome Assemblywoman Greenstein. Assemblywoman, we have just gone over a series of points you have in your folder -- the assumptions that were gathered last Friday. We've refined them. We've made them better. We've discarded and we've added some more.

ASSEMBLYWOMAN GREENSTEIN: Okay.

SENATOR SCHLUTER: So after we get through with Mr. Murphy, if you want to ask more, well, you're certainly welcome to do that. And we appreciate your being here.

Mr. Murphy, in our private conversation, you told me that the Connecticut experience -- where they have just had a massive change in their state campaign finance Clean Elections law, the whole bit, where they have done this through the legislature and not through initiative and referendum, and they have made reforms which are of major proportions -- what was the amount of money spent in publicizing the effort and how was that done to create the environment in the legislature to do that?

MR. MURPHY: Well, I'm not privy to the complete amount of money expended. But the group that I was meeting with in Washington -- ours is a private grant-making foundation, as many of you know, in New Jersey -- and I was meeting with a group of national and other state-based private foundations. A national consortium of foundations put in just under a million dollars over an 18-month period in Connecticut, leading up to the reform. And important to note, first of all, that money was for 501C tax-exempt, nonprofit organizations and that activity, not legislative activity, not lobbying. So it wasn't directly on the bill, but was before the legislature. And in fact, a lot of that groundwork there had been done by nonprofits in Connecticut, just like we're doing in New Jersey, for years prior.

But in addition to that ongoing operating support for the nonprofits working on this, the consortium of -- it was about five or six national foundations -- put in over half a million dollars into Connecticut for public education that included media buys in the market. Again, none of that money went for direct lobbying, and so the media buys were not saying, "Contact your Legislature to vote XY," but just on the general need for electoral reform.

SENATOR SCHLUTER: Thank you.

Anybody else have questions of Mr. Murphy?

MR. DeLUCA: I just want to make a comment. When we had our organization meeting back in March, you called this “The chance to really turn the corner and say this is what a Democratic process should look like.”

MR. MURPHY: That’s sounds pretty good. (laughter)

MR. DeLUCA: I don’t know who wrote that for you, but--

MR. MURPHY: I’ll stand by that.

MR. DeLUCA: --I think they touched it up a bit. (laughter)
No. No.

But I was wondering. We have -- part of the dilemma here is that typically what happens is that a commission issues a report, the report sits around, the legislature might get to it, might not. We’re not going to have another election until 2007. What would you suggest the process be to try to keep the energy going and the enthusiasm going for this?

MR. MURPHY: Right.

Well, first of all, I am neither a direct advocate, nor a someone who follows the legislature that closely. But certainly if this experiment is going to be continued and possibly expanded for the '07 Assembly races, this is enabling legislation that would have to occur, it seems to me, early in this upcoming session, simply to put the mechanisms in place in order for candidates to qualify in time. So there will be very little time between your deliberations here and the time when a bill would need to be presented and pushed for. So I would not foresee a time when there’s going to be months of fallow inattentiveness to this issue. If it’s going to be addressed in terms

of timing for the '07, you've really got to continue the momentum on in the Spring.

The first and most obvious mechanism for doing that is the two-tiered reporting structure you've got -- an interim report early and then 90 days later a final report -- that gives this Commission, alone, a chance, using its public deliberations, to keep the issue before the public, keep teasing out those lessons, keep referring to some of these other states who have gone before us. Other than that, I think you're going to have to work with the citizen infrastructure, that I mentioned in my remarks, to try to keep that issue alive before the public.

MR. DeLUCA: Thank you.

SENATOR SCHLUTER: Thank you very much, Mr. Murphy.

ASSEMBLYWOMAN MURPHY: May I just--

SENATOR SCHLUTER: Yes, I'm sorry.

ASSEMBLYWOMAN MURPHY: Just one comment. When you say keep the issue alive for the public -- if this is all the public we have, we're keeping the issue alive to this public. This is not the public in the State of New Jersey. How do we get it to the public?

MR. MURPHY: Well, I was in the audience, Ms. Murphy, when you were describing that distinction between those groups which are organized around this issue and, if you will, the public whom you're seeking to reach. I think first of all, meeting with the editorial boards, as individuals on the Commission have done, should continue to do, is quite important. But I think an issue for many of us interested in this issue is injecting these conversations wherever people are meeting around other issues, so that this is not cordoned off as a special interest issue with special

interest organizations lined up, but wherever people are interested in the public life of their state or are concerned about the lack of participation in voting, the role of moneyed interests. As you well know, you don't have to scratch the surface too much on a lot of people to discover that underlying interest. And so the key is using other contexts for bringing this discussion to them. And there's no magic for doing that. It's repetition. It's taking this message beyond the confines of those already committed. So it's a lot of groundwork.

ASSEMBLYWOMAN MURPHY: Thank you.

SENATOR SCHLUTER: Before you leave, I have another question that came to my mind. But I would like to add, with the Commission's approval, an unresolved issue that we might want to consider. And it would be for the final report, but we might start thinking about it. And that is, how are the four districts that might go into the '07 pilot project selected? And maybe we ought to give some thought to having this Commission, based on certain standards that are in a statute, make the selection, rather than it's present method, which is the two chairs -- the chairs of each of the political parties. I just suggest that as an open issue for us to consider, so that the best possible examples for a pilot could be selected and districts might be more competitive, they might be more meaningful. We might get more meaningful results, rather than to ensure a particular partisan outcome.

ASSEMBLYWOMAN MURPHY: And would we have six next time, because you still have two that were in this time? Do they not stay in it?

SENATOR SCHLUTER: No, it said four. We could recommend more.

ASSEMBLYWOMAN MURPHY: I think we should keep the two we've already had. They've started the process.

SENATOR SCHLUTER: Yes, well--

ASSEMBLYWOMAN MURPHY: They're constituents of some knowledge of what this is.

SENATOR SCHLUTER: That's something we can recommend.

ASSEMBLYWOMAN MURPHY: I think clearly we should have them and four more.

SENATOR SCHLUTER: And again, the League of Women Voters recommended that maybe our report should say something, which is going a little bit farther than maybe we want to, that by 2011 the -- that's the target date for getting all 40 districts in it.

ASSEMBLYWOMAN MURPHY: Well, if we multiply it up every year.

SENATOR SCHLUTER: Mr. Murphy, you said that you had an experience with the Senate President in the state of Maine, who was elected as a Clean candidate, and what this meant with respect to the operation and the proper operation of political parties in the legislative process, and how this did not diminish the proper role of political parties, but actually strengthened. Could you give the Commission your experience there?

MR. MURPHY: The Chairman is taking advantage of some private conversations we had to lead the witness a little bit. (laughter)

Being interested in these reforms in a nonpartisan manner, I myself have visited some of the states who were leaders in this effort. And on a trip last Spring, almost a year ago now, up to Maine, I was able to meet with the, as the Chairman said, the Maine Senate President -- a woman named Beth Edmonds. As Ms. Edmonds and I talked about Clean and Fair Elections -- and of course she not only runs and wins as a Clean candidate, most of her caucus does, indeed most of the legislature does. It is now an entrenched part of that system, even though it is constantly up for renewal and sniping and revisions. It is part of the political landscape, if you will. Out of my own interests, I asked her about the role of the political parties. Are they diminished by this? How can we instill, if you will, support within that party structure for these kinds of reforms?

And here is approximately her answer to me -- I'm doing this from memory, so this is not a quote, but this is approximately what she said. That for a number of years, of course, the party apparatus up there, Republican and Democrat -- and they also have a fairly significant independent group of parties, as well -- were very dubious about it. But after a while, the parties conform to the new rules of the game. And she said that she felt that she has been able to use the political parties to help candidates who are running Clean. And instead of the offer of political donations, which is one major way that you instill party discipline, as well as support your candidates, she said we can provide a whole range of services to help you gain those small donations. We can bring in an apparatus that leaflets, that comes up with brochures describing the operation, get that word out; hold house parties, where you can invite the \$5 donors in and do it wholesale, not just retail; and that the party had

discovered -- and she said this was true of the other political party as well, so it wasn't a single party doing this -- but that once this kind of funding mechanism becomes established, the parties, first of all, will react and react positively to the new rules, and it gives a new role for the parties. It does not sideline them.

I just offer her observations to you as a way to strengthen some of the legitimate purposes that political parties came into business, and the kinds of things they should be performing.

SENATOR SCHLUTER: Thank you.

MR. DeLUCA: Mr. Chairman, I just wanted to reflect on a few of Mr. Murphy's comments. The whole notion of keeping the issue before the public, the opportunity I think with this legislation that exists. We go out of business the day our report is issued. We have six months. We have 180 days before we have to issue this report. There's nothing that would prohibit us from keeping the issue before the public over the next six months, doing exactly what Mr. Murphy suggested of meeting with editorial boards, trying to build support for this. So there may be an advocacy function that we have that we ought to talk about, going forward, in addition to writing the report, if we want to move. Because I am concerned about, sort of, the lull that happens here, and we're a body that is empowered to talk about this. And we can do that. We can hold additional public hearings. We've held many more than we're even required to hold so far. So I think we ought to think about that -- sort of "Save the Commission" campaign (laughter), and keep us active.

MR. MURPHY: And just to borrow a little thunder from our colleague, Ingrid Reed, Ingrid has several times mentioned the importance,

if you're able to do so, of establishing your own independent Web site so that you don't have to be -- your information doesn't have to be gleaned by going to others, and that helps the Commission's visibility and effectiveness in communicating directly with the public.

ASSEMBLYWOMAN GREENSTEIN: Mr. Chairman, I was going to -- something I've mentioned in an earlier meeting that I have an interest in doing--

SENATOR SCHLUTER: Can I-- Can I--

ASSEMBLYWOMAN GREENSTEIN: Oh, yes. I'm sorry.

SENATOR SCHLUTER: I have to leave. And I would like to have -- Vic, if you could run the meeting from now on, Mr. DeLuca?

MR. DeLUCA: Sure.

SENATOR SCHLUTER: You were so articulate in advocating this Commission's mission that I figure you will be a good person to lead the Commission. And I apologize that I have to leave, but carry on.

Thank you all for coming. See you tomorrow.

MR. DeLUCA: Assemblywoman.

ASSEMBLYWOMAN GREENSTEIN: Yes. I'm just trying to remember what I was -- the specific point I wanted to make. Oh, yes. One of the things that I intend to do in my district is, I happen to spend a lot of time in my district just out among the constituents. And some legislators do and some do less of that. I was planning to make this something that I talk about when I go to speak to community groups, just starting here on in. So that over the whole course of two years, whether my district were selected or not, the people in my district would be aware of this. Now, it would be great if we could get all legislators to do that as a way of getting

this out there. Many of the legislators won't, because they're either not out there or perhaps they think it will never hit their district, so why worry. If they knew that eventually this would go to all districts, I'm sure they'd be out there making sure people knew about it. But that's what I intend to do as a way of handling this.

MR. MURPHY: Speaking of future tense about what you plan to do, but--

ASSEMBLYWOMAN GREENSTEIN: I've done a little already, but--

MR. MURPHY: --unbeknownst to you, I am one of your constituents.

ASSEMBLYWOMAN GREENSTEIN: Oh, really.

MR. MURPHY: And I have received multiple, both mailings and drops at my door, during the last election--

ASSEMBLYWOMAN GREENSTEIN: That's true. We did do a mailing.

MR. MURPHY: --with mentioning Clean Elections--

ASSEMBLYWOMAN GREENSTEIN: Yes.

MR. MURPHY: --and your efforts so far. So you're already undertaking some of the things that Beth Edmonds, for instance, in Maine says.

ASSEMBLYWOMAN GREENSTEIN: I'm always glad to hear somebody reads our mail. Thank you for that. But I think what we've done there is just mentioned I was a sponsor of it. But I think what people need to hear is a real explanation of-- I mean, I would like to go to groups

and say things to them like, “You can expect that if my district is selected, I may be coming to all of you for \$5 donations”--

MR. MURPHY: Absolutely.

ASSEMBLYWOMAN GREENSTEIN: --so they don’t get-- It doesn’t hit them by surprise.

MR. MURPHY: Absolutely.

ASSEMBLYWOMAN GREENSTEIN: Just any group I’m at. I think that won’t shock them, because it’s such a small amount of money.

MR. MURPHY: As I say, I’ve met with citizens groups from Arizona, Maine, and Connecticut, and they all have stressed to me the importance of building this momentum over a series of elections, so that it becomes part of the cultural political landscape.

ASSEMBLYWOMAN GREENSTEIN: That’s exactly what I want to try and do.

MR. MURPHY: So that candidates-- I mean, let’s face it, this happened fairly late and fairly modestly in the last round. Candidates themselves were not fully prepared, let alone parties, let alone the press, to really put a big push on this. But it becomes part of the institutional landscape, perhaps, over a three-election cycle, as some are suggesting. I’m not. I don’t know enough to suggest that. But if it is to be ramped up like that, it becomes part of the landscape, then absolutely right. Candidates run saying, “I will be at your door. I will be at the shopping center with a table. I will be at the house parties organized around these \$5 contributions,” and it could provide what the reformers hope it will, which is a whole new way to reach an early -- engage a whole other set of people in the political process, not just on the single day of the election itself, but in

the whole process leading up to. And if you extend it to primaries, it will do that much more.

ASSEMBLYWOMAN GREENSTEIN: And I think you've hit the nail on the head. I think what's happened is, because it was done relatively last minute and because it isn't in the culture, that you were getting a lot of people who would ordinarily-- For example, if the parties helped, you would get a lot of people who would ordinarily give to political parties. But the purpose of this is to go further and to get the people out there who would not ordinarily participate--

MR. MURPHY: Correct.

ASSEMBLYWOMAN GREENSTEIN: --and give them a sense that they can be part of this.

MR. MURPHY: And then, if I may take it one step further, and then the ultimate goal is to even bring new participants into politics altogether--

ASSEMBLYWOMAN GREENSTEIN: Right.

MR. MURPHY: --as primary challengers, and open up the process and redemocratize how we go about choosing our candidates.

ASSEMBLYWOMAN GREENSTEIN: Thank you.

MR. DeLUCA: Any more questions from the Commissioners?

Thank you, Mr. Murphy.

MR. MURPHY: Thank you all very much.

MR. DeLUCA: Marilyn?

E V L I E B M A N: Thank you, Acting Chairman DeLuca.

MR. DeLUCA: Yes, I am. I'm acting. I'm acting, that's true.

This is for amplification (referring to PA microphone) and this is for recording.

MS. LIEBMAN: Commissioners, thank you for the opportunity to provide comments today. I will -- Marilyn has just provided you with our written testimony and I will attempt to summarize it, for the sake of our limited time here today.

My name is Ev Liebman. I'm the Program Director for New Jersey Citizen Action. And with me is our lead Organizer on Clean Elections, Marilyn Carpinteyro.

I just want to step back a minute to your earlier deliberations and just comment a little bit about the press and the editorializing on Clean Elections, as someone who is watching the papers very closely throughout the pilot. I do think it is fair to say that all of the major papers that were following the pilot did editorialize in support of Clean Elections, including the *Asbury Park Press*, who was, as Commissioner DeLuca said, very suspicious in the beginning, but did actually come around to say that they think it's an important policy that needs to be implemented in New Jersey.

And speaking of the press, I think it's very telling that, as we sit here today, we're just starting to get some of the statistics rolling out from this past gubernatorial election, which was the most expensive in New Jersey's history -- over \$75 million. But at the same time that all of that money was spent, what the papers subsequently reported was that gubernatorial voter turnout hit an all-time low. So I think that it's fair to say that we're on the right track here, in terms of coming up with a new way of doing politics and one that we think has a much better shot at increasing voter participation at all levels of the process, as opposed to continuing our

system of private money, big cash, that just ends up leaving voters apathetic and unaffected.

As you know, New Jersey Citizen Action is one of our state's leading proponents of full public campaign financing, and is proud, very proud, to have played a role in both the establishment and implementation of this year's pilot. Taking money out of politics is one of our state's most needed and critical reforms; in many ways, the reform that makes all other reforms possible.

As many have stated, we know that it opens the door and levels the playing field for qualified candidates to run for public office. I just want to inform the Commission that during this past election cycle we also spent a good bit of time in non-Clean election districts. And many, many candidates told us about both their support for Clean Elections and also their sorrow that they, themselves, had not been selected as a district for which they could have qualified for Clean Elections. And their support was, of course, based on a number of factors, not the least of which is how public financing frees them from the endless fund-raising and dependence on larger, special interest contributions.

We believe the pilot was successful at many levels. We need to remember that it was a pilot and, at a minimum, we learned a lot. But most importantly, we learned that public financing can work in New Jersey. Many, if not all, of the so-called problems with the program are easily fixable, and we are very much impressed with this Commission's confidence in the rightness of the policy, and know that voters will be well-served by your efforts to ensure that these problems are fixed and that the program flourishes in the future.

We very much look forward to working with the Commission, with Chairman Schluter, the staff of the Commission, as you put together your preliminary reports and then work on putting together the final reports in May.

We have a number of specific recommendations, and I'll just go through them relatively quickly -- some of which speak to the issues that you outlined in the beginning of the meeting, in terms of the assumptions that you are looking to include in your preliminary report. And then there are other issues that I want to outline, which I think will actually be more appropriate in your deliberations as you put together your final report.

But first and foremost, our recommendation is that the Clean Elections program continue. It really shouldn't be a question of *if* it should continue, but *how* it continues. And we think that the desirability of Clean Elections was clearly established in the pilot by the fact that all 10 eligible candidates within the two districts chose to participate, although they had varying levels of success in their participation. In the very beginning, they all chose to participate. They found that the amount of money that they could have qualified for was desirable and would have allowed them to run a credible campaign.

We, like many of the other advocates that have come before us, urge the Commission to recommend that Fair and Clean Elections be implemented on a statewide basis. To that end, we think that it would be appropriate to phase in that implementation over a five-year period, moving to four legislative districts in 2007. That would include both primaries and the general elections, moving to 20 districts in 2009, and then to all 40 districts in 2011. We also think that it would not be inappropriate for this

Commission to consider establishing full public campaign financing for the gubernatorial election, as well.

Much has been said about public education. I don't think that there's any doubt that we need to have more of it. As we have talked to this Commission about before, Citizen Action -- on our meager resources -- produced a brochure, fact sheets, training materials for candidates; did presentations to community organizations in the two pilot districts, conducting press conferences; conducted direct mail campaigns to our members in the districts; and towards the end of the collection period, robo-called 50,000 voters between the two districts. We did all that we could do and whatever we could do, but certainly it wasn't nearly enough.

MARILYN CARPINTERO: I just want to add one other thing. We also made our Web site at Citizen Action the hub for all information that had to do with Clean Elections. So all the information of the candidates and how to make a contribution, the whole entire process, even for-- We even put fact sheets for volunteers -- how they can get involved and help their candidates collect contributions. So, as Ingrid Reed said, that we need to have a Web Site, Citizen Action. Because there was no Web site, made our Web site the Web site that had all information, with every press clip that came out -- good, bad -- every opinion that came out, available on our site during the whole campaign.

MS. LIEBMAN: I think that there have been other policy changes in the State that have been very significant. One that comes to mind was the deregulation of the electricity market. And along with that, significant change. The Legislature saw fit to appropriate a significant amount of money to educate the public about that change, and how they

would participate in the energy market, and how it might impact their bills, and how to protect themselves against fraud.

While elections is certainly a different beast, I think it's fair to say that a shift to full public campaign financing represents a similar size shift in this political marketplace, and certainly warrants that type of funding. In Arizona, the program there dedicates 10 percent, or appropriates 10 percent of the overall cost of their program to public education. And in this past election cycle, that 10 percent represented about \$500,000. We think that that's a formula that could be looked at and adopted for New Jersey as well, in terms of determining how much money should be appropriated for public education.

With respect to the contribution threshold, we certainly agree with the assumptions that have already been made by the Commission that the pilot's contribution threshold of 1,500 contributions per candidate, with both candidates needing to run as bracketed, was simply too high and needs to be lowered. We recommend that the contribution threshold be established at 1,000 contributions at \$5 a piece. In establishing the contribution threshold, we think that you can't do it in a vacuum, and you also have to look at the length of time that candidates have to collect those contributions.

For us, one of the most telling experiences in the pilot was the experience of the 6th District Republican candidates -- Gurenlian and Fleischner. The Republicans in the 6th District, I think it's fair to say, were the minority candidates. They did not have the same level of organization that the Democratic candidates had in that district, nor did they have the same party apparatus or as strong of a party apparatus. But despite that,

those two candidates were able to collect over 2,000 contributions in the very narrow window of time that was provided under the pilot -- for us, demonstrating that 1,000 contributions over a longer period of time is not unachievable and is not unreasonable.

MR. DeLUCA: Could I ask you, just on that, are you talking 1,000 per candidate or 1,000 total?

MS. LIEBMAN: A thousand per candidate.

With respect to the amount of time that's required or allowed for the candidates to collect those contributions, we recommend that it be expanded and that the time, or the beginning of that contribution-qualifying period, begin the day after the general election proceeding that candidate's election. So it could be November 5 or 6, or 3 or 4 -- whatever that day is -- and extend through mid-April, of the April before the primary, for that candidate, giving close to between six and seven months to collect that 1,000 contributions.

ASSEMBLYWOMAN MURPHY: Can I interrupt?

MS. LIEBMAN: Yes.

ASSEMBLYWOMAN MURPHY: I think what you're saying is, that I would have had to decide the day after this year's election that in two years I'm going to run, and I could then start raising money. What if I didn't decide that I wanted to run until next year?

MS. LIEBMAN: No. It would be if you wanted to run in 2006.

ASSEMBLYWOMAN MURPHY: There isn't an election in 2006.

MS. CARPINTEYRO: If you want to run in 2007, you could start making -- you can -- by your intent to run in November of 2006. So that's early. We're not saying--

ASSEMBLYWOMAN MURPHY: There isn't an election in 2006. So what you're saying is, a nonelection day that isn't a general election for the Assembly or the Senate, I should be filing to run a year from now?

MS. LIEBMAN: Well, we would--

MS. CARPINTEYRO: You can file as early as that.

ASSEMBLYWOMAN MURPHY: But what if you don't make-- Yes. I'm just saying a lot of people don't decide until they get into the year, that they suddenly decide they're going to run. I didn't decide. I didn't know a year ahead of time that I was going to run for election, the first time I ran. I just did.

MS. LIEBMAN: Well, let me clarify my comments. We mean the November before the election for which you want to run. So if you want to run in the primary of 2007, you would declare your intent to run Clean in the November of--

ASSEMBLYWOMAN MURPHY: The November of the preceding year.

MS. LIEBMAN: Yes.

ASSEMBLYWOMAN MURPHY: But I'm saying, I didn't decide until--

MS. LIEBMAN: Well, that's your choice.

ASSEMBLYWOMAN MURPHY: But I'm saying then that the other candidates who might have been incumbents have that edge on me.

And that's fine, is it? I don't think it is. I don't think they should be allowed to start getting their seed money. If they're Fair and Clean Elections, we start at the same time. And I don't think that the timing should be in the year prior to that. There is no general election this year. There may be local municipal elections. There's no general election. So I can't say that I'm--

MS. LIEBMAN: We stand corrected in terms of referring to it as general elections, but there will be some type of an election in the November proceeding the election for which you're -- that particular candidate may be running. Yes.

ASSEMBLYWOMAN MURPHY: There would be -- but there's an election every year in New Jersey. It is not a general election, however,

MS. LIEBMAN: Yes. We stand corrected.

ASSEMBLYWOMAN MURPHY: Okay. So--

MR. DeLUCA: Well, there's a general election every year. There's not an election for the Assembly or -- not a legislative election. Next, in 2006, they'll be congressional elections.

MS. LIEBMAN: Right.

ASSEMBLYWOMAN MURPHY: Right. Which is not -- which is an election for people to go to another place in the state, if you know what I mean. (laughter)

MS. CARPINTEYRO: But they're all identified as general elections.

MR. DeLUCA: I think, in fairness, we should let them testify and then we can take their comments and suggestions and agree with it or not.

ASSEMBLYWOMAN MURPHY: Sure. Sorry.

MS. LIEBMAN: That's okay.

The concept is to lengthen the amount of time that candidates would have to collect the contributions. If we agree that the pilot did not provide candidates with enough time--

ASSEMBLYWOMAN MURPHY: Right.

MS. LIEBMAN: --and you have to look at the calendar to figure out how--

ASSEMBLYWOMAN MURPHY: Right, you do. You have to go.

MS. LIEBMAN: --do you lengthen that time, and what would be an appropriate amount of time.

ASSEMBLYWOMAN MURPHY: But I honestly think that a January or a February start, in the year in which you want to run, is plenty of time to file.

MS. LIEBMAN: But we're talking about primaries.

ASSEMBLYWOMAN MURPHY: The primary is in June.

MS. LIEBMAN: And so the primary is in June. And if you--

ASSEMBLYWOMAN MURPHY: So if you have January, February, March, April, May -- you have five months in the snit. That's not bad. And it doesn't get into the Christmas season or the Thanksgiving season. It gives people that time of year -- the end of the year -- to break, if

you will. But it starts you in the year that you're going-- But you're right, that's not anything that has to be solved this minute.

MS. LIEBMAN: You wouldn't have to start then if it didn't fit into your own particular schedule.

ASSEMBLYWOMAN MURPHY: Absolutely.

MS. LIEBMAN: But it would allow the candidates that amount of time. What we looked at were the systems in Maine and Arizona which provide candidates eight months to collect 210 contributions. So we were trying to find some middle ground there.

In terms of the contribution amount, we recommend that we eliminate the two contributions levels that the pilot incorporated at \$5 and \$30, and just have one contribution level of \$5. We think that that's simple and we think it also reflects an amount that's accessible to all voters, including those who are low-income or live on fixed incomes.

We agree that the amount of seed money that the pilot provided was insufficient, and recommend that the amount of money be increased to \$5,000. We would also recommend that the amount of that contribution, which is currently \$200, be lowered to \$100, in the spirit of increasing the number of voters and contributors who participate in the process.

As we go forward, we recommend that any third party candidates who can qualify for the Clean Elections grant program or the funding grants, who collect the required number of contributions, in the required period of time, be eligible for the same level of funding as any major party candidate.

As other proponents have suggested, we think that the contribution methods should be expanded to include both cash and credit cards; and that the changes that were made during the pilot, that allowed online contributions, be maintained as we go forward into 2007.

With respect to bracketing, it's our recommendation that we eliminate the requirement that candidates must run together to qualify for Clean Elections funding. If there is any candidate out there who wants to run Clean, he or she shouldn't have to be constrained by whether or not another candidate is willing to run with them.

We very much believe that, in 2007, primaries must be part of the Clean Elections program. Primaries are part of the program in Maine, in Arizona, in Portland, Oregon, and will become part of the program as we go forward in Connecticut. It is in that part of the electoral process that we have the most opportunities for bringing in new and nontraditional candidates. And this program should see to it that every person who wants to have that opportunity to run, gets that opportunity to run.

In terms of identifying the size of the initial grant for the primary, we believe that the Commission should consider establishing a formula that's similar to what was used in this year's pilot, reviewing campaign expenditures in primaries over the last two, perhaps three, election cycles, and determining an average cost for the primary campaign, and again identifying a reasonable cap. We believe that the pilot grant that was afforded this year of -- or using that formula, capping the amount of funding at \$100,000, seemed to be workable in both of the pilot districts. And we don't see any evidence to suggest that that needs to be changed as we go forward. One of the ideas behind Clean Elections is also to lower the

overall cost of campaigning, and to setting these funding levels at a reasonable level will hopefully work in that direction as well.

Some of the issues to look at, in determining the size of the grants for both primary and general election campaigns as we go forward, are whether or not there are districts where you may have candidates who are running unopposed. That does happen from time to time. And in those districts where we may find ourselves with a candidate who is running unopposed, that candidate-- I think it would be fair to say that that candidate would be afforded a smaller grant than those candidates in districts that are competitive. Another issue to look at, and as was mentioned earlier by Chairman Schluter, are those districts where we have party-dominated districts, or where there is one party that clearly dominates over another, perhaps as measured by the number of voter registrations in that district.

In Connecticut, the threshold they're using is if one party has 20 percent more registered voters than another, that party is considered a dominant district. And in those cases, we believe it would be wise to consider providing the nondominant candidate with some additional funding, again to try and level the playing field.

One of the concerns that was raised during the pilot, although it didn't become a problem, was the question of an opt-out clause. And currently, under the law and the regulations in the pilot, a candidate can literally opt out of the Clean Elections process after qualifying up to and including the day of the election. We think that that is problematic and something that should be addressed by this Commission as it goes forward in preparing its final report, and suggest that a candidate be allowed to opt

out of the process, but no later than 30 days before the general election and 20 days before the primary.

With respect to independent expenditures, we believe that the program that allows for additional moneys, should there be independent expenditures that flow into the district, should be maintained; but suggest that because of the pace of some elections, that ELEC review the claims of a participating candidate within 24 hours, calculate the value of the award to that candidate, and provide the candidate with matching funds directly into their campaign accounts through electronic transfer.

We agree with the Commission's assumption that there was a great deal of confusion around in-kind contributions, and would highly recommend that that be clarified in the final report and within the legislation that's drafted. I think there needs to be a distinction between in-kind contributions of organizations such as ours, who are purely nonpartisan and trying to educate the public, and how that work is impacted on determining in-kind contributions with respect to the overall amount of spending that a Clean Elections candidate is afforded.

With respect to the forfeiture clause, the clause which allows a participating Clean Elections candidate to get the award of a nonparticipating candidate, we believe that if we set the program so that there are reasonable and achievable thresholds, the forfeiture clause is unnecessary; and that we would recommend that we eliminate that clause altogether as we go forward.

I don't know if anybody before us has mentioned the issue of debates. The pilot program required two debates for all participating Clean Elections candidates. We think that that is something that must be

maintained in the program as we go forward. It was certainly amazing to me, as we worked around the state this past election season from district to district, and found that there were actually no debates in some districts, and very few opportunities for candidates to actually exchange their views and be in the same room at the same time. Clearly, part of our goal is to engage the electorate, have more information out to the voting public, and debates are a good way to do it.

Finally, although we don't have an answer, there's the critical question of: How do we fund this program as we go forward? Certainly one that's going to be on everybody's mind, including the Legislature. There are a number of funding mechanisms that can be looked at, including a general appropriations, although we think that that perhaps is the least desirable, in that it is impacted by the vagaries of the budget from year to year. We would much rather see dedicated sources of funding for the program that could be found from fines; Clean Elections qualifying contributions, of course; civil fines and other types of proceedings; license plate fees; general contributions; an income tax checkoff. And we could look at other sources, such as they recently did in Connecticut, where they're funding their program through receipts from unclaimed properties. And where those receipts don't equal the amount of money needed for the campaign, they will seek funds from the corporate business taxes in that state.

So that's a very brief summary of our recommendations that we are very pleased to submit to you. And I'm very happy, both Marilyn and I, to answer any questions you may have.

MR. DeLUCA: Thank you very much for your testimony. We do have copies for each of the Commission members of your written remarks.

Any of the Commission members have questions or comments?

Yes, Assemblywoman.

ASSEMBLYWOMAN GREENSTEIN: Just a small one. On the -- very good report, by the way.

MS. LIEBMAN: Thank you.

ASSEMBLYWOMAN GREENSTEIN: On the debate issue, do you feel that these need to be formalized debates with all the parliamentary rules, or just candidate forums where people just say what their views are? We did many of them in my district. They generally tend to be candidate forums, as opposed to real formal debates. Those don't really seem to happen a lot. One might say they get more adversarial, potentially, but sometimes I think that they tend to suggest that people have more differences in their positions than they may have. When you do a candidate forum, frequently all the candidates sound good on all the issues.

MS. LIEBMAN: Right.

ASSEMBLYWOMAN GREENSTEIN: Everybody agrees on most things, except a handful of issues.

MS. LIEBMAN: Right. We would recommend that there be some formality to the process and the structure. Just so that there's an opportunity for members of the audience to, in some way, be able to get their questions answered, so that there's equal time for the candidates--

ASSEMBLYWOMAN GREENSTEIN: With that, they do. They time it and all of that.

MS. LIEBMAN: But I think if you use, for example, the League of Women Voters' procedures for debates, I think that you tend to cover all the bases.

ASSEMBLYWOMAN GREENSTEIN: Those do tend to--

UNIDENTIFIED PERSON FROM AUDIENCE: They're basically forums.

ASSEMBLYWOMAN GREENSTEIN: Yes. They've become that.

MS. LIEBMAN: But there is some structure.

ASSEMBLYWOMAN GREENSTEIN: Yes.

MS. LIEBMAN: And we feel that they would be the most appropriate.

ASSEMBLYWOMAN MURPHY: The in-kind contribution area, because we were talking about it before -- you speak of paper, stamps, a computer, etc. -- would a coffee that someone had for you be an in-kind contribution? Or as in one instance, we found they baked their own and made their own coffee and things. Which way would you suggest they be?

ASSEMBLYWOMAN GREENSTEIN: They picked the beans, too. (laughter)

MS. CARPINTEYRO: With the cakes-- I mean, when we spoke to other states, most of the other states said if there was something of small value to help -- though they're not getting any form of incentive with collecting contributions -- it was okay, of which Arizona was at \$100. But with stamps, because it does have a dollar value to it; paper supplies have dollar values to it. So as long as it's small, a reasonable issue -- be okay. I know I've spent many hours talking to ELEC on all the regulations, asking

what would qualify. And they said as long as it's a small value. I mean, you're not talking about caviar or anything, just a small little cake and refreshments. It's fine. If your outside in front of a supermarket, it's okay to have something so small, but nothing too extravagant that would in any way be seen as an in-kind contribution.

ASSEMBLYWOMAN MURPHY: Thank you.

That was the first time I had heard someone talk about that.

MS. CARPINTEYRO: And I mean, there's also questions with regards to if the candidate has their own supplies; if, say, we have reams of paper and all these other things, as your own personal belongings. There's all these questions of whether or not that would qualify, too. So when it comes to the in-kind contributions, it's got to be looked at very carefully and to see how all the other states file, as well as what our filing requirements are with some of these expenditures.

MS. LIEBMAN: And I think there's a question as to who's providing the contributions. Should there be a distinction between the work that an organization like a 501 C-3 is doing, with respect to just educating the public in general about the program, soliciting contributions for everybody, versus an organization that has more of a partisan interest.

ASSEMBLYWOMAN MURPHY: Right. Has chosen a candidate.

MS. LIEBMAN: Yes.

ASSEMBLYWOMAN MURPHY: Thank you.

MR. DeLUCA: I have two questions. One has to do with the bracketing, and you're suggesting decoupling the candidates, having them just be considered individuals. How would you deal with, because I'm not

sure it comes out in your paper, how would you deal with a candidate who decides -- let's say two Democrats -- one decides to run as a Clean Elections candidate and the other does not. And the one who does not puts out generic advertising with his or her campaign that says, "Vote DeLuca and vote Line D Democrats." Wouldn't the Clean Elections candidate benefit from the expenditure of that other candidate in that district?

MS. LIEBMAN: They would, and we would recommend that we continue the practice that was in the pilot, which is that any Clean Elections candidate cannot run with any other candidate on the entire slate.

MR. DeLUCA: But you could do an awful lot of things without mentioning the other person's name.

MS. LIEBMAN: Yes, but you couldn't, just as in this year's pilot, you had Clean Elections candidates running in the 6th District. They were prohibited from being on gubernatorial candidate Corzine's literature, for example, as a way to try and minimize that exact impact.

MR. DeLUCA: My other question is around the forfeiture clause, which you suggest we eliminate. I guess what I infer from reading this is that you feel that the incentive of running clean is enough. This is New Jersey politics, and what would you do if a Clean Elections candidate-- Because as you said, part of this is that you're capping the expenditure. And say it was-- We had instances where the candidates got \$130,000, so each candidate gets \$65,000. And all of a sudden, they're running against somebody who decides not to be Clean and spends buckets of money.

MS. LIEBMAN: Well, then they're eligible for additional expenditures under the program as it stands now, up to \$50,000. If they're outspent--

MR. DeLUCA: You're not talking about this as changing that aspect?

MS. LIEBMAN: No. No, we're not.

MS. CARPINTEYRO: We're talking about the moneys -- say, if I was the Clean candidates -- exactly what happened in the 6th District. That two candidates qualified and they got their moneys forfeited. They got the non-qualifying candidate's moneys. That's the part of the clause that we think should be eliminated.

MS. LIEBMAN: Right. We're not suggesting that there not be an opportunity to qualify for additional money if there are third party expenditures that come into the district, or other types of independent expenditures. We're suggesting that the clause which allows a participating candidate to get the funding that would have been available to the nonparticipating candidate be eliminated.

MR. DeLUCA: Well, then, that's exactly what I'm talking about. So let's go back to the example in the 6th District.

MS. LIEBMAN: Right.

MR. DeLUCA: In that District, we had both sets of candidates who were attempting to run Clean.

MS. LIEBMAN: Yes.

MR. DeLUCA: One set qualified, the other set did not.

MS. LIEBMAN: Right.

MR. DeLUCA: Then what that meant is that the money that was to go to the set who did not -- that money went to the set who qualified.

MS. LIEBMAN: Yes.

MR. DeLUCA: Suppose you had a situation there, where you had in the 6th District, one set of candidates that wanted to participate, but the other set did not.

MS. LIEBMAN: Yes.

MR. DeLUCA: The way the law is written, that the set who qualified would get their money. And if the expenditure on the other side went above the threshold of 130,000, then they'd be entitled to additional money. Are you saying that's not-- Because there's two parts of the bill. One is the forfeiture of the other candidates.

MS. LIEBMAN: Right.

MR. DeLUCA: And one is because of an independent expenditure.

MS. LIEBMAN: Right. And we're only talking about the forfeiture of the other candidate, not the independent expenditure.

MR. DeLUCA: Any other comments?

Yes.

ASSEMBLYWOMAN GREENSTEIN: I don't know if you included this in here, but did you have anything about money, other than what would be collected to be used in the election? We've talked about that, where candidates like to have money in their ELEC accounts for going to dinners, giving donations, and they frequently will collect all year round, even in nonelection years, to have money for those things. Have you covered that at all, in terms of limits here?

MS. LIEBMAN: No, we didn't.

MS. CARPINTEYRO: We didn't.

MS. LIEBMAN: We haven't tackled that one.

ASSEMBLYWOMAN GREENSTEIN: Is that something that you have an interest in thinking about and making recommendations to us about as well?

MS. LIEBMAN: Yes. And one of the things that we will continue to do is continue to research the programs in some of the other states and some of these issues. In particular, we've been looking, ourselves, at the amount of -- how much it costs to run a primary in New Jersey over the last several election cycles, and some of those kinds of issues, to come up with some of those kinds of numbers, which we'll be more than happy to share with the Commission.

ASSEMBLYWOMAN GREENSTEIN: Well, one of the things that's interesting, I know that Assemblyman Greenwald testified about this when he was here, about how he will frequently have more money in his account than he can use, because he gives it to other people. That's traditionally been one of the ways that a legislator gets to, sort of, develop power among colleagues, and influence, and all of that. And that's been an accepted part of how we do politics.

The interesting thing is, if we were to have all the elections go Clean Elections, that would theoretically not be necessary. So it would reduce the amount that people would want to have in their accounts for that purpose. I mean, there would be no need to do that.

MS. LIEBMAN: Right. And I think that that in some way speaks to what Mark was talking about in terms of the information he got from Maine. In that, the role of the parties tends to shift as you move to a different system. Not that they're diminished, but that they're changed. And there are different types of activities that folks will get involved with.

ASSEMBLYWOMAN GREENSTEIN: Right now the party is a lot about money--

MS. LIEBMAN: Right.

ASSEMBLYWOMAN GREENSTEIN: --but other things as well. It would shift the focus to those other activities.

MS. LIEBMAN: Right.

ASSEMBLYWOMAN MURPHY: And I think the other thing, in line with what the Assemblywoman has been talking about, in terms of things that a legislator does during the year, or during his time in the Legislature, his or hers -- you might want to review some of the ELEC reports to find out where the money does go when it is not election time. How many dinners, how many meetings, how many events are your Assembly people invited to go to and participate in for which--

ASSEMBLYWOMAN GREENSTEIN: Sponsorships is a big thing.

ASSEMBLYWOMAN MURPHY: And also, you're invited to come and speak or make a presentation. But you usually buy your own tickets.

ASSEMBLYWOMAN GREENSTEIN: Right.

ASSEMBLYWOMAN MURPHY: And quite often these things add up. I think of the Chamber trip. A lot of states don't have--

MS. LIEBMAN: Right.

ASSEMBLYWOMAN MURPHY: --an opportunity to meet with their Assembly people, or their senators, or congressmen. What would it be like if everyone of us went down there a couple of times a year to testify in Congress, or to be part of a national organization? And how do

you weigh the benefit some of these things do bring to the State? Because that's part of the traveling thing that everybody gets so upset about, if-- But if you go to Washington to testify before a committee and come back the next day, because you didn't get on the committee floor until late in the afternoon, is that something good for the State, or should everybody just stay home and let it go the way it wants to? Where and who decides what the benefit is? I think these are serious issues. Many of the people in the State -- not all the Assembly people, or all of the commissioners, or all of anybody -- do things as the Chairman of our Commission did -- went to Boston to hear and to gain information and bring it back so that we could all share it. Is that valuable, or is that a waste of the taxpayers' money, or whoever's money? And how do we account for that and how do we decide before we say, "Well, they can't have any money in an account." And if you give the money to the Treasurer, no one will ever see it. (laughter) I'm telling you as clear as anything.

MS. LIEBMAN: Well, certainly, any Clean Elections program shouldn't be set up in such a way that it precludes any elected official from doing the business of the State or the people's business.

ASSEMBLYWOMAN MURPHY: But he can't do a lot of it without some financing. The train trips and these things cost money, and the State is remarkably reluctant to endorse that kind of money, because they have other uses for it. And I think that this has to be looked at, that in the fact that if a legislator will give his time to do this for the benefit of all, is that not something that he should have been allowed to collect the money to do. Mayors have to do that.

How many dinners did you have to go to on a monthly basis? And if you had to take that from your family's money, anyone who didn't have money couldn't afford to run for office. We're right back to where we were in starting this to try and level the playing field for people who have more money and have less money, to make that balance come out of it better. If only the rich can serve, because they're the only ones who can afford to go to all the places and be seen and talk to people and make their impression--

ASSEMBLYWOMAN GREENSTEIN: And network.

ASSEMBLYWOMAN MURPHY: --and be elected, then all this is wasted.

MS. CARPINTEYRO: Well, we'll look at the other states and see how they themselves have participated in these situations and what exactly their regulations are saying. I will definitely put that together and submit it to the Commission on what our findings are. I'm sure that the Commission themselves will be doing their own research, but we will be sure to submit something that the Commission can look at. And we'll be able to talk to our national Public Campaign, like David Donnelly, and others who came here and spoke before the Commission.

ASSEMBLYWOMAN MURPHY: Because I will bet you any kind of money, the people in Maine never go to Washington. (laughter) Never.

ASSEMBLYWOMAN GREENSTEIN: Right. I ran into a legislator. I was on vacation, and I think it could have been a legislator from Canada, because I was up in that area. And it was just so different how they did it. He got all kinds of stipends, because his district was so

large that to travel the district took a lot of time and effort. And he got all kinds of money and cars and this sort of thing to do it. And what's here -- we have such a push-pull, because of the tremendous lack of trust that people have right now in the system. We have the system set up now to leave things up to the legislators. And then when they make certain decisions, they get pummeled by the press, as if somehow they're wasting the taxpayer money. So we have to really decide -- I mean, if we have to insulate them by setting up rules that say what they can and can't do, then we do. Because right now, people do certain things that are legal that somehow the press doesn't like and the public doesn't like. Part of what we can do here is to try to figure out some of those parameters. So that if people do these things and go on a trip, or whatever, that somehow or other they don't have to worry.

ASSEMBLYWOMAN MURPHY: And we're always going to be criticized.

ASSEMBLYWOMAN GREENSTEIN: There'll always be criticism.

MS. CARPINTEYRO: They're allocated a stipend so they can take care of all their travels, or is it raised?

ASSEMBLYWOMAN GREENSTEIN: In that case, yes.

MS. CARPINTEYRO: And which state -- this was in Canada. Is that what you're saying?

ASSEMBLYWOMAN GREENSTEIN: In the -- sort of the Winnipeg area, Vancouver, and that side -- the western side. He said they had enormous districts, geographically. But when he started to hear the

amount of money we got here, and they just got so-- In his case, he got so much for traveling, and it was quite a large amount of money.

MR. DeLUCA: Okay. Thank you for your testimony.

MS. LIEBMAN: Thank you.

MS. CARPINTEYRO: Thank you.

MR. DeLUCA: We have one more person to testify -- Steve Ma.

S T E V E M A: Hi. Steve Ma, from AARP.

Those are reports from various organizations that studied how Clean Elections worked in Arizona and Maine, that I thought I'd just provide to the Commission, for the good of the order. But I wanted to summarize quickly some of the things that are in the reports. There's a report from Arizona, in 2000, that found that contested races increased, the number of candidates who actually ran for office increased, the number of contested primaries increased. And this was particularly telling: 87 percent of the women who ran using Clean Elections and 80 percent of the Latinos who ran using Clean Elections reported that they would not have sought office if it weren't for the Clean Elections program. So I think those are some good findings, that confirm our statements that we've been making as a coalition, that the program definitely opens up the system to more women and minorities.

The 2002 report in Arizona found that 59 candidates participated in 2000, and it jumped to 139 participants in 2002. So clearly the popularity of the program expanded at extremely high levels in two years. And in Maine, some of the similar results happened -- more candidates are running, more contested primaries were occurring. The

program was especially attractive to women. And overall spending in Maine went down 18 percent, and private money was almost cut in half. And that was in 2001, and it's even better now.

I also wanted to mention that one of the findings from the Maine report was that the seed money that they provided to candidates who wanted to qualify -- they asked candidates themselves: was it too high, too low, or just about right? And in Maine, 84 percent of the candidates in 2001 reported that the seed money was about right, and 12 percent said it too low, 4 percent said it was too high. In Maine, the seed money essentially provides for \$10 per contribution, per contributor. So, for instance, when you're running for the Maine House, you need to get 50 contributions. So they allow for \$500 worth of seed money. So that might be a formula that the Commission can explore as they're trying to develop new guidelines for the seed money.

I also wanted to -- there was some discussion from a Commissioner regarding lobbying organizations and our purposes, and sometimes we decry other lobbying organizations. At least, let me speak for AARP. We do not decry lobbying whatsoever. Lobbying is a vital part of American democracy. People need to be standing up and speaking on behalf of what they believe and what organizations they support. They need to be participating in lobbying. We absolutely think that lobbying is an important part of our democracy.

What we're concerned about is campaign contributions and their influence over the political system. And oftentimes, campaign contributions and groups that make campaign contributions are equated with lobbyists. And I think they are clearly very different things. When

you're lobbying, you're using policy points. You're talking about a particular proposal and expressing your views. When you're making campaign contributions, you are using money to try to influence legislators. Clearly, AARP supports lobbying and offering your views, but does not support using dollars to influence the political process in a way that makes a system where people who do not have the ability to make large campaign contributions -- having their voice a little less important. I think those are important distinctions.

Regarding -- I just had a couple of quick things, based on some of the conversation that happened today. I was looking back on your document of the preliminary assumptions, and 16C, where there needs to be more deliberation, whether the \$100,000 cap was flawed or not. And I'll just put this forward: I have been attending just about every Commission hearing. I didn't hear necessarily debate about this. And I think that perhaps language that the Commission could use is the following: "The amount of funding given to a certified Clean Elections candidate should be set to allow for that candidate to be competitive in their election." And we're not defining competitive at this point. But just using a number -- 100,000 -- I don't think necessarily makes sense. But we do, I think, as people who want to make this process work, want to set a level of funding high enough so that candidates who participate have a real chance at winning.

And we can define that in various ways, but I think it's important that we create a Clean Elections system where candidates who succeed are competitive. So that's just a suggestion of language that you might use as a finding. And I don't think that's very controversial.

I did want to just reiterate -- I don't think there's been much discussion about uncontested elections, but I do support what Citizen Action was saying. If there is an uncontested election where candidates are running unopposed, their Clean Elections grant could be less. I don't think it should be zero. I think we all might be familiar with the example of the write-in candidate, the high school student who ran for office, but didn't really run, but got written in and won his mayoral campaign. There's probably some dollar amount that makes sense. But if you're an uncontested election, you don't have to have the same amount of money that you would get in a contested election.

And finally, let me just mention, there was some talk about what the Commission can do, what we as organizations can do to keep this issue alive, how we can assure that it won't die down. I think it's incumbent upon anybody who supports democracy to participate actively. But specifically, one thing that I think would help tremendously is for the Commission as a whole to come up with either a draft bill, or a model bill, or specific recommendations early in the legislative cycle in 2006. Echoing what Mr. Murphy said, for us to really have an expanded Clean Elections system in 2007, we would want to pass our Clean Elections expansion in the 2006 session. If the 2006 session is going to -- much of the work happens before the budget season, which ends in late June. If we want to have a vigorous debate and a good bill move through the Legislature, then we would need to start early in mid-January or early February, moving some legislation, taking testimony through committees, and moving a bill.

So whatever the Commission can do to offer recommendations, offer a model bill, offer sample language -- whatever it may be -- but offer

their recommendations specific to what the Legislature should do early in the legislative process in 2006, I think would really serve to help keep the momentum alive around Clean Elections.

And that's all I have to say. And again, I thank you for your commitment to all that you're doing.

MR. DeLUCA: Thank you.

Yes, Commissioner Murphy.

ASSEMBLYWOMAN MURPHY: Just a question, because I don't know the answer to this. So do you have any idea of the cost of a campaign in Maine? What does it cost to get flyers printed, and how many do you need, and what newspaper ads cost up there?

MR. MA: Right.

ASSEMBLYWOMAN MURPHY: Do they have TV? What TV ads cost, radio-- I don't have any idea what a campaign costs in Maine.

MR. MA: Right. Well, I can say, it's definitely much less. I can also say that it depends on what office you're running for. The House--

ASSEMBLYWOMAN MURPHY: Well, I'm talking the level--

MR. MA: The House districts are extremely small relative to what we have in New Jersey, and the media markets are much cheaper in Maine than what we have in New Jersey. And so that's why I think it makes sense for us to say, regardless of a dollar amount, it's important for whatever the dollar amount be set to, that it be set to a level that is competitive for the race that we're running. So in Maine, it would be very different from in New Jersey. And in fact, in one district it might be very different from another district within our state. But we need to create a system that allows for candidates to be competitive. And I'm not defining

competitive, but a reasonable amount of money for that candidate to have a good shot at winning. If we set our levels at the Maine level, I don't think a lot of candidates would even opt in. We need to create a system that makes sense for New Jersey.

ASSEMBLYWOMAN MURPHY: Thank you.

MR. DeLUCA: Assemblywoman Greenstein.

ASSEMBLYWOMAN GREENSTEIN: I know that a couple of years ago, The League of Women Voters -- I'm looking at Sandy -- was doing some sort of a study about whether there was a chance of getting free media for campaigns. I remember hearing some talks on that, and I didn't know if that was a particular focus of the year, or whatever. And I don't know how far you got with it. Is that realistic, that hand-in-hand with what we're doing that we could look into getting more free media opportunities? That would certainly reduce the cost of elections.

MR. MA: I think that would be -- yes, one of the major campaign expenditures, as I'm sure many of the Commissioners know, is media.

ASSEMBLYWOMAN GREENSTEIN: It's all media.

MR. MA: And unfortunately, the air -- well, fortunate or not fortunate -- but the public air waves are under Federal jurisdiction. The thing that we have control over in the State is the local cable and all that, and essentially it's private.

I don't know if Sandy wants to add to this, but I think there's some difficult-- We can't necessarily force private institutions, the cable networks, to provide free airtime.

ASSEMBLYWOMAN MURPHY: It would be a contribution.

MR. MA: We can encourage them. We could provide incentives.

ASSEMBLYWOMAN GREENSTEIN: That's a good point. That's a good point.

MR. MA: Yes.

ASSEMBLYWOMAN GREENSTEIN: Even if they did it--

ASSEMBLYWOMAN MURPHY: It's a contribution.

ASSEMBLYWOMAN GREENSTEIN: --it would have to be listed as a contribution.

MR. MA: Right.

ASSEMBLYWOMAN MURPHY: Probably it would put you way over the top.

ASSEMBLYWOMAN GREENSTEIN: Right.

MR. MA: Right now. So I think that's a Federal issue, something that a number of organizations are moving and continue to focus on, on the Federal level, but I think we're a little limited on the State level of what we can do.

S A N D R A L. M A T S E N: Sandy Matsen, League of Woman Voters.

That was what I was coming up for. And in fact, there is a different free airtime proposal now at the Federal level than there was four or five years ago, but they're not moving very fast.

ASSEMBLYWOMAN GREENSTEIN: They're looking at a Federal?

MS. MATSEN: Without the Federal piece, I think there's very little you can do. You can require time on NJN.

MR. DeLUCA: Right.

MS. MATSEN: But that's about your only, sort of, option that I think you could-- I mean, I'll stand corrected by somebody who knows more about, legally, what you can do. But that's probably the only option you have that you could put in legislation.

MR. MA: I think that's a good point, though. If there is some State control over NJN, and in requiring that they allow some time for election education, I think that would be a very good source of potential airtime that could help.

ASSEMBLYWOMAN GREENSTEIN: They do some now, in certain races.

MR. MA: Yes. And even if the viewership is low, I can say, at least from my organization, if there is a requirement that NJN offer free airtime, then we would absolutely advertise it and ensure that at least our membership is watching at the appropriate times.

ASSEMBLYWOMAN MURPHY: But I wonder if it's them doing little stories where they feel like, as opposed to running--

ASSEMBLYWOMAN GREENSTEIN: That's what it is.

ASSEMBLYWOMAN MURPHY: If every candidate in the state had an ad on NJN, you probably wouldn't say anything else. (laughter) And nobody would watch it, and that would be the end of the station.

MR. MA: Right.

ASSEMBLYWOMAN MURPHY: So I don't know whether we want to kill the golden goose here, but I think you have to think about things like that. I've often wished we had had that opportunity.

ASSEMBLYWOMAN GREENSTEIN: Another whole area that I've been thinking about as a way of saving money on elections -- I mean, that should be part of this. In addition to thinking of how we can do the donations, we can also think of how we can make the elections less expensive. And I know this would be something that would be difficult to pass, but the whole issue of the size of our election districts-- For example, we have two people in each district now for the Assembly. And I thought, for example, if we moved it from a 200,000-person district to a 100,000-person district, it's much more manageable for the individual Assembly person to just be elected to that one district, and the elections would be a lot less expensive.

Related to that is the idea, which I'd love to see -- and I think many Assembly people would -- is having the elections every four years instead of every two years. Right there, you have a major saving in campaign finance. And I see, frankly, no logical reason anymore for these elections to be every two, instead of every four. Those kinds of things would save a lot of money on elections and would certainly push our mission forward.

MR. MA: Right.

ASSEMBLYWOMAN MURPHY: The Senate wouldn't like that. (laughter) I don't know why, because they're the upper House.

ASSEMBLYWOMAN GREENSTEIN: Well, we'd have to just take them down a peg. (laughter)

MR. MA: Right. I think there's some politically thorny issues there. But I do think the general sentiment of trying to spend less on elections is an important one. And I think the formula that Clean Elections

uses, which is to take the average amount spent and reduce it by 25 percent, starts to get at that. And from this report in Maine, they asked candidates, “Has Clean Elections changed the way you campaign?” Sixty-two percent said, “Yes,” and 62 percent of them said they’re spending more time with the voters and less time with soliciting.” But the second most popular way it changed how they ran for office is, they reported that budgeting was different, as they spent less money and did better budgeting using Clean Elections dollars. So maybe we can get to some of those.

In terms of shrinking the districts, I think it’s an interesting thing to think about. Clearly, there’s a more direct democracy, the smaller the districts.

ASSEMBLYWOMAN GREENSTEIN: That’s what my thought is as well.

MR. MA: Something to explore.

ASSEMBLYWOMAN GREENSTEIN: It goes with the kinds of things we’re talking about.

MR. MA: Yes. In terms of the every two years, though, on the Federal level, for instance with Congress, I think the idea is to keep -- this is the House of the people, this is the accountability, short-term accountability. So I think there is some value to that. I can understand your pleas that every two years running for office is not the most fun thing to do in the world. But I think there is some value in having a system that’s accountable; and you have to keep going out to the public, even though it’s difficult, as a sitting legislator.

MR. DeLUCA: Thank you very much.

MR. MA: All right.

MR. DeLUCA: Is there anyone else who wants to testify? (no response)

If not--

ASSEMBLYWOMAN MURPHY: Motion to adjourn.

MR. DeLUCA: And we will meet tomorrow at 2:00, same place.

Thank you very much.

Same time, 2:00 p.m.

(MEETING CONCLUDED)