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# *Commission Meeting*

of

## NEW JERSEY CITIZENS' CLEAN ELECTIONS COMMISSION

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

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

**DATE:** December 14, 2005  
2:00 p.m.

### **MEMBERS OF COMMISSION PRESENT:**

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

### **ALSO PRESENT:**

Frank J. Parisi  
*Commission Secretary*  
*Office of Legislative Services*  
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):** Shall we proceed?

Mr. Parisi, can you just bring me up to date on who testified yesterday after I had left? And was anything of substance acknowledged by the Commission?

**ASSEMBLYWOMAN MURPHY:** Now, now, now.

**SENATOR SCHLUTER:** No, I meant adopted by the Commission members that were still here.

**MR. PARISI (Commission Secretary):** Thank you, Mr. Chairman.

There was testimony that we received after you were gone. Steve Ma, from the AARP, did speak. And he spoke and had some additional recommendations to be made.

**SENATOR SCHLUTER:** Citizen Action gave their written testimony.

**MR. DeLUCA:** They spoke, also.

**MR. PARISI:** Citizen Action spoke, as well.

There were a number of discussions on a wide range of issues, as you would expect.

Ev Liebman and Marilyn Carpinteyro, from Citizen Action, spoke. They offered their recommendations, as said. They gave testimony.

Steve Ma spoke about the -- how campaign finance -- Clean Elections, excuse me, worked in Arizona and Maine. And he provided some information about how -- what was going on in those states, as well. A number of people who were interested--

There was some discussion about how to keep the Commission -- interest in the Commission alive. And that was talking -- talked about that.

Commissioner Murphy talked about the cost of campaigning in Maine -- how much does it cost. It was a rhetorical question. How much is it compared to New Jersey -- and the costs?

Assemblywoman Greenstein talked a little bit about the possibility of getting free media -- what would be involved in that. And just as a way of keeping interest, in helping out Clean Elections candidates. That was kind of tossed around for a while.

And, also, there was some talk about how to save money in elections. And Assemblywoman Greenstein had some ideas about legislative districts, and so forth.

And that was the extent of it.

SENATOR SCHLUTER: Okay.

MR. PARISI: And the meeting adjourned at 4:48.

SENATOR SCHLUTER: And I see that you have minutes of the meeting, already. And I commend you and Gina for doing that.

MR. PARISI: Thank you. But I can't take any credit. This is just my very rough notes, which nobody can read -- including me. So they are not really ready for the Commission as a whole. They will be translated, and they can be acted upon at a future time.

I do, however-- Once Gina and I were able to put our heads together this morning and rework the assumptions that the Commission went through last night-- And we now have a second draft of the assumptions for you, if you would like to look at them.

The first 12 are the main part of the assumptions. No. 13 has several parts to it, proceeding down to Subsection O, which really talks about some of the things that were for consideration. These seem to be more in the nature of recommendations rather than assumptions. But since they were discussed, and they were things you had brought up, we decided to put them in. And then you could make the decision whether or not you wanted to explore them further at this time, or wanted to hold on to them for a future date.

SENATOR SCHLUTER: As you say, Mr. Parisi-- You say they're open to more deliberation. And I guess that's characterized, then, properly.

For the Commission members -- there are three of us here -- and staff. Yesterday, we instructed the staff of OLS -- the State Government Section of OLS to proceed with some of the basic boilerplate materials that will be in the report. The background, the reason for this Pilot Project, and the experiences -- some of the experiences -- general experiences in the 2005 election, and an overview and a general presentation of what it's all about.

Is that basically the understanding? And you're going to proceed with that. You don't need anymore testimony or input.

Then we decided that we would try and use material from last Friday's meeting to form the -- a series of assumptions, based on findings and assumptions, which we modified yesterday, and we presume would be part of the-- We're talking, now, about the preliminary report -- the first report that comes out in February. And then we have these others that are open for discussion.

And it seems to me, Commission members, that we will probably have a couple more meetings before the report is finalized. And we want to give everybody an opportunity to weigh in. But they do have these documents, and they know what we have tentatively decided. So they should -- and we can advise them after this meeting -- to keep up with it. And if you have any objection, speak now or forever hold your peace. Because we do want to proceed, based on what is generally the consensus and is agreed to.

It seems that we are going to need a couple of meetings in early January. It does not seem appropriate to having anything between now and actual Christmas Day, and New Year's Day.

ASSEMBLYWOMAN MURPHY: Thank you. The grandmother in me says thank you. (laughter)

SENATOR SCHLUTER: The grandfather in me says thank you, too.

But this actually -- the staff needs time to do their boilerplate part of the report, as well as to put some of these assumptions together in an orderly form for other Commission members who are not here to study, and look at, and review.

Now, the first report is due February 6, or whatever. And we have--

I'll ask staff--

I've picked out a couple of dates in early January. The new Legislature is sworn in on January 10. And then January 17, the new Governor is sworn in, with the State of the State. Excuse me, I imagine the Acting Governor will have a State of the State message on January 10. And

we certainly couldn't meet January 10. And then the new Governor will be sworn in on January 17.

Given those dates, if we meet a couple of times in early January, will you still have enough time to do the preliminary work, and then do the final work?

MR. PARISI: Yes, Mr. Chairman, I believe we will. I would recommend that -- Ms. Winters and I can work on our parts in a bit -- within the next couple of weeks. My suggestion would be -- our suggestion would be, in thinking about this, that we would get a draft to you on the week that the Legislature changes hands. And that possibly, there could be a meeting, if you would like, of just -- and this could be a meeting held by teleconference that -- at the end of that week, maybe the 12th or the 13th, Thursday or Friday -- to discuss the preliminary -- our preliminary findings. Then you can-- Well, we have maybe another week to make any changes with that -- or a couple of days after to make changes. And then there could be a meeting with the available -- open to the general public -- at which time they can make any suggestions, and they can see the report, as well -- have that available a few days before.

And that meeting, possibly, could be here, or someplace which could have electronic telecommunication capability.

SENATOR SCHLUTER: Let me suggest, for other Commissioners, that we -- in order to be sure we don't get hung up near the end of this process with a shortage of time. We don't really need to review your draft of the boilerplate and that text right off the bat, before we do other things. I think the biggest thing that we have to decide on is, make

decisions on some of the findings and some of the assumptions that are listed here for further deliberation.

And that-- If you, for example-- If staff at OLS could give us something -- a summary of these open issues, as well as the issues that have been decided, we could perhaps have a Commission meeting -- and I'm thinking of the 9th of January, which is a Monday.

ASSEMBLYWOMAN MURPHY: Right.

SENATOR SCHLUTER: And I'm thinking of an evening meeting.

Mr. DeLuca, is that-- I've heard--

MR. PARISI: Mr. Chairman, not to interrupt, but that is a legislative session day. That's the last day for the Legislature's session, on the 5th (*sic*) -- on Monday.

SENATOR SCHLUTER: Are they going to have a session that day?

MR. PARISI: They are, absolutely.

SENATOR SCHLUTER: This is when they stop the clock.

MR. PARISI: That's correct. I know that there will be a session that day.

ASSEMBLYWOMAN MURPHY: And that's the 9th?

MR. PARISI: That's the 9th.

SENATOR SCHLUTER: And that's a Monday.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: And we do want our two Assembly members and our one Senator -- and if we have another Senator who has filled the--

Incidentally, you are aware that one of the Senators resigned.

ASSEMBLYWOMAN MURPHY: Yes, Senator Scutari.

SENATOR SCHLUTER: Yes.

But I think we can -- that's a different-- That meeting would be a different set of conditions, where we would debate, deliberate over these open issues. And then you would go forward.

I'd like to have that as soon as possible, Frank, so that we could--

How about the 11th, which is a Wednesday?

MR. PARISI: Okay. I think we-- I think it's okay with us. It may be subject to approval of the other members, I would think.

MR. DeLUCA: Are we talking a daytime or nighttime?

SENATOR SCHLUTER: I think evening is-- We've got to do this in the evening, because we're not getting the attendance in the day. And we've had objection of people -- making it in the daytime.

ASSEMBLYWOMAN MURPHY: When you say evening, what time are you looking at?

SENATOR SCHLUTER: Well, it's up to you. I mean, we can go like -- this meeting I had to go to. Their next meeting is from 6:00 to 9:00. We could do 7:00 to 9:00, or we could do 5:30 to 7:00, or something like that. What's your pleasure?

You two have been the most regular, so you have rights to assert yourselves.

ASSEMBLYWOMAN MURPHY: You know, it just depends on where it is. Traffic on the roads is bad at 5:30. Sometimes it's better to start at 7:00, or better to start at 4:30.

SENATOR SCHLUTER: Well, as far as you're concerned, New Brunswick is easier, isn't it, than Trenton?

ASSEMBLYWOMAN MURPHY: Six of one, half-a-dozen of the other.

SENATOR SCHLUTER: How about you?

MR. DeLUCA: Where, Trenton or here?

SENATOR SCHLUTER: Yes.

MR. DeLUCA: It doesn't matter.

SENATOR SCHLUTER: You work in New York, don't you?

MR. DeLUCA: Yes.

SENATOR SCHLUTER: Well, with other Commission members -- Baroni, Greenstein, Tao--

ASSEMBLYWOMAN MURPHY: Is your commute from New York better from -- better to New Brunswick or better to Trenton?

MR. DeLUCA: I would drive either way, so--

ASSEMBLYWOMAN MURPHY: Oh, you'd drive either way.

MR. DeLUCA: I have to take the train, pick it up -- pick up my car, drive it down.

MR. PARISI: Senator, I might -- if I could interject here -- just to point out that if there's a meeting held at the State House, we can have conference call capability. We can set that up without any difficulty.

SENATOR SCHLUTER: Well, that-- We're talking about the 11th. We're talking about late in the day. And Steve Lenox is right across the street, so he's readily available.

Would you want to say 5:00 on the 11th?

ASSEMBLYWOMAN MURPHY: Sure.

MR. DeLUCA: Yes.

SENATOR SCHLUTER: Let's set it up then. Five o'clock on the 11th. Advise the other members of the Commission that this will be a working session to make policy decisions on some of the open issues. And they will have received a list of these open issues, as well as policy decision to finalize the ones that we have tentatively concluded.

MR. PARISI: To what time would you like that meeting?

SENATOR SCHLUTER: Five o'clock.

MR. PARISI: Until?

MR. DeLUCA: Five-thirty? (laughter) It will force us to make decisions.

ASSEMBLYWOMAN MURPHY: No, 5:30 is all right with me, too.

MR. DeLUCA: No, no. I'm saying 5:00 to 5:30.

ASSEMBLYWOMAN MURPHY: Oh.

MR. DeLUCA: Just a half-hour meeting.

ASSEMBLYWOMAN MURPHY: Optimist -- eternal optimist.

SENATOR SCHLUTER: They're pulling our leg here, Carol.

Say 5:00 to 8:00. I don't think we'll go that long. And we want the public present. And they could-- Maybe we might not have a big public component of it. But if they see some things that we're doing that they would take issue with, they could let us know.

Now, after that -- that would be on the 11th -- we should then-- Can we assume that we will have given staff enough information to write the report?

MR. PARISI: Yes.

SENATOR SCHLUTER: Subject to the final draft, which everybody has got a right to see and approve.

MR. PARISI: What I would suggest to you, Mr. Chairman, is that we would probably be working on the report up to that time. And what we could do is, we could submit the parts of it that are completed to you at that point, plus these lists of outstanding issues. And that way, if you want to have another meeting at a later point, at which to review anything further or to go over what had been discussed previously, we could do that as well.

SENATOR SCHLUTER: I think that we probably will want another meeting, because then the-- But please do get the open issues, as well as the policy matters -- we'll call them *policy matters, policy decisions* -- to the members before -- well before the 11th. If you could get them to everybody as soon as possible-- Then they can-- Everybody will be studying them.

For example, one thing we might say is, what are the number of contributions? We said it should be lower. Maybe we don't want to -- maybe the Commission doesn't want to put a finite number on it in its preliminary report. Maybe we save that for the second report.

When do we start fund-raising? When do we start soliciting qualifying contributions? These are things that, I think, a preliminary report can address and should address.

MR. PARISI: Well, Mr. Chairman, if you'll permit me to point out, the -- in this document before you, in Section 13, there are a number of these issues on here. Just for purposes of clarification, what you would be

looking for is these, as well as anything else which we identify between now and at that point?

SENATOR SCHLUTER: I think, yes, because I took the testimony of PIRG and the testimony of Citizen Action last night. And I spent a considerable amount of time looking over what they have said. And there are some new issues, which I would like to discuss with the Commission members.

ASSEMBLYWOMAN MURPHY: And I have a new issue.

SENATOR SCHLUTER: Yes. And we have-- We're going to have new issues as we go along.

ASSEMBLYWOMAN MURPHY: Right.

MR. PARISI: Okay.

So what date would you like for that second meeting?

ASSEMBLYWOMAN MURPHY: When is the final report due, please?

SENATOR SCHLUTER: Final report -- May.

MR. PARISI: The final report is due May 8.

ASSEMBLYWOMAN MURPHY: Okay.

MR. PARISI: Or as soon as close to that date.

SENATOR SCHLUTER: And, incidentally, I would presume that when we get our preliminary report, we will want to talk about how we release it. Do we have a press conference, and so on, to maximize the impact and to publicize the program as much as we can?

If we met, say, after the 11th -- if we met on the 25th, would that give you enough time, or is that cutting it too close?

MR. PARISI: No, I think that would be fine.

SENATOR SCHLUTER: The 25th, tentatively.

ASSEMBLYWOMAN MURPHY: That's a Wednesday.

SENATOR SCHLUTER: Is that all right?

MR. PARISI: Sure.

SENATOR SCHLUTER: Wednesday is all right with you, Ms. Murphy?

ASSEMBLYWOMAN MURPHY: I think so.

MR. DeLUCA: Well, I hate to tell you, but from the 19th to February 2, I'm going to be in Hawaii, so--

ASSEMBLYWOMAN MURPHY: Oh, that's terrible.

MR. DeLUCA: But I'll be thinking of you. (laughter)

SENATOR SCHLUTER: What day of the week is the 19th?

MR. DeLUCA: It's a Thursday.

SENATOR SCHLUTER: When are you leaving. (laughter)

MR. DeLUCA: On the 19th.

ASSEMBLYWOMAN MURPHY: Do you want to meet the 18th of January, instead, then?

SENATOR SCHLUTER: As far as I'm concerned, it would be good.

ASSEMBLYWOMAN MURPHY: I mean, it's a week after the other meeting, but it keeps Vic in the loop, which is very important.

SENATOR SCHLUTER: I think it's--

Would you be able to make a meeting on the 18th?

MR. DeLUCA: Yes.

ASSEMBLYWOMAN MURPHY: And it's 5:00 to 5:30.  
(laughter)

SENATOR SCHLUTER: The 18th.

ASSEMBLYWOMAN MURPHY: But that will also have telephone communication ability -- conference call.

So, Vic, if you're packing--

MR. DeLUCA: Yes.

SENATOR SCHLUTER: And not only that, but even afterwards, we can say this is subject to a final review, which you could do by e-mail and so on.

MR. PARISI: Mr. Chairman, do you want that meeting to be in the evening at the same time, between 5:00 and 8:00?

SENATOR SCHLUTER: Same time.

MR. PARISI: And do you want that to be--

SENATOR SCHLUTER: In Trenton.

MR. PARISI: In Trenton.

SENATOR SCHLUTER: I see no objection or no problem with those dates from anybody -- any of our regulars out here.

ASSEMBLYWOMAN MURPHY: And we'll take the 25th off then?

SENATOR SCHLUTER: Take the 25th off.

ASSEMBLYWOMAN MURPHY: Okay.

SENATOR SCHLUTER: All right.

Now, other Commissioners have comments before we start in on our work?

Ms. Murphy.

ASSEMBLYWOMAN MURPHY: I think the comment I have -- with the PACs that are raised by organizations or groups in support of a

candidate, with either particular views or -- they're not leadership campaign PACs, they're just folks -- and how will they be able to contribute to candidates, and when, and that sort of thing.

SENATOR SCHLUTER: I'd like to get a good name for that kind of a fund-raising entity or operation.

ASSEMBLYWOMAN MURPHY: I would, too.

SENATOR SCHLUTER: But it's in between. It's not for the election itself.

ASSEMBLYWOMAN MURPHY: Yes, it's usually given in the election to candidates in a primary, often.

SENATOR SCHLUTER: Well, if they're Clean candidates, they can't accept any of that money.

ASSEMBLYWOMAN MURPHY: That's what I mean. So these PACs, these organizations that have formed these PACs-- What can they do with their money, when can it be given, or in what kind of amounts? We need to decide that.

SENATOR SCHLUTER: We are--

ASSEMBLYWOMAN MURPHY: This is a women's organization. And we gave money this year to a number of women candidates in a primary. And many of them, of course, were not in-- There were only two districts -- two counties -- in the Clean Elections issue.

SENATOR SCHLUTER: Unless we change the basic philosophy, I cannot see Clean candidates accepting any of that. That's outside money. And I can't see them accepting--

ASSEMBLYWOMAN MURPHY: Now, can they accept it in the seed money time?

SENATOR SCHLUTER: Only to the extent of the--

ASSEMBLYWOMAN MURPHY: Right, the \$200.

SENATOR SCHLUTER: --\$200, or whatever, seed money.

ASSEMBLYWOMAN MURPHY: And could they accept them during the year after an election is over?

SENATOR SCHLUTER: That is an issue which we've talked about a little bit.

ASSEMBLYWOMAN MURPHY: Right, but that's why I'm raising this. Or could they do something in-kind? Could they host a reception -- not glamorous -- a reception, an opportunity for all the people to meet those candidates and give them a \$5 check, or whatever the amount is at that time, if they're in the district?

SENATOR SCHLUTER: That particular situation can, in my opinion, be covered by our recommendations about being an organization which assists candidates, and without a large in-kind -- any kind of in-kind contribution -- but assist them in meeting their requirements and facilitates their work.

But as far as-- On the other end of the extreme, you have a leadership PAC, which is run by the Speaker or the Minority Leader.

ASSEMBLYWOMAN MURPHY: Right. And I'm not thinking that.

SENATOR SCHLUTER: And if they want to give \$15,000 to a candidate, it's not acceptable. They can't-- It's not part of the program.

Now, if you talk about the interim fund-raising and the interim vehicle which they're going to use, that is something that we can talk about now. And I've sort of gleaned from other members of the Commission that

-- and from some of the public interest groups -- that they want us to stick with the elections only, and not talk about this interim fund-raising as a public official -- the fund-raising and the expenditure of money in that regard.

ASSEMBLYWOMAN MURPHY: Then absent any decision to restrain it in any way, it's free.

SENATOR SCHLUTER: It is open to people to do.

ASSEMBLYWOMAN MURPHY: Okay.

SENATOR SCHLUTER: Now, there are other states which, when asked-- When I was in Boston, and I asked other states what they do, they say, "Well, we-- This can be restricted to non-campaign related expenditures." And it can be just for subsistence and to carry out the functions of a legislator or an elected official.

ASSEMBLYWOMAN MURPHY: And who will make the determination as to whether what I go to is considered to carry out the obligations? In other words, if I go to a fashion show given by someone who is a member of the National Wildlife Federation -- a fashion show by them (laughter) -- well, anyway -- and I buy four tickets because they need help, can I take the money for those four tickets out of my slush fund, or whatever you want to call it? And who makes-- Who do I have to go to and ask about that? Or do I just spend it, and devil take the hindmost?

SENATOR SCHLUTER: As we're proceeding--

And weigh in on this, Vic.

MR. DeLUCA: Yes.

SENATOR SCHLUTER: As we're proceeding, I think we're heading down to -- that is sort of a no-man's-land. It's something that we're not going to touch at this time.

ASSEMBLYWOMAN MURPHY: Okay. That's fine.

SENATOR SCHLUTER: But we're going to do -- as it affects the elections.

ASSEMBLYWOMAN MURPHY: Okay.

SENATOR SCHLUTER: We might want to say that this is an unanswered question that future consideration should be given to. Because if you get -- if you look at the -- not the slush funds, but the sustaining funds -- sustaining committee -- why don't we call it a *sustaining committee* -- of an officeholder-- If you look at them, a lot of them -- and I looked at some, and I'm not going to be specific about who they were -- but some of the people who were the candidates in the Clean Elections, and wanted to be Clean candidates this year-- Some of them got this money from reasonable sources. And they spent it for the VFW banquet, taking an ad in this paper, and buying a ticket to a fashion show, or making a contribution to whatever.

And some funds were spent to -- in big amounts -- to the committees of other candidates, and as part of the power structure and the political--

ASSEMBLYWOMAN MURPHY: And it's part of what is expected, frankly, of the candidates who are elected to leadership. They're expected to raise enough money themselves to finance.

SENATOR SCHLUTER: Even if they're not in leadership. I mean, the Senate Caucus in New Jersey -- when it was with my particular

party -- would say, "All right. Now we're going to-- Everybody that's got good fund-raising capabilities, we expect the maximum to the leadership PAC -- \$25,000." And they did it.

Now, that sustaining committee of an officeholder is sort of out of our purview.

Do you generally, Mr. DeLuca--

MR. DeLUCA: I do. I think that until we get Clean Elections in every district, we're going to have this, sort of, hybrid system. And then once we get Clean Elections in every district, then there will be some process of covering the expenses. We even dealt with this a little bit yesterday. The Assemblywoman was talking about someone she met in Canada, who is a legislator, who got -- who received stipends for travel because his district was so large.

So at some point, we're going to have to figure out a way in which elected officials can meet their obligations of serving their constituents. But at this point, I don't think we can jump into that.

SENATOR SCHLUTER: The obligation of serving the constituents without taking excessive special interest money to do that.

MR. DeLUCA: Right.

SENATOR SCHLUTER: Should we--

ASSEMBLYWOMAN MURPHY: I think we have to leave that. How about, never mind *excessive*? How about, *without taking money*? Because we don't know what excessive is. For one candidate, excessive may be more than another. If I live in South Jersey and there's a limited number of things that I go to, that may be different than if I live in another district where there's a whole lot of stuff that goes on all the time that I should be

at, or should be attending, or should be aware of, or sending someone to go to, to represent me.

SENATOR SCHLUTER: But in your experience as an Assemblywoman and as a Freeholder, if you needed money to supplement your salary and to pay for these sustaining things -- and if you were limited to, say, a maximum of \$100 a ticket -- do you think that that would be, from any one source -- and maybe a limited, no-corporations gift like they did in Connecticut -- do you think that might sanitize it enough to make it--

ASSEMBLYWOMAN MURPHY: I think you have to take a look at each. I think everyone has to look at each district that they're in, because I think it's different all over. I really do. You know, I could go to the firemen's pancake breakfast for \$15. And then there might be another area in which that same thing is \$8. And then there could be one where it's 25, because they're raising money for a piece of equipment for something else. You just can't tell. And I know 25 is very different than a hundred. There's also a lot of the different affairs -- the larger organizations that may have \$125, \$150-- And maybe you have to pay the rest yourself. I really don't know what the thing is. But I think we just leave that open.

SENATOR SCHLUTER: But since we're not going to make recommendations on that--

ASSEMBLYWOMAN MURPHY: Right.

SENATOR SCHLUTER: What I hear from both -- from all three.

MR. DeLUCA: I think not.

SENATOR SCHLUTER: Do you think, of the two Commissioners-- Do you think that this should be mentioned specifically in the report -- that we are not -- we recognize this as a matter which might be considered in the future, but we are not--

ASSEMBLYWOMAN MURPHY: Yes. And that sends a message to the Legislature that they may need to look at this.

MR. DeLUCA: I would agree with that.

SENATOR SCHLUTER: Will you make a note of that, Frank?

ASSEMBLYWOMAN MURPHY: Thank you very much for examining this for me. I have a meeting tonight that I want to tell people, "Pay attention."

SENATOR SCHLUTER: Incidentally, when things were a little less expensive, the famous former Senator of Hunterdon County, Walter "Moose" Foran, used to call this *walking around money*.

ASSEMBLYWOMAN MURPHY: That's right.

SENATOR SCHLUTER: Walking around money.

Okay, so we will mention this.

And if you could put in a few observations about it: being so difficult to (indiscernible) and it not being part of our charge. But it's something that might come up in the future.

ASSEMBLYWOMAN MURPHY: Thank you very much, Chairman. I appreciate that conversation.

SENATOR SCHLUTER: Well, this is -- makes our -- what we say a lot more credible.

Anymore general observations before we--

What I'd like to do is go down the list and see if the language is agreeable after 24 hours -- what we generally agree to. And we can do this very fast.

A list, Mr. Parisi--

So, Mr. Parisi, if you could-- Should we give Ms. Winters the-- Since you're so busy here--

Can you read these off? Just read these off, and then we'll comment if that was our sense yesterday.

Bear with us, out there.

No. 1.

MS. WINTERS (Commission Staff): No. 1, "The experience of the Fair and Clean Elections Pilot Project offered promise and is worthwhile continuing. It was a good experience. Among members of the public who were aware of this program, because of the efforts of the candidates and the NJCCEC, there appears to have been widespread support for it and its continuation, with modifications. Editorial comments by newspapers in New Jersey showed they were almost universally in favor of the concept of Clean Elections."

SENATOR SCHLUTER: That's what we said.

Next item.

MR. DeLUCA: Can I-- I'd like to--

SENATOR SCHLUTER: Absolutely.

MR. DeLUCA: Okay. In looking at this a couple more times, I would just suggest that we start off by saying, "The Fair and Clean Elections Pilot--" I would say, "Fair and Clean Elections is worthwhile continuing." I would say that as the first thing. And then I'd say, "The experience of the

Pilot Project offered promise and was a good experience,” or-- I don’t think good experience-- I would--

In other words, I would start off by saying that -- right off the bat -- that we think it’s worthwhile continuing.

SENATOR SCHLUTER: Fair and Clean Elections--

MR. DeLUCA: Fair and Clean Elections--

SENATOR SCHLUTER: --Pilot Project is worthwhile continuing.

MR. DeLUCA: I’m not-- I guess the--

ASSEMBLYWOMAN MURPHY: How about saying it’s worth continuing, instead of it’s worthwhile?

MR. DeLUCA: Yes, I think, is worth continuing. Yes.

SENATOR SCHLUTER: Fair and Clean Elections Project--

ASSEMBLYWOMAN MURPHY: Is worth continuing.

SENATOR SCHLUTER: --is worth continuing.

MR. DeLUCA: Yes. I would cut out the pilot. I would say, “Fair and Clean Elections Project is worth continuing,” period.

SENATOR SCHLUTER: Okay.

MR. DeLUCA: And then, “The experience of the 2005 Pilot Project,” or pilot “offered promise.”

ASSEMBLYWOMAN MURPHY: And was positive.

MR. DeLUCA: Yes, positive, or useful and informative. I would throw something like that in there.

SENATOR SCHLUTER: You got that, Ms. Winters?

MS. WINTERS: Yes.

MR. DeLUCA: I just think it makes more of an impact if we start off by saying it's worth continuing.

SENATOR SCHLUTER: It's worth continuing. You're right.

What was that second sentence? Have you got it down, Frank? Can you read it?

MR. PARISI: "The experience of the 2005 Pilot Project offered promise, and was positive and informative."

SENATOR SCHLUTER: It was positive and informative.

ASSEMBLYWOMAN MURPHY: I think he was taking out, "The experience."

MR. DeLUCA: Yes.

SENATOR SCHLUTER: No, he said that.

MR. PARISI: I said that.

ASSEMBLYWOMAN MURPHY: Oh, that's the second one.

MR. PARISI: This is the second sentence.

And I think you can take out the, "It was a good experience," since it's redundant.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: Right.

And then the only other comment I would make is, "The editorial comments by newspapers" -- and we say, "In New Jersey." I would just take out, "In New Jersey." Because I think the *Philadelphia Inquirer* may have weighed in.

SENATOR SCHLUTER: Okay. That's unnecessary.

MR. DeLUCA: And is Bergen County in New Jersey?  
(laughter)

ASSEMBLYWOMAN MURPHY: Depends on the week you're talking about.

MR. DeLUCA: We have no one here from Bergen, right?

SENATOR SCHLUTER: All right.

Moving along.

Ms. Winters, No. 2.

MS. WINTERS: "The number of required qualifying contributions, 1,000 \$5 contributions and 500 \$30 contributions, from participating candidates established by P.L. 2004, Chapter 121, the law that created the Pilot Project, was too high."

ASSEMBLYWOMAN MURPHY: The word *at*-- The little word *at* comes out, right?

SENATOR SCHLUTER: That comes out.

MS. WINTERS: Yes.

MR. DeLUCA: You got that. Okay.

SENATOR SCHLUTER: That's the sense of yesterday.

MR. DeLUCA: Mr. Chairman, I was going to suggest that the last part of it, "The law that created the Pilot Project" -- oh, I'm sorry, "Was too high--" And I was wondering if we could add, "And the sentiment was that it should be reduced." Because just saying it was too high doesn't say that there was sentiment that-- I mean, it seemed to me almost every person who testified said it needed to come down.

SENATOR SCHLUTER: Can we say, not sentiment -- "And there is consensus that it should be reduced"?

MR. DeLUCA: Yes.

MR. PARISI: Perhaps we can say, “The consensus of those who testified was that it should be reduced.”

MR. DeLUCA: That’s fine.

ASSEMBLYWOMAN MURPHY: Was it, “The number of qualifying contributions should be lowered,” or something?

SENATOR SCHLUTER: Yes.

You got that?

ASSEMBLYWOMAN MURPHY: You’ll have to wordsmith this, because we’re not giving it to you.

SENATOR SCHLUTER: And we’re not going to have another shot at this, Frank. So don’t worry, this will be fun.

MR. DeLUCA: Good thing we’re not meeting tomorrow. (laughter) You’d have more changes.

SENATOR SCHLUTER: Did you get that last sentence?

MR. PARISI: Sure.

SENATOR SCHLUTER: Do you want to read it to us, or something?

MR. PARISI: Sure. “The consensus of those -- among those who testified was that the number of qualifying contributions should be reduced.”

SENATOR SCHLUTER: Correct.

ASSEMBLYWOMAN MURPHY: Good.

SENATOR SCHLUTER: Okay.

MS. WINTERS: No. 3, “There was no rationale for having two qualifying contribution amounts. It led to confusion among contributors.”

SENATOR SCHLUTER: It’s very straightforward.

ASSEMBLYWOMAN MURPHY: Good.

SENATOR SCHLUTER: Okay. No. 4.

MS. WINTERS: “The 71 days provided by appeal 2004, Chapter 121, for participating candidates to collect the requisite number of contributions to become certified New Jersey Fair and Clean Elections candidates, was not sufficient.”

ASSEMBLYWOMAN MURPHY: Can we just say, “The 71 days provided--“ Somehow we put the part of the sentence we really want them to look at, at the very end. And by the time I’ve read all that, it gets lost.

“The 71 days provided was not sufficient for the participating candidates to collect the required number of--”

MR. PARISI: Okay.

SENATOR SCHLUTER: Well, I think we had another thought that was mentioned yesterday -- and I don’t know whether we instructed staff to do it. But it was -- it is important, and we can add it here -- “The 71 days, coming during the Summer months”; or “The 71 days, which are during the Summer months” -- for participating candidates -- “are not sufficient.”

MR. DeLUCA: Mr. Chairman, can we make the-- I think it’s important to add Summer months, because I have a note to do that, too. Can we make two points there? The 71 days is not sufficient -- was not sufficient -- and also, coming-- Doing this during the Summer months is--

ASSEMBLYWOMAN MURPHY: And no matter what the number of days is, concentrating the effort only in the Summer months is poor.

MR. DeLUCA: Right.

ASSEMBLYWOMAN MURPHY: In New Jersey. In Maine, it's all right. They don't go anywhere. (laughter)

SENATOR SCHLUTER: We don't even have to put-- If you wanted to get-- As Ms. Murphy said, if you wanted to get the -- it was not sufficient -- you can just say, "The 71 days--" Forget about "provided by P.L.--" You can say, "The 71 days was not sufficient for participating candidates to collect the requisite number of contributions to become certified."

Then add, "These days, occurring in the Summer months--"

ASSEMBLYWOMAN MURPHY: Was equally burdensome.

SENATOR SCHLUTER: "--was equally burdensome."

ASSEMBLYWOMAN MURPHY: And futile almost, but don't say futile.

MR. DeLUCA: Unless we did the district in Ocean City, and allowed contributions from people from Pennsylvania. (laughter)

ASSEMBLYWOMAN MURPHY: Ohio, Arizona, everywhere in the world, they come to the Jersey Shore.

MR. DeLUCA: Governor Rendell can make a contribution.

SENATOR SCHLUTER: Yes. Does he pay taxes there?  
(laughter)

MR. DeLUCA: Is he a property taxpayer?

SENATOR SCHLUTER: Have you got that last sentence?

MR. PARISI: Yes.

SENATOR SCHLUTER: Okay.

Next.

MS. WINTERS: “The \$3,000 seed money limit for participating candidates was not sufficient.”

MR. DeLUCA: Again, I would recommend, similar to what we did in No. 2, that we add that there was testimony that it be increased. That was a finding.

SENATOR SCHLUTER: The consensus -- use the same word. “The consensus of testimony--”

MR. DeLUCA: Yes, that would be fine.

SENATOR SCHLUTER: Okay, Frank?

ASSEMBLYWOMAN MURPHY: Can you say that the \$3,000 seed money limit was not sufficient, or would you say it was too low?

MR. DeLUCA: I think too low is--

ASSEMBLYWOMAN MURPHY: Does too low make it much clearer why we’re saying that?

SENATOR SCHLUTER: Let’s not get parsing too many words here. Why don’t we leave it like that? It was not sufficient, and the consensus--

Okay. No. 6.

MS. WINTERS: No. 6, “Participating candidates were confused in regard to what constituted an in-kind contribution to their campaigns and how such a contribution interacted with P.L. 2004, Chapter 121.”

ASSEMBLYWOMAN MURPHY: Very, very good.

MR. DeLUCA: The only thing with this-- We heard testimony yesterday from Citizen Action that some of the advocacy groups were also

confused. We're only saying participating candidates. But some of the groups that were trying to promote this were confused as to how far they could go in using candidate names in documents.

Maybe there just was confusion in regard to what constituted an in-kind contribution to the campaigns.

ASSEMBLYWOMAN MURPHY: Okay. That includes everybody. There was--

MR. DeLUCA: Right.

ASSEMBLYWOMAN MURPHY: Okay.

SENATOR SCHLUTER: Okay?

MS. WINTERS: Okay.

SENATOR SCHLUTER: No. 7.

ASSEMBLYWOMAN MURPHY: I think No. 7 is beautiful.

SENATOR SCHLUTER: We're getting the signal to speed up here.

MS. WINTERS: Speed up?

SENATOR SCHLUTER: Can you read off 7?

MR. DeLUCA: Excuse me, Mr. Chairman. We have a member of the public.

**F R E D E R I C K M. H E R R M A N N, Ph.D.:** Would it be an appropriate time to comment?

SENATOR SCHLUTER: Yes.

DR. HERRMANN: Okay.

SENATOR SCHLUTER: Are you talking about No. 7 or No. 6?

DR. HERRMANN: No. 7.

SENATOR SCHLUTER: Let's read it first.

DR. HERRMANN: Oh.

SENATOR SCHLUTER: Sit down here.

DR. HERRMANN: As long as I can sit, it doesn't really matter where.

MS. WINTERS: "The paperwork required by ELEC to make a contribution to a Clean Elections candidate was burdensome, onerous, and counterproductive. There was no need for a contributor to provide the identity of his or her employer."

DR. HERRMANN: I just wanted to comment on that, if I might.

SENATOR SCHLUTER: Absolutely.

DR. HERRMANN: My suggestion would be, could we perhaps think about saying, "The paperwork required by the law"?

ASSEMBLYWOMAN MURPHY: Oh. (laughter)

DR. HERRMANN: For example: occupation/employer information; check or money order; registered voters only; \$5 or \$30; checks being written to the Fund, not to the candidate; no in-kind contribution provision; and the receipt requirement -- all created the paperwork.

I would submit that in doing a program, you want to try and keep it as simple as possible, unless you want a lot of paperwork. And I think there is a correlation, at least in my 20 years experience, between a law that is very complex -- you like paperwork. We would be delighted to have simple paperwork.

ASSEMBLYWOMAN MURPHY: So what you're really saying is that you're innocent.

DR. HERRMANN: Yes.

ASSEMBLYWOMAN MURPHY: And the law is guilty.  
(laughter)

DR. HERRMANN: Well, yes. I think there could be-- And, I mean, that's, again--

ASSEMBLYWOMAN MURPHY: I think you're correct, because they were required by the law.

DR. HERRMANN: Yes.

SENATOR SCHLUTER: Well, for example, was it the law or the regulation that said that each individual contribution had to be on a separate piece of paper?

DR. HERRMANN: I'm glad you raised that, Mr. Chairman.

The law required receipts. And I just was playing a little bit this morning with our Xerox machine as an example of what we could do in the future. This is the CE2 form, which had to be filled out, in terms of contributor name, contributor address, county, check or money order, contribution amount, occupation/employer information, signature, and all that.

I took out our photocopy machine, copied this, cut it out, folded it in half, and I've reduced what the card could look like, from eight-and-a-half by eleven to four inches by two-and-a-half, which is a little bit bigger than a credit card. And in the future, a candidate could get that same kind of information and just have these printed up. Because I think one of the things I heard in all the testimony was, who wanted to carry

1,500 of these around. But if they were reduced to this size, front and back, that's exactly the same information. That's on something that can be on a three-by-five card. So that's the kind of thing that we can do in the future, I think, to make life easier.

ASSEMBLYWOMAN MURPHY: Except that the biggest complaint we heard was not the size of the paper or anything else. The biggest complaint was, people resented -- really resented -- having to give the name of their employer.

DR. HERRMANN: Oh, I agree. And that's something that I think--

ASSEMBLYWOMAN MURPHY: If that's on that card, it can get even smaller without that. (laughter)

DR. HERRMANN: Oh, I would agree. That's not something we were pushing for -- the occupation/employer.

SENATOR SCHLUTER: Can we say this-- Would you figure that this exonerates ELEC by saying, "The paperwork required by the law, and promulgated in the regulations."

DR. HERRMANN: Well, the regulations, of course, are based on the law. We didn't do-- As a matter of fact, you had a-- I read the testimony a number of meetings ago. There was an extensive discussion among the Commission about that. And I think the conclusion at the end of the discussion was, it was really the law, not the Commission that-- I mean, our regulations did not deviate from that law. We did not create any more burdens than already existed in the law.

SENATOR SCHLUTER: And your record shows that you were most flexible in working out the exceptions.

DR. HERRMANN: Yes.

SENATOR SCHLUTER: So is it agreed, with the Commission?

ASSEMBLYWOMAN MURPHY: I think it was required by P.L.--

SENATOR SCHLUTER: By the law.

MR. PARISI: Mr. Chairman, I would point out that it's not only law P.L. 2004, c.121, it is the current election law, in some respects -- the example being that there was a law passed earlier last year which required a full disclosure of any kind of cash contribution. That had absolutely nothing to do with the Clean Elections Law. So I think it would be accurate to say that the paperwork required by current law to make a contribution to a Clean Elections candidate was burdensome, onerous, and counterproductive.

DR. HERRMANN: Thank you.

MR. DeLUCA: Yes.

SENATOR SCHLUTER: You made your point.

ASSEMBLYWOMAN MURPHY: It covers it all beautifully.

SENATOR SCHLUTER: Yes.

But we also add, as an exclamation point, there was no need for a contributor to provide the identity of his or her employer, which is really -- everybody said--

All right, moving right along, No. 8.

MS. WINTERS: No. 8, "By awarding to certified New Jersey Fair and Clean Elections candidates the public funds that were forfeited by an unsuccessful participating candidate in the same district, the law unfairly

penalized those participating candidates who tried to become certified candidates but failed. The law did not differentiate between candidates who attempted to become certified and came close to qualifying, and those candidates who did not attempt to participate in the program.”

ASSEMBLYWOMAN MURPHY: I’d take out the word *fail* and say *did not succeed*, or *were unsuccessful*, or something. Failed is such a mark.

SENATOR SCHLUTER: But were unsuccessful.

Comments from the Commission? (no response)

Hearing none, I’d like to say that this is making a statement. Now, this is a subject for further deliberation.

ASSEMBLYWOMAN MURPHY: Then can we say we heard testimony? Testimony was received that, by awarding to certified, etc., etc., etc.

SENATOR SCHLUTER: No, I didn’t mean it that way. I meant that this says it shouldn’t be-- It’s unfair to have that penalty amount of money, from a sincere candidate who is unsuccessful, go to the successful candidate. But then we don’t say what we’re recommending in its place. And maybe what we’re recommending in its place -- number one, that that not be true. And there are some other features of that penalty thing which I think we’re going to be visiting later, about when that penalty amount should be awarded.

MR. PARISI: Mr. Chairman, just to point out, this is a finding as opposed to a recommendation. This is what existed in the 2005 program, as opposed to a recommendation.

ASSEMBLYWOMAN MURPHY: Right. And it's what we heard.

MR. PARISI: With the change on -- in 2006 and afterwards.

SENATOR SCHLUTER: Okay. As long as my colleagues here don't object.

ASSEMBLYWOMAN MURPHY: No, but I mean, it can be phrased so it says that testimony-- We heard testimony -- identified that there were concerns that awarding, or-- There was testimony made that said that by awarding-- You're not owning it. You're saying this is what we heard. And it is what we heard.

I think in the body of our full report, we would be making a recommendation as to how that be changed. We're just identifying the issue, are we not?

SENATOR SCHLUTER: Yes.

MR. DeLUCA: What if we took out the word *unfairly*?

ASSEMBLYWOMAN MURPHY: Penalized, then.

MR. DeLUCA: Yes.

ASSEMBLYWOMAN MURPHY: Okay.

MR. DeLUCA: It says the law penalized those who tried and were unsuccessful.

ASSEMBLYWOMAN MURPHY: Okay.

MR. DeLUCA: I think *unfairly* is the word that--

ASSEMBLYWOMAN MURPHY: It's a judgment.

MR. DeLUCA: Yes.

ASSEMBLYWOMAN MURPHY: Okay.

SENATOR SCHLUTER: It's objective.

All right. Well, I will then weigh in later on open issues, on some of the concerns here that--

MR. PARISI: Did you want to keep in the fact -- in regard to the testimony that was given, that by awarding-- Or do you want to just not do that?

MR. DeLUCA: I would just leave it the way it is and take out *unfairly* and change *failed* to *were successful* (*sic*).

SENATOR SCHLUTER: Unsuccessful.

MR. DeLUCA: Unsuccessful, right. And I think it makes it less judgmental. And I don't think we have to worry about putting in that it was testimony. I think we just say that it did -- it's just a fact now.

SENATOR SCHLUTER: It is a fact.

Okay. No. 9.

MS. WINTERS: "The law and regulations were not specific and clear with respect to the requirements of candidates to report qualifying contributions to ELEC."

MR. DeLUCA: Mr. Chairman, was this-- This was, I think, a time issue.

SENATOR SCHLUTER: It was a time and a mandatory requirement. And I think Ms. Davis, yesterday, added to the testimony, did she not, that it was somewhat unclear? We had-- The matter of when amounts are due -- are they due on a regular schedule? And can they be held back, or do they have to be submitted?

Do you want to come up and testify on this, Mr. Herrmann or Ms. Massar?

DR. HERRMANN: Yes.

Thank you, Mr. Chairman.

Basically, again, I think it goes back to the law more than the regulations. The law didn't specify how many times they had to come in. It just said you had to come in. Our regulations were permissive, in terms of when you come in, in terms of mandating every two weeks or every month.

But having said that, it's not a question of fault or anything. I think it's a question of how do we improve the system. And I think, from ELEC's perspective, we would be happy if a recommendation said that there were regular times you had to come in. I think that probably would make more sense and break it up better.

But the law didn't really address that very clearly. So I think No. 9 is fine the way it is, basically.

MR. PARISI: Mr. Chairman, if I could make a suggestion, perhaps, to identify the law specifically and say that P.L. 2004, c.121 was not specific and clear with respect to the requirements of candidates to report qualifying contributions to ELEC.

SENATOR SCHLUTER: And could you-- It was not clear. And should we add that testimony would indicate that greater specificity; or something to the effect that the law should mandate, as Mr. Herrmann said, clearer reporting dates and requirements?

ASSEMBLYWOMAN MURPHY: Isn't that in one of our solution ends, rather than identifying the issue? That's what we're saying would solve the problem.

SENATOR SCHLUTER: Yes, but-- That's fine.

All right, No. 10.

MS. WINTERS: “P.L. 2004, Chapter 121, gave no rationale providing a third party or independent 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.”

MR. DeLUCA: It’s fine.

SENATOR SCHLUTER: Do we want to add anything saying that that was unfair?

ASSEMBLYWOMAN MURPHY: No, I think it’s fine.

SENATOR SCHLUTER: Okay.

ASSEMBLYWOMAN MURPHY: Well, if we’re saying it’s unfair, then we’ve gone beyond citing what we observe. We are making a judgment.

SENATOR SCHLUTER: And we got a lot of testimony saying it was unfair. (laughter)

ASSEMBLYWOMAN MURPHY: We can say that. You can say that many people testified to the unfairness of this ruling.

MR. DeLUCA: That’s fine with me, too. But aren’t we-- In some ways, we are making a judgment by saying there’s no rationale.

SENATOR SCHLUTER: Leave it the way it is. Fine.

No. 11.

MS. WINTERS: “There was a need for greater public awareness of the Clean Elections program than was provided. Without a strong public education component, future Clean Elections programs cannot succeed.”

MR. DeLUCA: I would change *cannot* to *will not* succeed, since we’re talking about the future.

SENATOR SCHLUTER: Okay.

Moving right along, No. 12.

MS. WINTERS: “Individuals who made a contribution were not provided with sufficient information as to the ultimate depository of that contribution, nor were they provided with sufficient information about what happened to the contribution if the candidate for whom it was given did not qualify as a certified New Jersey Fair and Clean Elections candidate.”

SENATOR SCHLUTER: Certainly that existed.

MS. WINTERS: Can I just ask a clarifying question? Was this one intended to speak of qualifying contributions, seed money contributions, or both?

SENATOR SCHLUTER: I think we ought to say qualifying contributions, because that’s really what’s implicit here.

MS. WINTERS: Thank you.

SENATOR SCHLUTER: Ultimate depository of qualifying contributions.

MR. PARISI: We can say, individuals who made a qualifying contribution were not provided with sufficient information as to the ultimate depository of that contribution.

SENATOR SCHLUTER: Yes, yes, yes, that’s better.

Now, can we then have those first 12 items, as modified today, distributed to our Commission members and saying that the Commission, at its meetings, have put these in final form? And we, unless you have any objections -- they will go forward.

MR. PARISI: Do you want these to be e-mailed to the Commissioners?

SENATOR SCHLUTER: Yes.

MR. PARISI: Is that what you're saying?

SENATOR SCHLUTER: That helps us get farther down the road.

MR. PARISI: Do you want these put on the Web site, as well? I did not put the other ones--

SENATOR SCHLUTER: No, I don't. I think it's too premature, isn't it?

MR. DeLUCA: Well, we hand them out at the public meetings as drafts. I don't see the harm in putting Draft 3 -- and maybe putting something on there that says this is still a work in progress.

SENATOR SCHLUTER: As long as we say this is a work in progress in the draft.

All right, Ms. Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: Okay.

Now, the following issues are issues of concern to the Commission -- are open to more deliberation. Should we say open to more deliberation before including in our preliminary report?

MS. WINTERS: Mr. Chairman, my understanding was that some of these are for inclusion in the preliminary report, and some of them were for the final report. These final ones under Section 13 were just kind of a collection of issues that were raised at yesterday's meeting and previous

meetings. And I'm not sure the Commission made a final decision as to which report they were more appropriate to be included in.

SENATOR SCHLUTER: One of our considerations might be, should this be in the preliminary report, or should it be in the final report?

MS. WINTERS: Correct.

SENATOR SCHLUTER: And that has to be a decision that's--

MR. DeLUCA: Right.

ASSEMBLYWOMAN MURPHY: When do you want the preliminary report to be handed to them again? Is that the May report, or is that prior to May?

SENATOR SCHLUTER: The preliminary report is due--

MR. DeLUCA: February 6.

SENATOR SCHLUTER: --February 6.

ASSEMBLYWOMAN MURPHY: Then I would not put these in it. I would include these in your final issue.

SENATOR SCHLUTER: But this is-- Some of these are going to be in the preliminary report. Some of them are going to be in the preliminary report.

ASSEMBLYWOMAN MURPHY: Can they not be? The draft is a draft, isn't it? I mean, these last three-- The 13 is what we're discussing.

MR. PARISI: Yes.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: And are these, as we go through these today, issues that we feel should go in today's report -- can -- but issues that take further deliberation. I don't think you mention--

SENATOR SCHLUTER: Mention what?

ASSEMBLYWOMAN MURPHY: I don't think you have to mention them.

SENATOR SCHLUTER: Well, these are for us to work on.

ASSEMBLYWOMAN MURPHY: And we should.

SENATOR SCHLUTER: And for other Commissioners to study on, because we're going to revisit these in our future meetings.

ASSEMBLYWOMAN MURPHY: But they are not-- Are they being deliberated for inclusion in this first part, or are they going to be deliberated after today, in further discussions, for inclusion in another part of the report?

SENATOR SCHLUTER: For inclusion -- or not inclusion in the report -- in the first report or the second report. In other words, they're open for more deliberation.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: Yes.

Well, we just leave it like that.

Does that take care of things?

These, clearly, have not been decided on, as if we don't know whether we're going to -- how we're going to decide, and where we're going to come down on them, and whether they'll be in the first report or the second -- or the final report.

MR. DeLUCA: Mr. Chairman, may I suggest that we go through A through O? And we can decide whether-- We can discuss each of them and decide if we're ready to come to a conclusion on a finding. And if not, leave it for further consideration.

SENATOR SCHLUTER: I think that's fair enough, because we've had 24 hours to think about it. And we've had a lot of -- more so.

And if we do decide that it is in the category of those first 12, we can bump it up. Is that right?

MR. DeLUCA: Correct.

SENATOR SCHLUTER: Okay, Ms. Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. DeLUCA: You caught me with a mouth full of water.

SENATOR SCHLUTER: All right. (laughter)

Let's start with A.

MS. WINTERS: A: "Whether there was a rationale for requiring that the candidates for the Office of Member of the General Assembly, who were members of the same political party, both needed to become certified candidates for either of them to receive public funds for their campaigns." This was the issue of linking two candidates together.

MR. PARISI: And, Mr. Chairman, if you were going to change that to make it a finding, you could say there was no rationale for requiring-- One possible way of doing it would be to say that there was no rationale for requiring that candidates for the office -- and so forth.

SENATOR SCHLUTER: What's the feeling of the Commission members on this particular issue? And there was a lot of testimony from PIRG and, I think, Citizen Action on this very thing.

ASSEMBLYWOMAN MURPHY: Do you not think that candidates who are running for the Office of a Member of the General Assembly -- if there are two in a district who have successfully won the

primary, they can -- they certainly are permitted to run together, but not required.

SENATOR SCHLUTER: That was not discussed, but that's a very, very good point. And one piece of testimony that I read last night suggests just that -- that they have the option to.

ASSEMBLYWOMAN MURPHY: Because we run together, but you are voted separately. And the number of votes for each of those two people, at the end of the day, is quite different. But if-- That's why there may be two of one party or one of each party elected, because each of them is voted for separately. So they are separated, even though they are together.

MR. DeLUCA: The other thing--

Mr. Chairman, we received this list of post-Election Day reporting period. And quite a number of these candidates have both individual accounts and combined accounts -- joint accounts.

ASSEMBLYWOMAN MURPHY: Yes.

MR. DeLUCA: And I know, in my own campaigns, we run both of those -- individual and joint accounts. So I think that there's the ideal here and there's the practice. The practice is that many of them do run jointly and do commingle their funds.

And the concern I have here with this one is, by not requiring both the candidates in an Assembly district to run Clean, are you giving an unfair advantage to the Clean candidate, when his or her partner is running a traditional campaign and able to spend as much as possible, through generic advertising, to allow -- that would be to the benefit of the Clean candidate.

SENATOR SCHLUTER: Very true. And without changing other parts of the law, if you have two running mates who -- one is Clean and one is not Clean -- two running partners in a district, and one chooses not to run Clean, does that mean that the Clean one gets that person's money -- the penalty money -- for the Clean candidate?

MR. DeLUCA: Right.

SENATOR SCHLUTER: So people could game this in a way to say, "Hey, we can get an extra \$75,000 just by pulling this little caper."

ASSEMBLYWOMAN MURPHY: But if you have not declared that you're in the Clean Elections program, you don't have to be. Isn't that the way it was in this primary?

SENATOR SCHLUTER: That's correct.

ASSEMBLYWOMAN MURPHY: So no one was under an obligation to do so. And if I chose to, and my running mate chose not to do so, why should he get my money? If he had gone into the Clean Elections campaign and I failed to get the required number of votes, and he did -- the required number of contributions -- then he should get his money and mine if I did not get the number of contributions. But if he wasn't in it-- What am I saying? If both of us are in it, then if both of us get the same amount -- get the money -- get the number of contributions, then we get the money, right?

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: But why shouldn't, if I get the right amount of contributions and he doesn't-- Why would I get his money -- why wouldn't I get his money? He failed -- or was unsuccessful.

SENATOR SCHLUTER: And the person who failed doesn't get anything.

ASSEMBLYWOMAN MURPHY: That's what I'm saying.

SENATOR SCHLUTER: But they are running as partners.

ASSEMBLYWOMAN MURPHY: No, we're not running as partners. We're running as two people who represent the district.

SENATOR SCHLUTER: Okay. But then the one who was unsuccessful can go out, through the traditional method -- and maybe has access to big, big bucks -- and can come in with twice as much as the Clean candidate could raise.

I think it's almost a situation--

ASSEMBLYWOMAN MURPHY: But when you have Clean Elections in every one of the districts, it's going to be uniform. You're not going to let people run outside, are you?

SENATOR SCHLUTER: Well--

ASSEMBLYWOMAN MURPHY: And I say *let*.

SENATOR SCHLUTER: You can't dictate, because--

MR. DeLUCA: Constitutionally.

SENATOR SCHLUTER: --constitutionally, they have the right to refuse public money and, therefore, have unlimited expenditures.

The point being that it would seem unfair to allow candidates of the same party, running on the same ticket, to get that benefit of the penalty if they're on the same--

ASSEMBLYWOMAN MURPHY: Well, if the penalty is an issue that we're going to look at separately -- which we have declared, because we have said, by No. 8, there is a penalization here, and we don't

like it. So if we're going to look at No. 8 separately, then what we're really talking about here is, two people have to be bonded at the hip. And my feeling is, no they don't, which is what makes them free candidates, makes them really able to stand up for what they say.

SENATOR SCHLUTER: But didn't you also say, when we started off this discussion, that if they voluntarily want to be bonded, they can?

ASSEMBLYWOMAN MURPHY: The law does provide for you to have one -- to be--

SENATOR SCHLUTER: A joint committee -- a joint--

ASSEMBLYWOMAN MURPHY: No, parenthesized on the ballot, doesn't it?

MR. DeLUCA: Bracketed.

ASSEMBLYWOMAN MURPHY: Bracketed. So if you have one vote for two candidates, you can do that.

And I have to tell you, I don't know anyone-- I don't know people who do that, because it diminishes you in every election. You are voted for separately. There's nothing that I can do to change the outcome for the person who runs with me. They win or they lose by whatever they are and whatever they've done. I can't win them. I can't help them to win, I can't cause them to lose. I can only run like crazy for myself and the things I believe, and speak my mind the way I've done.

Consequently, I don't benefit or take away from the person I'm running with. We wouldn't have gotten through the primary if that weren't the case. And in the primary, you run separately.

MR. DeLUCA: But in the general election, if we look at a couple of different cases-- If part of this is to create an even playing field so that each set of candidates -- or each candidate would have the same amount of money, then you could have the situation where you could have-- Say each of the Republicans are running Clean, and one Dem is running Clean and one Dem is not. Then you'd have-- The Republicans would be limited to what they can spend by the law. The one Democrat running Clean would be limited by the law. And then the one Democrat running a traditional race could spend as much as he or she wants. So you don't really have an even-- You have three candidates of the four who are limited by this, and one candidate could just go wild and spend whatever money he or she wants.

ASSEMBLYWOMAN MURPHY: Money talks in an election; money does not vote -- in many districts. I suppose it does in some, because I'm cynical enough to agree with that. But money is not the only thing that makes an election win. You can spend all the money in the world. And if you haven't done your homework, and you're not seen, and you're not visible by any constituents, you can lose an election big time. And it has happened in this state. And it has happened more locally than any other place. And locally is where most of our Assembly candidates get their grounding. They don't spring from the head of Zeus, I don't think. At least I haven't met one who did. It might be kind of fun.

SENATOR SCHLUTER: Well--

MR. DeLUCA: Well, I guess for this-- What I would suggest is, I think there's more debate here on this one than just making it a finding. Because I do-- I think that there is a question if there's a rationale

or not. I don't think we can say there's no rationale, because I do think there may be a rationale, and we've been exploring it. So I do think this is going to need some more conversation.

SENATOR SCHLUTER: Well, it's not only going to need more conversation for the examples that have been given, but also for the primary situation, where people run as individuals. And that has to be factored in. And do we-- Is our recommendation, which we don't know now-- I'm not suggesting we decide now. But is our recommendation to say that anybody who goes into this in the primary must go into it in the general, which has been a recommendation of some of the people?

ASSEMBLYWOMAN MURPHY: Must go into it in the general?

SENATOR SCHLUTER: Must go into it in the general.

ASSEMBLYWOMAN MURPHY: Oh, if they win.

SENATOR SCHLUTER: Yes. But I would agree with Victor here, that this clearly is something that needs more deliberation.

ASSEMBLYWOMAN MURPHY: Yes, it is. And, of course, it's also bounded, in many respects, by the opportunities for running in the various counties. It's very different.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: The opportunity is extraordinarily different. I'm coming from an open primary.

MR. DeLUCA: We might end up with a recommendation that says, in the primary, you run as an individual. In the general, you run as a team for the Assembly.

I even think there might be some discussion we need to have about the relationship of a Senate candidate to the Assembly candidates.

ASSEMBLYWOMAN MURPHY: Can I tell you that our legislative office was the only one in the state in which all three of us shared the same office? If that is so, does that tell you how often candidates are close enough to -- or able to communicate with each other in a way that would allow them all to share anything like that? I'm not saying this very well.

But if two legislators cannot share the same office, where their aides work and they work-- If they haven't the confidence in one another's trust or ability to share an office, why on Earth would they share the ticket, and the moneys, and that sort of thing?

And then a Senator, who runs every four years -- and has often, mentally, been moved out of his office by one or other of the Assembly people who are working with him -- why would he say, "Well, sure, we're all going to--" And we did -- we did run together. But, boy, we had a lot of self-imposed discipline: what was said, and what wasn't said, and the communication in our office and our campaign office, which was another local place which we shared. And we also shared with our Congressman. He sublet it from us when he was running.

So there's differences in the county where you run openly -- everybody runs, as opposed to a county in which it's all quite regulated. And I think the money is going to have a big play in this.

I don't know how you create a level playing field if everybody is still free to run if they wish to run. If everybody wants to run in a primary,

are you going to fund 12 candidates for the -- two freeholder seats on the board, for instance?

SENATOR SCHLUTER: Well, first of all, they have to qualify by qualifying contributions, whatever that is going to be.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: And maybe in Morris County it's different. But in most counties, there's not too many people who are going to be able to qualify for a primary for the public money.

But I think, clearly, this issue is for further deliberation.

ASSEMBLYWOMAN MURPHY: I think it is.

SENATOR SCHLUTER: And I think a lot of good points have been made here. And let's just remember, when we get more Commission members, and we have to come to a decision--

ASSEMBLYWOMAN MURPHY: And who could--

Perhaps Mr. Herrmann; or yourself, Mr. Parisi; or Al Porroni even could-- Someone who has done a lot of campaign work could give us some kind of spreadsheet that would allow us to look at the differences, and balance them, give -- allow us to set points -- numbers, if you will -- three points for this, four points for that -- to add up the numbers -- columns in each one of those districts and decide where the weight is that would change it.

I don't want to make-- I don't want every candidate in this state to be the same as every other one, which-- Somehow, to me, a level playing field says we're all going to be cutouts, all the same, one, two, three, four, five, six, seven in all these districts. People are different, and we need those differences. And they are what stimulate a debate, and stimulate

good law -- or bad law, I guess. But I hate to see us trying to make cookie cutters.

SENATOR SCHLUTER: You've made a very good point. But I think if we were to advocate that we say that New Jersey should have single-member Assembly districts, that would be out of the purview of--

ASSEMBLYWOMAN MURPHY: And I don't think we should have them.

SENATOR SCHLUTER: --our report.

ASSEMBLYWOMAN MURPHY: And I certainly don't think you should have them. I like the idea of having two. And I like the fact that--

Alex DeCroce was my running mate. And we could disagree such that people left the office, because we were disagreeing so loudly. And we would bring Bob Martin into this just because three heads are better than two, and two are always better than one. And we would go tooth and nail. And sometimes we'd vote diametrically opposed to one another, with joy in our hearts.

But we ran together as a team, because our office was the stability for the district. It was the office that represented everybody in that district. If we won, we were the office, period. And the people who worked for us, our aides and whatnot, jointly represented everyone equally. You couldn't differentiate, nor could you violate the rules of confidentiality of the office. But you have to be able to communicate well with one another to do that.

SENATOR SCHLUTER: Well, I think we have to move on.

I would like to add that if you think your district had difficulty getting two people together, could you imagine--

ASSEMBLYWOMAN MURPHY: No -- some of the other ones?

SENATOR SCHLUTER: Assemblyman (*sic*) Lance and Assemblywoman Myers getting together?

ASSEMBLYWOMAN MURPHY: No. I worked with both of them, and I cannot imagine.

SENATOR SCHLUTER: And, number two, I think it was Tom Kean who said that two people running in the same district, for the same office, is one of the most unnatural situations he's ever seen in politics. (laughter)

ASSEMBLYWOMAN MURPHY: Yes and no. I had such a positive experience with it. I guess that's why. I don't know that I would have had any-- I wouldn't have had that, having to share an office with a whole lot of other Assembly people. You probably would have to work harder at it.

SENATOR SCHLUTER: All right.

Let's move along. This is going to need further--

No. (*sic*) B.

MS. WINTERS: No. B:

ASSEMBLYWOMAN MURPHY: Well, having resolved that issue-- (laughter)

MS. WINTERS: --"How to increase the number of financial instruments available to make a financial contribution to a participating

candidate so that raising the required number of qualifying contributions is easier for such a candidate, without increasing the possibility of fraud.”

MR. DeLUCA: I would suggest this become a finding, that we found there’s a need to increase the number of financial-- It seemed to me that that was something that was loud and clear. And then we can talk later, in our recommendations, of how to do that and focus on the -- without increasing the possibility of fraud.

SENATOR SCHLUTER: Well, I think there is another part to this. Maybe it should be a separate item. And that is the item of cash. And you could put cash in there, because that is another financial instrument. And I think if you do put cash in it, which I would favor, I think you’d also have to put language in there -- which has been in so much of the testimony -- about a statement on the bottom of your little -- now it’s going to be three by four -- card saying that the person who signs this affirms that he/she was not coerced in giving this, and it does not represent funds from another source. And maybe something else saying that -- and it is understood that ELEC, or whoever, will audit, on a quality control basis -- audit 5 percent of these, to be sure that the--

MR. PARISI: Mr. Chairman, just a point of order here. That is-- That issue that you bring up, in regard to statement, is specifically mentioned in Subparagraph F, which is further along.

ASSEMBLYWOMAN MURPHY: Now, if F does that, which it does do, is not F the solution-to-be?

MR. PARISI: What you may find in reviewing some of these on the following page is that they have a tone more in terms of solution than in finding.

ASSEMBLYWOMAN MURPHY: So if B is the finding, then part of our report includes F, which is a solution. Is that correct?

MR. PARISI: It could certainly be interpreted to be that way.

SENATOR SCHLUTER: I think one thing, for example, is check -- excuse me -- is credit cards.

ASSEMBLYWOMAN MURPHY: Right.

SENATOR SCHLUTER: That is not allowed. Only a check card, or check, or money order. But then you can have credit cards, and you can have cash, or any other instrument that somebody might determine.

I would be for combining the two, or putting them next to each other.

MR. PARISI: Well, Mr. Chairman, if you use the term *financial instruments* generally, I think that would encompass cash and credit cards.

SENATOR SCHLUTER: It does.

MR. DeLUCA: What if we were to say, the need to increase the number of financial instruments, and then, in parentheses, put such as cash and credit cards?

SENATOR SCHLUTER: Including cash.

MR. DeLUCA: Or including cash and credit cards.

MR. PARISI: Now, is the decision of the Commissioners that this should become a finding? This would become No. 13.

ASSEMBLYWOMAN MURPHY: Yes. I vote yes.

MR. DeLUCA: I say yes.

SENATOR SCHLUTER: Okay.

Now, can we also then visit F at the same time, since we've got that subject matter in our thoughts?

ASSEMBLYWOMAN MURPHY: I'd like to see F as part of our solution. We're speaking about a contribution form with a statement specifying it. We could draft the form, as we see it, etc., as part of our solution to the prior comment.

SENATOR SCHLUTER: How do you mean? As 14, or as a--

ASSEMBLYWOMAN MURPHY: No, it's not a finding.

MR. PARISI: It would be a recommendation.

ASSEMBLYWOMAN MURPHY: It's a recommendation.

MR. DeLUCA: A recommendation.

MS. WINTERS: For the final report.

ASSEMBLYWOMAN MURPHY: It's a recommendation for the final report -- is that we believe a contribution form should have a statement specifying the contribution was made, etc., etc. And have the exact wording that we would want on that form. And that's our recommendation.

SENATOR SCHLUTER: For the final report, not the preliminary report?

MR. DeLUCA: Yes.

SENATOR SCHLUTER: Okay.

MR. DeLUCA: I think, Mr. Chair, we cover-- In our new No. 13 now, we say, "Making it easier for each candidate, without increasing the possibility of fraud." And then in our recommendation, we will pull out F and talk about how this is one way to prevent fraud from occurring.

SENATOR SCHLUTER: To prevent the fraud from occurring, in my view, it should occur on -- whether it's a cash document -- when cash is given, or whether it's a check.

ASSEMBLYWOMAN MURPHY: Right.

MR. DeLUCA: Correct. As a general statement -- that this is from the contributor's own resource. That might be a recommendation -- that any contribution includes that signed statement.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: It should be on the bottom of all the cards. Absolutely.

MR. DeLUCA: Right.

ASSEMBLYWOMAN MURPHY: Absolutely.

SENATOR SCHLUTER: And how about this idea -- as was in one of the recommendations -- PIRG, or somebody -- of a--

Come on up.

How about this idea of, these contributions will be audited?

ASSEMBLYWOMAN MURPHY: Oh, yes.

MR. DeLUCA: Yes, I would agree.

SENATOR SCHLUTER: Put that right on the--

ASSEMBLYWOMAN MURPHY: Right on the card.

SENATOR SCHLUTER: Yes.

DR. HERRMANN: I just want to add, if I might, a point of information which might be helpful.

There are really two kinds of forms. And I just want to clarify what they were. I mean, the kinds of forms that you file with ELEC. But then there are also-- We're also talking about forms the candidate is using

for record-keeping purposes. So one thing, maybe, to keep in mind is that anything that goes to ELEC should be specified as on a form. But if it's for record-keeping purposes, you might just want to use language that the candidate shall keep the following records, and not require they be in a certain format. Whatever information you want would be in the law. And we can leave it to the candidates how they would keep their own records, as long as their records reflect the information that you would need to back up their claims for collecting money.

SENATOR SCHLUTER: Yes, but that does not speak to B, which is increasing the number of financial instruments.

DR. HERRMANN: Oh, no. This was more speaking, I think, to--

SENATOR SCHLUTER: F.

DR. HERRMANN: --F.

SENATOR SCHLUTER: Well--

DR. HERRMANN: And also to E -- one form -- requiring a separate form. We could leave that to the candidates how they want to keep their records and not put them-- Because they may be quite creative, in terms of how they want to do that. And as long as for auditing purposes, when ELEC goes to audit it, the information that the law wants is in the records, do we really care what kind of form they use or how they want to order it? And they may come up with simpler ways of doing it than we can think of ourselves.

SENATOR SCHLUTER: But the statute should say that it's the responsibility of the candidate to maintain forms, which--

DR. HERRMANN: Or records.

SENATOR SCHLUTER: --records, which--

DR. HERRMANN: Have the following information.

SENATOR SCHLUTER: --which verify that these are not given under coercion or--

DR. HERRMANN: Yes, that would be part of it. And then, however they wanted to organize it-- Because, again, with the people really out there raising the money, they may have much better ideas than we would, sitting here, about how they may want to organize this information. And the important thing, I think, would be that the law requires them to keep certain information. But let them decide how they want to keep it.

SENATOR SCHLUTER: Isn't that almost a separate item?

DR. HERRMANN: It's sort of a blend of E, F. And maybe it could then become P. I don't know. (laughter)

SENATOR SCHLUTER: Why don't we just make note of this as a--

DR. HERRMANN: So, generally, it would be required that records be kept, but not specify, specifically, what the format of the record keeping is, just that they have to have certain information that would be accessible to the Election Law Enforcement Commission to certify or make sure that they have properly collected their money.

SENATOR SCHLUTER: And since we're allocating some of these to the final report, this seems to me to fall into the final report category.

DR. HERRMANN: Yes, I think that would be May, as opposed to February.

SENATOR SCHLUTER: Why don't you stay up there, Mr. Herrmann?

DR. HERRMANN: Oh, okay. (laughter) I'll bring my water.

SENATOR SCHLUTER: And let the record show that we're joined by Assemblywoman Greenstein.

Welcome here.

ASSEMBLYWOMAN GREENSTEIN: Thank you.

SENATOR SCHLUTER: And I hope you can get up to speed. You have-- I guess Ms. Murphy has told you what we're doing.

ASSEMBLYWOMAN GREENSTEIN: Yes.

SENATOR SCHLUTER: And we went through the first part of this, through No. 12. We made a few little modifications. And we said that's it. You'll get a copy of a few little edits on that. And we sort of said that that's pretty much going to be the final version, unless somebody has a major--

ASSEMBLYWOMAN GREENSTEIN: Up to the first 12 points.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN GREENSTEIN: Okay.

SENATOR SCHLUTER: Now we're--

MR. DeLUCA: And then we added No. 13.

MR. PARISI: Then we added 13.

SENATOR SCHLUTER: We added B as No. 13.

And we--

ASSEMBLYWOMAN MURPHY: A is still an open number.

SENATOR SCHLUTER: A was -- consumed a lot of discussion.

ASSEMBLYWOMAN MURPHY: Open, open.

ASSEMBLYWOMAN GREENSTEIN: Okay.

SENATOR SCHLUTER: Now that brings us to C.

MS. WINTERS: C: "Whether the calculation for the amount of funding given to a certified New Jersey Fair and Clean Elections candidate, limited by P.L. 2004, Chapter 121 to not more than \$100,000, was flawed, because it was based on contributions a candidate received from individuals, groups, and committees in other parts of the state, and not just from contributors in the legislative district."

ASSEMBLYWOMAN MURPHY: I think that's a finding. No, it isn't, because we aren't sure, are we?

ASSEMBLYWOMAN GREENSTEIN: I think it's a good point. It's something I know I've never thought about. It's a whole new way of collecting money. And since it now has to be done within the district, it may lead to some -- it may not be the best way to figure the number out.

But, yesterday, there was a suggestion from somebody -- I can't remember who it was -- not to do a number. I think it was--

MR. DeLUCA: Steve Ma.

ASSEMBLYWOMAN GREENSTEIN: --Steve. He said don't use a number, but base it on what you need to run a--

MR. DeLUCA: Competitive.

ASSEMBLYWOMAN GREENSTEIN: --competitive election in that district.

MR. DeLUCA: He talked about a candidate being competitive.

ASSEMBLYWOMAN GREENSTEIN: Because it is true. I think this number is figured out, in a certain way. But it may not be the best approach for all the districts.

SENATOR SCHLUTER: More comments?

MR. DeLUCA: I don't think--

MR. PARISI: Mr. Chairman, I would just point out that the law does not provide a specific number. It provides a ceiling. And the way the law is structured is that you receive a certain amount of money based upon how much was spent in that district over the previous two elections for the office. And what ELEC was charged to do was to come up with an average of the amount. So it could have been less than \$100,000 in some instances. Certainly, it could have been more than \$100,000. So I think that what the law did was, it did provide for this kind of flexibility.

Now, perhaps the -- you could make the argument that that amount was not sufficient. But I do think that there was not a specific number put in there. For instance, if the district which was selected had an average which was less than \$100,000, that would have been the amount of money that was provided.

SENATOR SCHLUTER: Well, what was flawed was the calculation, not the \$100,000.

MR. DeLUCA: Well, why was it flawed?

SENATOR SCHLUTER: Well, if you follow the reasoning here, it was flawed because -- and it actually has -- talks about receipts of -- candidates receipts from individuals, groups, and committees in other parts of the state. The fact is that, really-- I would change that to be flawed

because it was not based on specific expenditures by an Assembly candidate to win the last election. Because then that excludes all the money that-- If that was a very wealthy, well-financed candidate who wheeled money into other districts -- is part of that calculus.

MR. DeLUCA: Well, the problem with the way it's written is that this talks about money received. And the formula in the law is money expended.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: So there's something wrong there.

But I think this is going to take a lot more conversation, because-- Let's look at the 6th District. The 6th District -- and we heard testimony from Assemblyman Greenwald that when the numbers were calculated, they calculated his entire expenditure, not just what he expended in the district for his election, but any money that he gave to another candidate.

SENATOR SCHLUTER: Correct.

MR. DeLUCA: If we had taken that out-- He had said that he had spent a very modest amount for his election. If that was the basis upon which we would have done that 75 percent, maybe he would not have participated, because the amount of money that they would have been entitled to would have been too low to run a competitive campaign.

SENATOR SCHLUTER: This is the point that--

Excuse me, members. We're going to hear from Mr. Herrmann.

DR. HERRMANN: One of the great comments in campaign financing was by Herbert E. Alexander, who is the great expert in public financing. And his comment was that, in any given election, half the money

spent is wasted. We just don't know which half. So it's going to be extremely hard to figure out what you would net out and what you would leave in. Because if a candidate makes expenditures for even something like giving to another candidate, there may be a campaign purpose in doing that.

So I think the idea, in terms of the formula, is to try and figure out not where the money was coming from so much, but how much was being expended. How much would a candidate in that district really need to run a competitive race? And I think I would agree with Mr. DeLuca. You would really have to give that a lot more thought, in terms of what kind of formula you're going to come up with just to determine how much money somebody is going to need. And looking, maybe, just back at two elections probably isn't enough, because you also have to smooth out the aberrations.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN GREENSTEIN: Again, I'm thinking of some things, listening to everybody, that I hadn't thought about before. It does seem--

Take a race like the kind of competitive race that we have in our district. Most of the expenditures we're making in there are really for our race. Now, one might argue, did we have to spend on all those pieces of mail or whatever. But we are using it for that.

I really do think we would have to take out -- where people are giving money to people in other districts. There may be political reasons, but there probably are no reasons having to do with their own campaign and winning their race -- that that has anything to do with.

So I would think that if somebody expended a hundred thousand dollars during the season, but really only used 30 on their race, 30 would be the operative number. If they were giving the rest out to other people to gain political influence, that wouldn't be based on it. The issue here is for people to have enough money to run their own races. And that's what this is about.

SENATOR SCHLUTER: That's very well said, Assemblywoman.

ASSEMBLYWOMAN GREENSTEIN: So it can't just be on expenditures during the campaign season.

SENATOR SCHLUTER: And, also, the way this is calculated-- If you took a district which is dominated by one party -- whether it be Monmouth or Camden -- 6th District or 13th District -- and took the last elections, and you teased out the money that was spent to wheel to other districts and things like that, and you got down to a lesser number just for campaigning-- Then you combine that with the other party, which spent zilch -- they spent nothing -- and you average that out, you don't come up with an average which is necessary to win an election.

ASSEMBLYWOMAN GREENSTEIN: Right.

SENATOR SCHLUTER: So it's almost as if maybe you should make a calculation of what it--

ASSEMBLYWOMAN GREENSTEIN: The money was wheeled because -- or moved around because there wasn't enough money in a particular county. But theoretically, under this system, if you're giving people enough to run a competitive race, they don't have to do that. They don't have to move it from county to county.

SENATOR SCHLUTER: That's true. But we're talking about how you calculate the number, which would be 75 percent, and no more than \$100,000.

ASSEMBLYWOMAN GREENSTEIN: I would base it on the expenditure that that person needed to win his or her own race, whatever that is.

SENATOR SCHLUTER: So, from what you're saying, the way that it was done -- by getting the average of the last two elections of both the dominant party and the subservient party -- is not really going to give you a good number. I think that's true.

ASSEMBLYWOMAN GREENSTEIN: Not without teasing out money that's been sent around for different political reasons, no.

SENATOR SCHLUTER: But then if you use the lower amount from the minor party -- it's just a token amount.

ASSEMBLYWOMAN GREENSTEIN: Take my race. You'd add up what we spent on TV, what we spent on mail, what we spent on a campaign manager. It's pretty basic. Then you'd know what the race cost. In a way, the overall numbers-- You don't even have to look at those. You'd just ask those three or four questions, and you pretty much know what we spent. That's where it went.

ASSEMBLYWOMAN MURPHY: And yet each person in your race didn't spend the same amount of money.

ASSEMBLYWOMAN GREENSTEIN: Well, I have to tell you, that's another thing.

ASSEMBLYWOMAN MURPHY: How do you show that?

ASSEMBLYWOMAN GREENSTEIN: I don't know what those numbers say there, but I do want to say that, as ELEC is looking at these -- and I think you and I may have had this discussion at some point, or some aspect of it -- the numbers are really not that easy to figure out. And I can tell you, the newspapers get them all wrong. If there are any newspaper reporters here-- They do. I mean, they try to say someone spent more than-- And they're not usually right, because they don't look at things like who has joint accounts, who's moving money from one candidate to another in a race. You may have one candidate that can raise a lot. If they don't show what happened there, they could be counting money twice, for example. There's lots of things like that. You really have to analyze each one quite carefully to know what was really spent in a race.

ASSEMBLYWOMAN MURPHY: And you also have to look-- You have the joint account, the single account.

ASSEMBLYWOMAN GREENSTEIN: Yes, that's important. And the papers don't even realize, sometimes, that one candidate has a joint account and another one doesn't.

DR. HERRMANN: I think it would be extraordinarily labor intensive, though.

ASSEMBLYWOMAN GREENSTEIN: It would.

DR. HERRMANN: And also very subjective, perhaps, because there are going to be all sorts of expenditures -- is this in that category or this category? So it would be--

ASSEMBLYWOMAN GREENSTEIN: And independent expenditures somebody may have made. I don't know how often that happens.

DR. HERRMANN: Right. And, especially -- we're going to, at some point, do this statewide. I think it would be an administrative nightmare trying to figure out--

ASSEMBLYWOMAN MURPHY: So do I.

DR. HERRMANN: So I would suggest a simpler approach. There's always going to be slippage, no matter how you do it. But to come up with something that would be easier to do--

But what you're saying is absolutely correct. It's incredibly complex.

ASSEMBLYWOMAN MURPHY: And you would have to look at this number--

I'm sorry, Mr. Chairman.

But you'd have to look at this number every single year. And that means you would have to do a census count every single year, because the number of people who move in and out of a county, and their party affiliation, is what is driving who has the propensity for the most votes and who doesn't have--

So if you want to base it on which party is the stronger in that area, you've got to count the party every single year. Who is going to pay for that?

SENATOR SCHLUTER: Well, okay.

Now, I think this has been a good discussion. And let me make a suggestion. If the Commission members agree, we can proceed on to the next.

And I think it is appropriate if we change this. In the third line, it was flawed because it was based on expenditures a candidate made

to individuals, groups, and committees in other parts of the state, and not just from expenditures in the legislative district. That would be-- I think that would capture what we really said yesterday. And then just leave this as an open issue, which does not have to be decided until our final report.

MR. DeLUCA: I'm for that. I'd hate to see us have to do the 2nd District, where it looks like \$4 million was spent there.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: Yes.

Ms. Massar.

**N E D D A G. M A S S A R:** Mr. Chairman, just as something the Commission may want to consider in order to deal with the idea of the fluctuations and the differences in the districts, there is the concept in the gubernatorial program of a cost adjustment and an indexing process that possibly could be used to adjust the numbers on some kind of cyclical basis, rather than recalculating in every single race, which would be very difficult to do. But there might be some kind of cost index that could be developed.

SENATOR SCHLUTER: Shall we move on?

ASSEMBLYWOMAN MURPHY: Why not?

SENATOR SCHLUTER: All right, D.

MS. WINTERS: D: "Whether to require that an individual be a certified Clean Elections candidate in the primary election in order to seek office as a certified Clean Elections candidate in the general election."

This appears to be leaning toward the final report more than the preliminary.

SENATOR SCHLUTER: First of all, I think we can-- Maybe this should even be a separate finding, because we haven't had it as a

finding -- that there seems to be consensus that this should apply to primaries -- that Clean Elections should apply to primaries.

MR. DeLUCA: Well, I certainly would agree with that. I don't think this says that, though.

SENATOR SCHLUTER: No, no, but I'm just saying--

MR. DeLUCA: Yes.

MR. PARISI: Mr. Chairman, I would just point out that the law does provide that there would be reauthorization of the Clean Elections program, and that from 2007 -- that it would include the primary elections.

SENATOR SCHLUTER: Okay. But we're going to have to make some recommendations, consistent with our charge, of what -- how it should apply to the primary elections. And I almost think that we could make a finding in saying that--

Do you agree, Mr. DeLuca, that there was overwhelming testimony saying that to be -- that a Clean Election program should also apply to primaries?

MR. DeLUCA: Yes.

MR. PARISI: So do you want this to be finding No. 14?

MR. DeLUCA: No, because this is not the right thing. When you say, should it be No. 14, what are you saying?

MR. PARISI: Well, the Chairman just said that he believes it should be a finding--

MR. DeLUCA: Oh, I'm sorry.

MR. PARISI: --that the Clean Elections program should be applied to primary elections.

MR. DeLUCA: I'm sorry. I thought you were referring to -- should D be No. 14.

SENATOR SCHLUTER: No, no.

MR. DeLUCA: I'm sorry.

ASSEMBLYWOMAN MURPHY: I think you're going to have to be very careful where you apply that. I agree that it's a great goal, and I think we should try it as a pilot in one county. But I have a feeling that this is going to have a lot more difficulty than the general.

ASSEMBLYWOMAN GREENSTEIN: Yes.

SENATOR SCHLUTER: Well, let's add it, then. We've got two things here. We've got adding another -- 14. And we have--

ASSEMBLYWOMAN MURPHY: And it's fine to add it.

SENATOR SCHLUTER: And we have D.

So now let's consider D, whether to require that an individual be a certified Clean candidate in the primary election in order to seek office as a certified Clean candidate in the general election. Is that still--

ASSEMBLYWOMAN MURPHY: Which means that if I got into the primary, and I chose not to be a Clean Elections candidate, I couldn't become one in the general.

SENATOR SCHLUTER: Correct. Or if you were not a Clean candidate in the primary, you could not be a Clean candidate in the general. You could not take care of -- could not get Clean funds in the general.

ASSEMBLYWOMAN MURPHY: That's fine.

SENATOR SCHLUTER: And I think this is something that's open for deliberation by the Commission to make a determination on. Maybe not today, but--

MR. DeLUCA: I think the parallel conversation with this is what we were talking to Mr. Wayne about; how -- and even Mr. Donnelly -- how to deal with an uncontested primary, and what amount of money they get, and then how to deal with a contested primary. Because there was some suggestion-- Like, in my town, if you win the primary, you win the general. So the real election is in the primary. How do you-- They were suggesting loading the contributions up at the primary level, as opposed to the general level.

So I would agree with you that if you participate in one, you have to participate in the other, and vice versa. If you don't, you don't. But I think there's much more of a conversation around this thing that we have to have.

MR. PARISI: Well, just as a point of order, Mr. DeLuca, Subsection O deals with that to a certain extent. It says that somebody who runs unopposed in the primary or general election would be eligible for less public funding than a candidate who has an opponent.

MR. DeLUCA: Right, but that doesn't deal with the dominance of a party, and if the primary is really the election.

ASSEMBLYWOMAN MURPHY: And that dominance is not given as a forever thing. It is changed by the movement of people in and out of a town.

SENATOR SCHLUTER: Well, clearly, the Commission will have to come up with some recommendations on covering the primary. And clearly, from what our finding was -- which we just added as No. 14 -- we believe it is our obligation to speak to the issue of the primary. So this is to be continued.

Okay?

Now, we sort of went into E for a while, and then we got out of it.

But do you want to read that?

MS. WINTERS: "Whether it should permit a contributor to make contributions to several candidates using one form, instead of requiring a separate form for each contribution."

MR. DeLUCA: I think this is a recommendation, Mr. Chairman. It's similar to F. It should be a recommendation in the final.

ASSEMBLYWOMAN MURPHY: Yes, I think it should be, too.

MR. DeLUCA: We already deal with -- I think in No. 7 -- that the paperwork was burdensome.

SENATOR SCHLUTER: Okay.

ASSEMBLYWOMAN MURPHY: And if the form is the size that -- the one that you've made, there's no need for people not to fill out one for every contribution they make. When it was a longer form, you would list -- they could have listed the contributions. On the small card, you're not going to be able to list a number of contributions.

DR. HERRMANN: This is also the point we're trying to make about the difference between the form filed with ELEC and record keeping. So, again, I guess on E our suggestion to you would be require the records you want to be kept, but don't worry about mandating a form. If it's for record keeping by the campaign, it's not something that's shown to ELEC, or filed with ELEC. It's something the campaign keeps as a record in case they get audited.

SENATOR SCHLUTER: Well, the--

DR. HERRMANN: So they can-- In other words, the bookkeeping would be up to them, but they would be required to have certain things in those books.

SENATOR SCHLUTER: Actually, this does fall into the category of a recommendation, as we've been proceeding along here. And it would be, as Ms. Murphy just said, a totally different ball game if you had these little three-by-four cards. It's not onerous for each person to fill them out. Whereas, before, if you had a thing with a lot of different stuff, it was much easier for a person who wanted to give to two candidates to fill out just one form and have two columns.

ASSEMBLYWOMAN MURPHY: And, in theory, I could give to all the Clean Election candidates in a district, which could mean both parties.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: Certainly they would require different forms. They could not all be on one small thing.

SENATOR SCHLUTER: All right. And we did take care of F. That's for the final report -- final recommendation.

G.

MS. WINTERS: G: "Whether to limit providing an extra amount of money to a certified Clean Elections candidate only after a nonparticipating candidate has spent more money seeking election than the certified Clean Elections candidate."

ASSEMBLYWOMAN MURPHY: Well, we have decided that we should do that when that happens. But why are we saying-- Would we provide it to them at any point in time?

ASSEMBLYWOMAN GREENSTEIN: What's the case right now, and what's the present status if we don't make this change? What happened in the pilot program?

DR. HERRMANN: Well, it's double, isn't it?

We're talking about the situation -- I think this is the situation that Commissioner Baroni brought up -- that if somebody is really trying to make it, they don't make it -- or what happened in the 6th District, to get realistic -- and that the other people get double. And I think what you're saying here is, the Clean candidates don't get double until the unclean candidates reach the threshold amount, so that they really are a threat to be competitive and actually, maybe, raise even more money. So you don't have a situation where the unclean people -- to use that phrase -- sounds biblical -- might have a very small amount of money, and then the people who are Clean are getting double now. So they've got-- The rich are getting richer, while the poor stay poor.

So I think what you're saying here is that if people who are in are getting the money -- will not get double the money until the other people reach that initial threshold amount.

SENATOR SCHLUTER: This was not Mr. Baroni's initial concern. Mr. Baroni's was about the person who tried and failed -- automatically that was given in toto.

DR. HERRMANN: That's what I was-- Maybe I was saying that inartfully. That is what I was trying to address.

SENATOR SCHLUTER: But here it is-- The whole concept, which was present in the discussions up in Boston, if you recall -- where in some of these cases, the penalty money didn't go to the Clean candidates until the unclean candidate -- the expenditures and the receipts reached 90 percent of that indicated amount. Then they would notify -- and they put money into an account to be ready to transfer over to the Clean candidate.

DR. HERRMANN: This would be the situation, then, in our law where -- I guess what I was calling the *third amount*, when somebody raises the excessive--

SENATOR SCHLUTER: No, no. This is instead of-- As soon as September 21 happened, Greenwald and Lampitt got \$130,000, and they also got-- Because the other candidates did not qualify, they also got another \$130,000 the same day.

DR. HERRMANN: Oh, right, that's what I was addressing.

SENATOR SCHLUTER: That's what you addressed first. And that's what this issue--

DR. HERRMANN: And I think what this is saying, that wouldn't happen unless those other two candidates actually hit the initial amount themselves.

SENATOR SCHLUTER: Or 90 percent of it. And then they get--

DR. HERRMANN: Or 90 percent of it.

SENATOR SCHLUTER: And I think this is going to be subject to a recommendation.

ASSEMBLYWOMAN GREENSTEIN: Mr. Chairman, I was just thinking. To use this term of *unclean*, which, as you say, sounds very

biblical-- But there's sort of two kinds of-- And maybe this is something we talked about, so forgive me if I missed it.

But there are two kinds of unclean candidates. There are the ones who don't want to participate at all. It's not voluntary with them. Clearly, the issue there is what we're talking about, because those are people that want to spend whatever they want to spend. But people who've tried and failed -- wanted to be Clean, they just had trouble raising enough money. They did some. And I'm just wondering if maybe-- Do they need, perhaps, a different standard? In other words, they tried. And what if we combine, when they don't succeed-- Instead of just saying, "Okay, now you can go out and raise all kinds of unclean money," why don't we-- What about doing something where we combine it with a limit, such as would be the case if they had qualified? I mean, we could do that -- the theory being, they want to be Clean, they just had a little trouble.

Now, I guess-- It's almost like we'd have to set another threshold, because you want them to at least meet some level. And maybe the amount we're putting in is high for certain people. It's almost like we'd add another level of threshold that they have to meet to even be part of this at all. But if they met that, and they just couldn't quite get to the top, maybe we'd want to set a limit on the amounts, figure out some number -- as we're doing with the Clean candidates if they all qualified -- that they would then do.

Because do we want these people who tried to be Clean -- just because they couldn't quite get to a certain number -- maybe they got three-quarters there -- to suddenly go out and raise unclean money? I mean, is that really-- Or do we want to combine it?

If you recall, Mr. Flynn talked about trying to do that. And I guess they didn't do it. But he was willing, he said, to set a limit. Normally, as you know, this is something that can come up. It certainly came up in my campaign, and it can come up in other places. But I just wondered if people who want to do this, and just can't quite, maybe would still be willing to be part of some limit on what's spent, as opposed to people that just don't want to do it at all.

SENATOR SCHLUTER: Well, in the real world, if they don't qualify, they don't get the money.

ASSEMBLYWOMAN GREENSTEIN: That's how we have it set up.

SENATOR SCHLUTER: And if they then go out to get their own contributions from traditional sources, this means that they have gotten money, which is special interest money, which is unclean money.

ASSEMBLYWOMAN GREENSTEIN: Correct.

SENATOR SCHLUTER: And should they be treated in the same way as the people who have gone through the whole process of qualifying for Clean money?

ASSEMBLYWOMAN GREENSTEIN: I guess what I'm just throwing out here is the possibility of differentiating two groups, ones that really want to do this, and ones that want to be unclean from day one. And saying that this group that tried to be Clean might be willing to be part of some kind of spending cap -- if we want to keep that. It adds another concept that we haven't dealt with here. But it would-- Is it cleaner to have a spending cap, if the money itself is unclean? I guess it's not, really.

SENATOR SCHLUTER: You can't impose the spending cap on those.

ASSEMBLYWOMAN GREENSTEIN: No, it would have to be voluntary.

SENATOR SCHLUTER: But how do you make it voluntary?

ASSEMBLYWOMAN GREENSTEIN: I'm looking for a way that that -- those people who tried to be Clean, they couldn't quite do it, don't start going out and spending enormous amounts of money and causing problems in that race.

SENATOR SCHLUTER: Well, let me -- without opening up Pandora's Box, because we have this in other issues -- let me suggest that some people have recommended a tiered system. And this is anathema to some, and it's not-- But if you do have-- And I'm just picking these numbers. These numbers -- there's no -- these numbers are not sacred. But if you have a thousand contributors of \$5, or \$10, or whatever it is-- And if you say, "If you get to 600, you at least qualify for something--" If you have that kind of thing, then the people who have tried and were not successful -- but they really tried -- they have an incentive, and they get something.

ASSEMBLYWOMAN GREENSTEIN: Right.

SENATOR SCHLUTER: But they also give up something, and that is that they agree to go Clean.

ASSEMBLYWOMAN GREENSTEIN: I think that's, at least, an interesting idea to consider -- the tier idea.

MR. DeLUCA: As I read G, it needs to be written in a different way, because--

Right now, as you say, Mr. Chairman, if a candidate is Clean, and a traditional candidate is not, at the time that the candidate qualifies, they automatically get the traditional candidate's money. And what this is saying is, should there be some -- as opposed to an automatic -- should there be some gradual payment, or payment only after the traditional candidate meets a certain expenditure threshold. Is that correct?

SENATOR SCHLUTER: Should the penalty--

MR. DeLUCA: Right, the forfeiture -- the penalty money.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: So we need to have that conversation, because part of the problem is that a traditional candidate could backload his or her campaign.

SENATOR SCHLUTER: Yes, absolutely.

MR. DeLUCA: And the whole idea is that you want to give the Clean candidate -- because they're operating with the limitations as to what they can operate -- they can spend -- enough resources to be prepared for any kind of late campaign expenditure by the traditional candidate.

SENATOR SCHLUTER: Mr. DeLuca has made a point here, Mr. Parisi, that maybe we could recast the item a little bit to reflect this matter of the triggering of when the penalty is made. It's not just made when a person doesn't qualify. It's made as they approach the threshold amount -- or the amount--

Could we do that?

MR. PARISI: Certainly.

SENATOR SCHLUTER: And you also said that-- As you say, it could be a system where people consciously and strategically backload the thing.

MR. DeLUCA: Right.

SENATOR SCHLUTER: And then the other -- the Clean candidates don't have enough chance to catch up.

MR. DeLUCA: Correct.

SENATOR SCHLUTER: And then they go way over. And by the time they get their penalty money, it's--

That's for further -- then -- further deliberation.

No. H.

MR. DeLUCA: Not that any of our candidates in New Jersey would do any of this. (laughter)

MS. WINTERS: H: "Whether to place limitations on the fund-raising undertaken by a candidate who attempts to become a Clean Election candidate but fails, and then seeks campaign funding by conventional means."

ASSEMBLYWOMAN GREENSTEIN: That's actually the point I think I was just--

MS. WINTERS: That was Assemblywoman Greenstein's suggestion about a voluntary spending cap.

ASSEMBLYWOMAN GREENSTEIN: It isn't so much that I necessarily support that, but I was wondering if that would keep this more in line so you don't have situations where one of them goes out and raises enormous amounts, and the other one is Clean. There has to be some benefit to being Clean for people to do this.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN GREENSTEIN: And if they're going to be vastly outspent, I guess they lose the benefit.

SENATOR SCHLUTER: Well, actually, we have covered a lot of what is said in H in our conversation, haven't we? I almost think we can sort of delete H.

What's the feeling of the Commission members?

ASSEMBLYWOMAN MURPHY: I don't think you can limit anyone who fails the Clean Elections thing. I don't think you can say to them, "Well, you can't raise any more money. You can only raise \$10,000."

ASSEMBLYWOMAN GREENSTEIN: It would have to be voluntary.

ASSEMBLYWOMAN MURPHY: I would never sign that. It would be like signing a death warrant. Well, not quite that extreme, but--  
(laughter)

ASSEMBLYWOMAN GREENSTEIN: But then the Clean person would almost definitely be vastly outspent, right?

ASSEMBLYWOMAN MURPHY: If you put a limit on the Clean Election candidate? Oh, a nonparticipating candidate?

But you said that it's going to limit the fund-raising undertaken by a candidate who attempts to become Clean Elections but fails. How can you stop me from doing everything I can to win my election? Look at that million-and-a-half dollars in one district, by one candidate. You're kidding.

ASSEMBLYWOMAN GREENSTEIN: But let me ask you-- Unless there's something I'm missing, even after all this time, on Clean

Elections-- If you've got this person who failed just going out and spending enormous amounts -- or even a person who never tried to be one, and was unclean, and spent enormous amounts -- how could the Clean person ever win? What's our theory about what would make the person stick with it and win it -- and win the race?

MR. DeLUCA: Well, there's two. They get the penalty money. They get two pots of penalty money. And then the other theory is that running Clean is a Good Housekeeping seal. So your argument to the public is that, "I'm running by the rules, and look at this other person." I can see a wonderful campaign.

ASSEMBLYWOMAN GREENSTEIN: Talk about dirty elections. They'll start getting really dirty.

MR. DeLUCA: "I'm the Clean Election-- Look at him."

ASSEMBLYWOMAN GREENSTEIN: "I'm Clean, he's dirty."

MR. DeLUCA: "He signed up. He pulled out because he wants to hang out with his big money friends."

ASSEMBLYWOMAN MURPHY: Well, you're going to have that. I mean, this is a race. It is a race.

MR. DeLUCA: I don't think you can put limit-- I would agree. You can't put limitations on-- If someone pulls out, then they're free to do what they want to do.

ASSEMBLYWOMAN MURPHY: Sure. And if they pull out in three sessions of Clean Elections, nobody is going to think the worst of it, in most cases. I really don't think the public, generally, is going to say, "How awful."

We elected a Governor this year. Would you look at the amount of money that was spent? And nobody says these are horrible people. Well, a lot of people did by not voting, I guess. (laughter) But we still have a Governor-elect, no matter which one it was. We have a Governor-elect. They spent obscene amounts of money. People are pulling out their hair with the cost of gas and everything else going up.

SENATOR SCHLUTER: Well, this is the kind of issue that you can't be absolutely certain of every little detail in the program.

ASSEMBLYWOMAN MURPHY: Right.

SENATOR SCHLUTER: This is why we have a pilot program. And this is why we have to experiment. And this is why-- Even when we get through making our recommendations, as wonderful as we might think they are, there are still some possibilities of the system not working out right. It just has to go by trial and error. And you have to have faith that future legislatures will make mid-term corrections.

ASSEMBLYWOMAN MURPHY: But this is why you need to have, I think -- you need to have a consistency of a Clean Election Commission of volunteers, somewhere in the system, forever, or for whatever. Because as many ways as we fix the income tax system, someone always finds a way to get around it. That's the nature of people. We have great minds, and we're forever using them as--

SENATOR SCHLUTER: You're looking for job security, aren't you? (laughter)

ASSEMBLYWOMAN MURPHY: No, no I'm not.

SENATOR SCHLUTER: Even if they double your pay?

ASSEMBLYWOMAN MURPHY: Yes, that's right, even if they double my pay.

No, I don't think that. But I think you're going to need a body of citizens, if you will, who are interested enough to pay attention to this, moving forward. I really do.

SENATOR SCHLUTER: I totally agree with you. And maybe this will be in the realm of our recommendations.

ASSEMBLYWOMAN MURPHY: I really think, somehow, they're going to need someone.

SENATOR SCHLUTER: And we come to-- There's something down here further, I'm sure, that talks about that.

Well, I would suggest that H be, sort of, deleted? Does anybody--

MR. DeLUCA: I agree.

SENATOR SCHLUTER: Okay.

Go to I.

MS. WINTERS: I: "If the district has an election contest between a Clean Election candidate and a nonparticipating candidate, whether restriction should be placed on how much money the nonparticipating candidate can raise in the last month or week of the campaign."

MR. DeLUCA: I think we should discuss this more.

SENATOR SCHLUTER: For further deliberation, yes.

ASSEMBLYWOMAN MURPHY: How can you restrict what a candidate for election spends?

SENATOR SCHLUTER: I think that we might have to get a legal opinion, with respect-- But if the State -- if the legislation says that these are Clean districts, and sets forth certain standards for a Clean Election district -- because at least one person is running as a Clean candidate-- I don't know. This is an open question. Can you then say that this will differ from the standard law, and instead of the 11-day preelection report, the final report is 15 days, and then they can't receive any more contributions, and they can't make any more expenditures close to the election -- 15 days?

Now, that's what the issue--

DR. HERRMANN: I think your notion that you do want a legal opinion on that would be correct. I'm not aware of any system like that, that exists today in the United States. But it's not to say that you couldn't do it. But I think you definitely would want to check into it. Because you're talking about restricting spending. And you're restricting spending of the people who aren't taking public money. So it's a problem, perhaps.

ASSEMBLYWOMAN MURPHY: I have a feeling this would be--

SENATOR SCHLUTER: Can we--

ASSEMBLYWOMAN MURPHY: I think an opinion would be held, but I venture to say that if it were applied, you would be -- the law would be taken into the Supreme Court. They probably wouldn't start with the State, they'd go right to the top. I don't know.

SENATOR SCHLUTER: Well, I would like to ask-- Do we get this from the Attorney General's Office, the Division of Elections, or--

DR. HERRMANN: OLS, no? Isn't that the sort of thing that-

MR. PARISI: Well--

DR. HERRMANN: I mean, we're not constitutional experts. We don't-- We couldn't make a judgment of whether it's constitutional or not. But I thought OLS -- not necessarily your shop -- but the lawyers there would do an opinion on something like that.

MR. PARISI: We can request an opinion be done.

DR. HERRMANN: If the legislative counsel is the proper--

SENATOR SCHLUTER: Could we request on -- I think you've got the issue -- from Al Porroni, or Peter Kelly, or whatever.

MR. DeLUCA: The question here is, getting a legal opinion on whether you can restrict someone either raising or expending money in the last month or week of the campaign.

But the other question for us is, does the system work so that the current reporting gives sufficient time to the Clean candidate to have that forfeiture money or penalty money trigger over? Because, again, the second and third pots of money -- which is for a traditional candidate if they spend over -- and if it's a third party spend over-- If you find out about that 10 days before the election, that's a lot to make up. You get a hundred thousand dollars or so, but what are you going to spend at that point?

SENATOR SCHLUTER: If you find out three days before an election, it's even worse.

MR. DeLUCA: Right.

SENATOR SCHLUTER: And maybe you find out because they have had to report that the XYZ PAC gave the nonparticipating

candidate, through a number of affiliates, a hundred thousand dollars to put into TV money.

MR. DeLUCA: Right.

SENATOR SCHLUTER: And you're at a very, very distinct disadvantage, because you cannot make that up.

I forgot to ask-- We do have a lawyer here.

You're a lawyer, aren't you?

MS. WINTERS: No, sir, I am not.

SENATOR SCHLUTER: I thought you-- (laughter)

MR. DeLUCA: Would you like to be for today? Is that within the Commission's powers? (laughter)

MS. WINTERS: Is this a free law degree? Because I'll definitely take that.

SENATOR SCHLUTER: Well, we do have a lawyer back here.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Don't look upon me as an expert on the Constitution.

SENATOR SCHLUTER: Well, we're going to be-- Through Frank, we're going to be asking for a legal opinion on this. It's a little dicey, but--

All right, J.

MS. WINTERS: J: "Whether a system of campaign watchdogs or masters should be established in each legislative district to monitor Clean Elections in those districts."

ASSEMBLYWOMAN MURPHY: Who is going to pay them? They need an office, they probably need an aide. If you're in a district with 37 municipalities, how do you visit all those municipalities, how do you

make sure that every single one of them want-- And who is going to pay them?

MR. DeLUCA: I'm not sure that it was to monitor the Clean Elections. This was something that Assemblyman Greenwald suggested. And what he was looking for was a quick way in which to deal with issues that came up that were not ELEC issues, but that had an arm to ELEC. And that's where the idea of the master came up, and maybe some kind of a watchdog committee. I don't exactly remember the examples he gave, as to what kinds of problems. But that's where we got this from.

ASSEMBLYWOMAN GREENSTEIN: Would there be some way to combine it with the people who were the election officials, let's say, somebody who would get special training to do this? An example, I suppose, would be if the two candidates make some kind of an agreement, or let's just say 527s get implicated in the race, you just need some way to have somebody really keep a watch on it, where you know that there's a third party looking over -- someone who is objective and who's looking at it. Because ELEC can't watch all of this, but the person would be, as you say, kind of a liaison to ELEC in some way.

DR. HERRMANN: Yes. I think our problem was that, because of due process in the administrative procedures, we couldn't fine somebody in a short turnaround period; but that a mediator, or master, or a watchdog could mediate a problem, perhaps even censure somebody, not in terms of a fine, but just saying we agree with Candidate *A* that Candidate *B* did something inappropriate, and put out a public statement or something like that.

ASSEMBLYWOMAN GREENSTEIN: Could we get the Administrative Courts in some way involved -- the people who do the mediation, the arbitration, the masters who do these cases? Is there some way to involved them here?

DR. HERRMANN: We use the Administrative Courts in gubernatorial elections, for excessive expenditure problems. But again, the workload could be enormous. I mean, the Administrative Law Court, you're somewhat limited. So the idea of a master might be something to think about in terms of--

SENATOR SCHLUTER: This goes beyond -- I don't know what the legal name is, ex parte or something, but it goes beyond the Clean Elections law.

Assemblywoman, I've had a little bit of experience and I've had a little bit of conversation with Mr. Greenwald, as well as two of your colleagues in the Assembly, who are introducing legislation on this very issue. As a matter of fact, the new one from Monmouth, Ms. Handlin, was going with Mr. Bramnick. I know that it's become a concern in the United States Senate thing, where you have a Fair Campaign Practice Pledge system and a way to adjudicate that. Now, there's no way, in my judgment, that you can do this unless you build an infrastructure which is very expensive and pay people, and you have very, very precise standards. And I think it's really beyond the consideration of our Commission.

Mr. Greenwald was concerned, and he had a right to be concerned, because he gave a big slug of money to his opponents -- \$70,000, or whatever it was. And he said, "Look, I'm giving this money,

and I want them to agree to everything that I've agreed to as a Clean candidate."

ASSEMBLYWOMAN GREENSTEIN: Right.

SENATOR SCHLUTER: They have no obligation -- that they can also get funds-- "I've given them this money." They could go out and get \$50,000 from this source, or that source, or this county.

ASSEMBLYWOMAN GREENSTEIN: How did he end up doing that?

SENATOR SCHLUTER: He had a complicated agreement which, as a matter of fact -- I supplied him with a thing. But there's nothing that you can do other than moral suasion on a thing like this, and the Good Housekeeping seal of approval kind of thing, unless you set up a very, very complex, expensive structure.

ASSEMBLYWOMAN GREENSTEIN: Maybe using the press. Because once you have it out in the press, if people were to renege it looks bad.

SENATOR SCHLUTER: I almost think that unless we see merit in this, respectfully-- And what he wanted to also say is, "This pledge that my opponents has signed will commit them not to say bad things about me." Well, who's going to say what's bad and what's really a matter of record?

ASSEMBLYWOMAN MURPHY: That's right.

ASSEMBLYWOMAN GREENSTEIN: Right.

SENATOR SCHLUTER: And "Your vote was bad." "Well, you know, he's attacking me personally" and all this other stuff.

ASSEMBLYWOMAN GREENSTEIN: Well, I guess what he was looking for, I presume, was as these different things were happening, he's looking for someone to go to. Who do I go to--

MR. DeLUCA: Correct.

ASSEMBLYWOMAN GREENSTEIN: --to be the referee, in a sense? And, really, there isn't anybody, correct?

MR. DeLUCA: Exactly. A *referee* is a good word. He talked about swift and immediate action, that any referee or master would have a direct link to ELEC. And he was -- I think it was just for these kinds of questions which were in the gray area, not really the legal questions. And I think he also mentioned someone who could even go to the press and utilize the press as a tool to get information out of.

ASSEMBLYWOMAN GREENSTEIN: Just an objective person to make sure the process goes well. And if there's a way to do it-- But there's obviously a money factor, that's for sure.

SENATOR SCHLUTER: I'll ask ELEC. If two candidates, the opposing candidates, in District A are both Clean candidates, you have a way for enforcing the standards of being a Clean candidate. In other words, if you find out that one candidate receives money that they shouldn't receive, you can take action. Is that not correct?

DR. HERRMANN: Sure. But we couldn't take immediate action. If we're going to fine somebody, I mean, you just can't do that immediately. People have rights to hearings, and there are time frames built in with procedural due process. I mean, you just can't do it instantly, if you're going to issue a fine. On the other hand, if you're going to issue a finding that somebody was wrong and somebody was right, you're not

fining them, you're just making a statement-- Or even better yet, I think you mediated, so that you get both sides to agree, "Okay, I won't do that anymore," voluntarily, and "I won't do this."

SENATOR SCHLUTER: But what's implied here is this ex parte that's beyond being a Clean candidate. I don't know what the others think, but I almost think this whole matter under J might be dispensed with. I mean, what do you folks think?

ASSEMBLYWOMAN GREENSTEIN: What's your reason? You just think it's not practical?

SENATOR SCHLUTER: I think it's beyond our capacity and our capability. And we can recommend a lot of things, as Ms. Murphy has said, that every county should have an open primary, like Morris County. But that's really beyond our--

ASSEMBLYWOMAN MURPHY: There's a lot of self-determination that makes a country what it is, and elections-- I don't think you can do this.

SENATOR SCHLUTER: Let's wait until Mr. -- Vic returns -- DeLuca returns. And then, because he--

ASSEMBLYWOMAN MURPHY: If what you're looking for is a central question, you can get an 800 number to ELEC, so that people could dial--

DR. HERRMANN: We have one.

ASSEMBLYWOMAN MURPHY: People dial directly and should have immediate access and an answer to the question. But that doesn't mean that the problem is going to be resolved.

ASSEMBLYWOMAN GREENSTEIN: But under your process, you have to go through administrative procedure.

DR. HERRMANN: Oh, yes, sure. We'd have to look at the facts, make sure we had all the facts. There's a whole process. You'll get a complaint one day and then fine them the next day.

ASSEMBLYWOMAN MURPHY: But a watchdog or master would have to do the same thing.

DR. HERRMANN: Well--

ASSEMBLYWOMAN MURPHY: You could come to me with an enormous problem in this area, and I could say fine, I need to be able to prove this before I can take any action on it. I can't pick up the phone and say, "You have just broken the law." What do I know?

ASSEMBLYWOMAN GREENSTEIN: Well, watchdog is a little more like a babysitter. They are the ones who are there. You have someone you can go to: "He isn't following it, he's doing this, he's doing that." And the person would, almost like an arbitrator I guess, would talk it out with the two sides and--

SENATOR SCHLUTER: If I may, he's talking about criminal violations. And there's a process for that.

DR. HERRMANN: Civil.

ASSEMBLYWOMAN GREENSTEIN: For that. And I think it's more to keep the process going. When a problem happens, there's a glitch; it's kind of, who do you go to, who do you call?

SENATOR SCHLUTER: Well, you can go to them about the procedures and all this, but I think what we're talking about is subjective oversight--

ASSEMBLYWOMAN GREENSTEIN: Yes.

SENATOR SCHLUTER: --of a campaign--

ASSEMBLYWOMAN GREENSTEIN: Yes.

SENATOR SCHLUTER: --to be sure that they are Clean and fair in kind.

ASSEMBLYWOMAN GREENSTEIN: Maybe they can just agree on a person who would be a tiebreaker if they-- It doesn't even have to be formalized. Just some objective person they can agree on to do it, maybe for free. (laughter) Just for fun. (laughter)

Anybody volunteering in the audience? (laughter)

SENATOR SCHLUTER: Mr. DeLuca, when you were out of the room--

MR. DeLUCA: You voted me off. (laughter)

SENATOR SCHLUTER: No. We sort of talked this thing up, and I believe -- and I don't want to speak for the other Commissioners -- that maybe this is a little bit beyond our scope, and we should delete this Item H.

MS. WINTERS: J.

SENATOR SCHLUTER: J, excuse me. And we didn't want to do it because you had a lot of personal involvement. If you want to leave it open, we can.

MR. DeLUCA: No, I'm okay with deleting it.

SENATOR SCHLUTER: Okay.

**S T E V E M A:** (speaking from audience) Mr. Chairman, can I just say something?

SENATOR SCHLUTER: Yes.

DR. HERRMANN: We can make room for you here.

MR. MA: Steve Ma, from AARP.

I don't know precisely about the idea of masters or watchdogs. But I do think it's important that whatever law that is created has the -- the agencies that administer them have the proper resources and staff to oversee them. And whether there needs to be watchdogs or master, I don't know. But I do know that ELEC, for instance, in the Division of Elections, will probably need a significant amount of resources and additional staff to make sure that these laws are being enforced and administered properly. And I was thinking, as I was hearing you guys talk about it, perhaps an ombudsman from ELEC, where a candidate who needs to talk to ELEC, get some ideas -- there's some ombudsman office where they can provide at least information for the candidate to know how to proceed.

SENATOR SCHLUTER: Again, this is so subjective. And if you had an ombudsman, who appoints it? Is a Republican governor or a Democrat governor -- and boy oh boy, you really have a lot of contention that I think is beyond us at this time. I think, respectfully, we all want this.

MR. MA: Right. Well, my bigger point is that we just need -- the agencies that need to administer this law-- It's obviously a significant amount of work to be done, and the agencies need the funding and Fred needs a raise. (laughter) We've got to make sure that--

SENATOR SCHLUTER: We will be getting to the whole matter of funding Clean Elections before we are through. And that's a big issue.

All right. We move onto K.

MS. WINTERS: K: “Provide greater information about what happens to seed money that is collected but not spent by a candidate, and whether such money should continue to be forwarded to the Clean Elections Fund or it should be retained by the candidate.” This issue, I believe, was brought up by the Green Party in the 13th.

SENATOR SCHLUTER: They want the seed money to stay with the unsuccessful candidates. They were not talking about seed money not going to the Clean Elections Fund if they were successful in qualifying. Is that correct?

MS. WINTERS: That’s my recollection.

MR. PARISI: Well, Mr. Chair, I think the issue here is that the law provides that in order to become a certified candidate that you need to turn over any seed money which you have collected but have not spent.

SENATOR SCHLUTER: Correct.

MR. PARISI: I think that’s what their concern was, that that was unfair. And that as an alternative they believe that that money should be retained by the candidate, rather than once they became certified.

SENATOR SCHLUTER: I think, if I may, what they were concerned about is seed money, that is not spent by a candidate who is not successful in qualifying, should not be turned over to the Clean Elections Fund. I don’t think it was if you are successful, my goodness, you get the whole \$70,000. So I think it was if you are not successful, they did not want to have to turn back that seed money, or they want to be able to keep the seed money rather than turn it over to ELEC. And that’s an open question. And I think that’s very simple, straight forward for us to decide,

whether we want to make a recommendation on that. And we can put that off to our final report if we want to.

ASSEMBLYWOMAN MURPHY: Well, I think if you're going to raise -- somewhere along the line we're going to think about the answer or recommendation.

SENATOR SCHLUTER: And I'm willing to consider that for this final-- Would you like to make a recommendation, Ms. Murphy?

ASSEMBLYWOMAN MURPHY: I can't decide which way I want to. I can see the sense of saying they should be able to keep it, because it's a given amount. It's \$3,000 at the moment, but it's probably never going to be 100,000 -- in my lifetime anyway. So I don't think, if they're going to continue to be a candidate -- I don't see why they can't keep what's left of that money. It was given to them. It wasn't given to the Fund or anything else. It was given to them as two people.

SENATOR SCHLUTER: And they do not receive the benefit of the big--

ASSEMBLYWOMAN MURPHY: No.

SENATOR SCHLUTER: --infusion of fund.

ASSEMBLYWOMAN MURPHY: And they still ran. These candidates, as it turns out, the two who suggested this, continued to run.

SENATOR SCHLUTER: Is there other comment by Commissioners on this?

MR. DeLUCA: We heard some testimony yesterday from Citizen Action. I'm trying to find it. Wasn't there something that you recommended that -- money that was contributed to the Fund stay in the Fund? Was that the -- someone who didn't qualify?

MARILYN CARPINTEYRO: (indiscernible)

MR. DeLUCA: But nothing to do with the seed money.

MR. PARISI: Excuse me, if you're going to speak, you need to speak at the-- Identify yourself and speak--

SENATOR SCHLUTER: I think that was--

MR. DeLUCA: Okay. That's my fault. That's my fault.

Just say who you are, too.

MS. CARPINTEYRO: My name is Marilyn Carpinteyro, and I'm with New Jersey Citizen Action. I think what Mr. DeLuca is referring to is the forfeiture clause, that we think the money should stay in the Clean Elections Fund.

SENATOR SCHLUTER: Yes, I think that was--

MS. CARPINTEYRO: Not with regards to--

MR. DeLUCA: The seed money.

MS. CARPINTEYRO: --the seed money.

SENATOR SCHLUTER: Was that your testimony or was that PIRG's?

MS. CARPINTEYRO: That was ours.

SENATOR SCHLUTER: Yours. Yes, that's not the seed money.

MS. CARPINTEYRO: Yes, not the seed money.

MR. DeLUCA: So if the recommendation is that the candidates can keep their seed money, I would support that.

ASSEMBLYWOMAN MURPHY: I think they should, too.

SENATOR SCHLUTER: All right.

MR. PARISI: So this would be a recommendation, correct?

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: For the final report.

ASSEMBLYWOMAN GREENSTEIN: I agree with this.

SENATOR SCHLUTER: So you have unanimous support for that being a recommendation of the final report.

We've lost our--

MR. PARISI: "Make more readily available statements by each candidates about themselves and their campaign, perhaps through a printed voter guide sent to all voters, or a permanent Web site dedicated to this purpose."

ASSEMBLYWOMAN MURPHY: I agree. I think it's a great recommendation.

MR. DeLUCA: Do we want to include a finding that the requirement of -- in the law, of the voter guide, was insufficient to inform the public?

ASSEMBLYWOMAN MURPHY: Absolutely.

SENATOR SCHLUTER: I think that's the proper procedure for the way we're going with this.

Could you make that note, Mr. Parisi, that the dissemination of voter guides was inadequate or did not--

ASSEMBLYWOMAN MURPHY: Didn't happen.

SENATOR SCHLUTER: --meet the expectation of what should be?

MR. DeLUCA: Right. And that would be No. 15?

ASSEMBLYWOMAN MURPHY: Yes.

MR. PARISI: That's correct.

SENATOR SCHLUTER: And--

MR. DeLUCA: And that we will come up with the recommendations on how to get this information out.

SENATOR SCHLUTER: We will come up with recommendations on how to get that out. And one of the recommendations might be, which is not for us to -- might be that it is mandated that they go out with the sample ballots.

MR. DeLUCA: Right.

SENATOR SCHLUTER: The voter information.

ASSEMBLYWOMAN MURPHY: That's late for donations of dollars, isn't it, though? When do your sample ballots go out?

MR. PARISI: A week before.

SENATOR SCHLUTER: A week before. But if it still is on the Web site and the information is available--

ASSEMBLYWOMAN MURPHY: But if you're counting on people to give donations based on the information they get about the candidates--

MR. DeLUCA: No. This would be only after they qualify. The law is that they're -- and we can discuss this. But the law is that--

ASSEMBLYWOMAN MURPHY: This is only after they qualify. Okay.

MR. DeLUCA: Yes. The voter guide only goes out after they've qualified.

SENATOR SCHLUTER: And it can say this is a Clean candidate.

ASSEMBLYWOMAN MURPHY: Okay.

SENATOR SCHLUTER: And then we can recommend that they also send out the nonparticipating candidate -- this is a person who had not qualified as a Clean candidate -- if we want.

Okay, Frank.

MR. PARISI: Okay. M: "Provide a clarification as to how a voter guide for the candidates in each district can be produced and distributed to all voters."

I think that's really based on what you're speaking of.

SENATOR SCHLUTER: That's part of the other -- we joined those two.

MR. PARISI: And for the 2007 elections, whether the chairs of the political parties should select the four participating districts, or whether such districts should be selected by the NJCCEC.

ASSEMBLYWOMAN MURPHY: I think that's a marvelous idea. (laughter) And we'll have open primaries in every county, too. (laughter) Okay. I can see us usurping this and surviving. (laughter)

SENATOR SCHLUTER: Well, I-- Again, I think that whether the chairs of the political parties should select the four participating, or whether such districts should be selected by -- in accordance with specific standards, or in accordance with standards which NJCCEC--

ASSEMBLYWOMAN MURPHY: Meet the requirements of the party chairs? (laughter)

SENATOR SCHLUTER: No, no. We might say that we want to have this over a range of districts rather than just the median kind of districts. And maybe we want to get into some more competitive districts.

ASSEMBLYWOMAN MURPHY: You know, I think if the chairs are going to go along with this and not push the Legislature out of voting for this, we really have to give them what's due them. They are elected by their people, by the county committee, and whatnot. I really think if we try and tell them their business, this is never going to get out of the House.

SENATOR SCHLUTER: Well, do you think--

ASSEMBLYWOMAN GREENSTEIN: I actually think that we should let them do it, but we should make the suggestions as to what we think -- what we would, respectfully, suggest that they consider. But I think if we try to usurp that, I think that could cause some issues.

ASSEMBLYWOMAN MURPHY: It would kill the bill.

SENATOR SCHLUTER: You've heard these, Mr. DeLuca.

MR. DeLUCA: I have.

SENATOR SCHLUTER: Would you like to--

MR. DeLUCA: What I would suggest is that we change this for further consideration, and actually look at the law which talks about the types of districts that have to be considered by the chair. And maybe that's where we weigh in on and come up with the recommendation of changing the law. Leaving the power with the chairs, but crafting something where we can influence their selection by coming up with the criteria.

SENATOR SCHLUTER: If we have a criteria and then we make recommendations, but leave it up to them--

ASSEMBLYWOMAN MURPHY: Because four years after that, we're hoping that every district in the state will be a Clean Elections. So this is a moot--

MR. DeLUCA: Right.

ASSEMBLYWOMAN MURPHY: There's only two times, now, they won't have anything--

SENATOR SCHLUTER: Yes.

MR. DeLUCA: Correct.

ASSEMBLYWOMAN MURPHY: It's kind of a moot thing. But if you put it in the law, they're always going to have their piece in here about what's going on. So I think you have to be careful. If you invite them in--

SENATOR SCHLUTER: So this is a further deliberation item, right?

MR. DeLUCA: Yes.

ASSEMBLYWOMAN MURPHY: Yes. The devil you know is better than the devil you don't know.

SENATOR SCHLUTER: Oh, you got your job back.

MS. WINTERS: Yes. I got locked out. Sorry. (laughter)

SENATOR SCHLUTER: Locked out?

MS. WINTERS: The door's locked and I couldn't get back in.

SENATOR SCHLUTER: Oh, really.

MS. WINTERS: Sorry.

ASSEMBLYWOMAN MURPHY: How did you get in?

MS. WINTERS: I found somebody with keys to let me in. (laughter)

ASSEMBLYWOMAN MURPHY: Good job. Because I thought maybe you came in under that door, and I was really going to worry.

MR. DeLUCA: That's why we want to make you a lawyer.

(laughter)

SENATOR SCHLUTER: All right.

Number O.

MS. WINTERS: Number O: "Whether a certified Clean Elections candidate who is unopposed in a primary or general election should be eligible for less public funding than a candidate who has an opponent in either election, who is either a certified candidate or a nonparticipating candidate."

I think this was raised yesterday with the idea that we want them to have some sort of funding to get their message, but not necessarily as much as if they're running a competitive campaign. That was part of yesterday's testimony.

SENATOR SCHLUTER: Of course, if a candidate is running without opposition, they might say, "Well, I don't need to go out and get all these qualifying contributions, so I'm not going to get it anyways, and the county party is going to give me \$25,000, and that's enough to get elected," or whatever. But also, they might have had a contest in the primary, but they might be unopposed in the general. And there are candidates who are, are there not?

I'm asking Mr. Herrmann. There are some districts where the candidates run unopposed, aren't there?

DR. HERRMANN: In the general or the primary?

MR. DeLUCA: Both.

SENATOR SCHLUTER: Either.

DR. HERRMANN: We don't specifically track that, but it does happen. It's not -- I mean, if you're talking about probabilities, yes, sure. You could run into those situations.

SENATOR SCHLUTER: Ms. Gutmann, could you leave that door open, because they have a magnet there that holds it open if you open all the way. I'm sorry.

Some of you too cold back there? (no response)

I'm sorry.

DR. HERRMANN: In planning this, I think you should plan that there will be times when people will be unopposed.

MR. DeLUCA: Right.

SENATOR SCHLUTER: This is to be decided for further--

MR. DeLUCA: Yes. Mr. Chairman, I think we might want to use some guidance that we received from Maine, because I think they had different amounts--

SENATOR SCHLUTER: Yes.

MR. DeLUCA: --for different situations.

SENATOR SCHLUTER: That's for further deliberation.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: Now, if people can bear with me on the Commission, and others, do we have anybody that wants to present testimony that's new? (no response)

Hearing none -- there are a bunch of negative nods out there.

I have -- from the comments of Citizen Action and the comments of New Jersey PIRG -- I have several things I would like to bring up for the Commission's consideration, to put either in-- Okay, this is a

recommendation which will be made in the final report, this is for deliberation, or this shouldn't even be considered.

Several groups -- PIRG, Citizen Action, League of Women Voters -- have said what they think should be a date certain at which all 40 districts should be involved in Clean Elections. Do we believe that it should be our responsibility in our report to make such a recommendation?

MR. DeLUCA: Could you say that again? I'm sorry.

SENATOR SCHLUTER: Okay.

The three organizations -- the two that are here, plus PIRG, have made recommendations: One in 2011, one in 2009, of when all 40 districts should be Clean. Do you think our Commission should make a recommendation in this report that the Legislature should have, as a target date for all 40 districts, a certain date?

MR. DeLUCA: I do.

ASSEMBLYWOMAN MURPHY: Why don't we suggest-- Well, we can either set or we can suggest that they establish a date. I'll let them make that decision.

ASSEMBLYWOMAN GREENSTEIN: I think it all depends what we're recommending. If we're recommending a continuation of the pilot for *X* number of years, and then recommending that it go completely to all the districts, or if we're just saying let's just do the pilot and leave the decision to that point, that's going to determine. But I think we could conceivably make that recommendation if that's what we all feel.

SENATOR SCHLUTER: Well, I think what I hear is the fact that this is something that we can put down for the final report, that this Commission will decide--

ASSEMBLYWOMAN GREENSTEIN: If we're going to make that recommendation.

SENATOR SCHLUTER: --whether we want to make the recommendation, whether we want to say that the Legislature should set a date, as far as policy, but it is our suggestions that it be this date. We can do the whole thing.

ASSEMBLYWOMAN GREENSTEIN: Well, one possibility is that we say this is just a pilot. We're going to judge the effectiveness of the pilot and decide then if it even should continue. Because there's nothing to say for sure, when you're doing a pilot, that it will be considered successful. We all agree that we don't want to judge this on one round.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN GREENSTEIN: But after two rounds, we might be willing to say, for example -- God forbid -- this isn't working; or this is working, or whatever.

SENATOR SCHLUTER: We would couch this in terms of assuming the second pilot is more successful than the first, and it is deemed to be a -- still deemed to be a worthwhile project.

ASSEMBLYWOMAN GREENSTEIN: We could make our recommendation then.

SENATOR SCHLUTER: We would recommend that the Legislature set a date certain. And our feeling is that it should be--

MR. PARISI: Just for clarification purposes, Mr. Chairman, are you saying then that this should be a recommendation, and not for discussion, correct?

SENATOR SCHLUTER: This should be for this Commission to study after February -- of how we want to recommend it in the final report. We have not decided specifically.

ASSEMBLYWOMAN MURPHY: And somehow, I would like us to consider suggesting to the Legislature that since two districts have already gone through the process, that those two, plus four others, should be the groups that carry this in 2007.

MR. DeLUCA: I would agree with that.

ASSEMBLYWOMAN MURPHY: Because it would be a shame to lose momentum that we've gotten from those two districts that have experienced this. I would hate to have them just forget.

SENATOR SCHLUTER: This is of enough import, in my view, to be part of our preliminary report.

ASSEMBLYWOMAN MURPHY: Okay.

SENATOR SCHLUTER: And if there is agreement among the Commissioners here of what Ms. Murphy had said, I would-- What would that be, Frank, a finding?

ASSEMBLYWOMAN MURPHY: It would just be a recommendation.

MR. PARISI: I think it would be a recommendation.

SENATOR SCHLUTER: But in the first report?

MR. PARISI: Well, I don't know that-- Again, I think what you are recommending to the Legislature, that these particular districts be selected, I don't think it's a finding, because you're not making a statement of fact.

SENATOR SCHLUTER: Well, we're not saying in the first report what the districts are. We're saying that we think that it should not just be limited to four districts. It should be the two that are already picked, plus four other districts.

ASSEMBLYWOMAN MURPHY: But what we're really saying is that -- and maybe it's a finding -- is that in two districts this was an accepted method of raising money. People seemed to accept this. And it would be a shame to lose that momentum. Can we say, in some way, that?

MR. PARISI: Well, I think that the first recommendation says that it was accepted.

ASSEMBLYWOMAN MURPHY: Right. So based on that, we would like to see those two districts--

SENATOR SCHLUTER: Included.

ASSEMBLYWOMAN MURPHY: --be included in the next part.

MR. DeLUCA: Is it possible to say that the finding is that the experience there, the media focus, the interaction with the citizens make it--

SENATOR SCHLUTER: Desirable.

MR. DeLUCA: --desirable to repeat those districts, in addition to--

ASSEMBLYWOMAN MURPHY: Four others,

MR. DeLUCA: --four others in 2007?

SENATOR SCHLUTER: Very well said.

ASSEMBLYWOMAN MURPHY: Thank you.

I knew where I wanted to go, Vic. I wasn't sure I was going to get there.

MR. PARISI: Just a point of information. The law provides for a total of four districts in the second part in 2007. So are you saying that you want -- instead of just -- you want a total of six?

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: Yes.

ASSEMBLYWOMAN MURPHY: Four new ones, plus the two that--

SENATOR SCHLUTER: And if we do this in the preliminary report and we get resistance from the Legislature, and they say, "Well, we're not going to pass it unless it's reduced to four," then we have to contend with that.

ASSEMBLYWOMAN MURPHY: Then we reconsider this. But still, it gives us the opportunity to put it forward as they -- a potential.

SENATOR SCHLUTER: Yes.

MR. PARISI: So are you saying then that you want this as a finding -- that the experience was so positive that it should be continued for the second pilot project?

MR. DeLUCA: Well, I'm not saying it was so positive. I was saying that the infrastructure has been built in those two districts.

ASSEMBLYWOMAN MURPHY: And I don't know whether it was still policy, but what was accepted.

ASSEMBLYWOMAN GREENSTEIN: Or begun.

ASSEMBLYWOMAN MURPHY: Or begun or--

SENATOR SCHLUTER: Well, it was in accordance with our first -- No. 1 -- item today.

ASSEMBLYWOMAN MURPHY: Right.

I don't want to paint it in a way--

MR. DeLUCA: And the finding can be that the infrastructure was built and that these two districts should be included, in addition to the four next year. So we make it clear it's six.

SENATOR SCHLUTER: Have you got that, Mr. Secretary?

MR. PARISI: Yes.

SENATOR SCHLUTER: Okay. Moving right along, Citizen Action raises the question, a very good question, of whether the public information program should be implemented by ELEC or the Division of Elections -- public awareness, and what we recommend as money appropriated for public awareness. Yesterday, what Mark Murphy said other states have done with real media coverage-- And when he was here, he said that almost a million dollars was spent in Connecticut, by foundations, to get them to come around to their reforms. A lot of it to Citizen Action.

Do we want to visit that for the final report?

MR. DeLUCA: Yes. I think we've already agreed that there needs to be more public education.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: I think in the final report we ought to--

SENATOR SCHLUTER: Identify--

MR. DeLUCA: --identify some--

SENATOR SCHLUTER: --which agency was--

MR. DeLUCA: --mechanisms. Right, and agencies. Who's responsible.

SENATOR SCHLUTER: Okay, Frank.

MR. PARISI: Okay.

SENATOR SCHLUTER: Here's something that there is a certain amount of controversy, there's a certain amount of disagreement on. But we've had some discussion on it today, and I would like to have more deliberation on it, because it touches several aspects of this whole process -- and that is the concept of a tiered system of qualifying. I know that I think Citizen Action respectfully says they don't believe it should be tiered.

Is that right, Marilyn? You shake your head in the affirmative.

But I think there are some reasons to consider it for candidates who are not as strong, to get some sort of incentive and some sort of involvement, whether there be two tiers or three tiers. So I would like to have our Commission discuss a tiered system and how it might fit in with primaries and the whole scheme.

ASSEMBLYWOMAN MURPHY: I don't mind discussing it. I would not like to include it as a finding, because I don't know that I think it is so.

SENATOR SCHLUTER: Well, okay. We're not including it as a finding. We're saying this is for future deliberation.

ASSEMBLYWOMAN MURPHY: I'll think about it, and I'll pay attention to it.

SENATOR SCHLUTER: Okay.

ASSEMBLYWOMAN GREENSTEIN: Could somebody give--

MR. DeLUCA: I would be glad to discuss it more. I remember the conversation with Mr. Wayne. And he talked about, we ought to set

the number of what is achievable, but at the same time a number that shows broad-based support.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: And it seemed, even from some of the recommendations from PIRG, we ought to make the process work. In the written testimony, they're talking about 1,000. But I thought there was some notion that we ought to figure out a number that was easily accessible -- that it was more important to get people to participate, at the same time making sure that they're serious candidates. But I'm not sure if the tier is the way to go, or just lowering it to make it--

SENATOR SCHLUTER: Yes. We do have, Mr. DeLuca, the premise that we're going to have to visit this -- what is the number?

MR. DeLUCA: Right.

SENATOR SCHLUTER: And this is just another aspect of what is the number. If we think that that makes sense, we might go for it. If we think it doesn't make sense, we don't.

ASSEMBLYWOMAN GREENSTEIN: Mr. Chairman?

SENATOR SCHLUTER: I'm sorry.

ASSEMBLYWOMAN GREENSTEIN: Could somebody just briefly explain the tier system, what that would involve, just briefly?

SENATOR SCHLUTER: Well, if you read some of the testimony of PIRG and Citizen Action, and from the state of Maine-- For example, if you have people who start raising money, because they are in a primary and they want to get a certain amount of money for the primary, there might be one qualifying level of contributions -- numbers of dollars or whatever -- for that. And then, as it goes in a continuum into the general

election, if they get the next, which might be the final tier -- the 1,000, or whatever it is -- then they get all of it. But once they -- the idea is--

ASSEMBLYWOMAN GREENSTEIN: If they only did part, they would only get part.

SENATOR SCHLUTER: They only get part, but then they are committed to be a Clean candidate.

ASSEMBLYWOMAN GREENSTEIN: So it's a way of getting a larger group committed to be a Clean candidate.

SENATOR SCHLUTER: And it's a way, also, of answering the question of third party candidates who might not be able to get the big number that the others are. And it's also a way of giving them a little money, part of their funding, when they reach that first threshold, so that they can use that to go forward and develop their campaign.

ASSEMBLYWOMAN GREENSTEIN: I personally like the idea, at least at this point as we're doing the pilot. Because as I said earlier, I think it might be a good idea to differentiate between those who just don't want to participate at all and those who are really giving it the old college try--

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN GREENSTEIN: --and just can't get there. And this gives them a chance to be a Clean candidate. But the negative, in a sense, because they didn't raise the right amount of money, is they get less.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN GREENSTEIN: But they're still agreeing to be Clean, which is better all around for the program.

SENATOR SCHLUTER: Well, you look at what happened in District 6. The one group got half of what Greenwald and Lampitt got, and they were very, very happy, and they felt that they got expression.

ASSEMBLYWOMAN GREENSTEIN: Yes.

You see, by Greenwald giving that money, it caused that whole controversy, it seems. And if we had had more of a tiered system, those people wouldn't have had to go to take his money.

SENATOR SCHLUTER: That is correct. But it also -- the fact is that he gave that money to them because of this other flaw, which we're going to correct, which is that penalty money should not be paid to the Clean candidate because of no fault of the unsuccessful.

ASSEMBLYWOMAN GREENSTEIN: Right.

SENATOR SCHLUTER: All right. So that's to be visited later.

Now, here's something which I came across on a number of the pieces of testimony, which I think is fairly straightforward. We're talking about a longer term for raising the money. And we're talking about the Summer months being very difficult months to raise money. And we're talking about primaries, introducing this in primaries. Some people have said we should start the minute the old election is over. The day after, people should start raising money and sign a letter of intent as a Clean candidate. But the League of Woman Voters has made a very, very important statement in their testimony. And I think we should consider this and maybe work from this. And that is, nobody should be out collecting qualifying contributions until they have filed a petition. Because if you don't, you get people who are going false starts, they don't have the

stature to even get enough petition signers. So I almost think that that's where you start, is when they file a petition.

ASSEMBLYWOMAN GREENSTEIN: But is it completely unrealistic to think that, if this thing really takes off, that people couldn't also file petitions early, that that could be changed?

SENATOR SCHLUTER: Well, I don't see-- We ought to get-- We're going to get an answer to that question. I think you can file petitions early.

DR. HERRMANN: Yes. I think the deadline is--

MR. DeLUCA: It's no later than.

DR. HERRMANN: There's the date where you can't do it after that.

MR. DeLUCA: Right.

SENATOR SCHLUTER: Are we sure of that?

MR. PARISI: Yes.

SENATOR SCHLUTER: We are sure of that?

MR. PARISI: Absolutely.

SENATOR SCHLUTER: Frank Parisi says we're sure.  
(indiscernible) (laughter)

MR. PARISI: No later than 4:00 p.m. on the 57th day prior to the day of the election.

MS. MASSAR: Four o'clock.

ASSEMBLYWOMAN GREENSTEIN: But they could do it much earlier.

MR. DeLUCA: I used to file petitions early.

ASSEMBLYWOMAN MURPHY: But you can't get a petition until they are prepared. (laughter)

ASSEMBLYWOMAN GREENSTEIN: Well, they would have to prepare them.

ASSEMBLYWOMAN MURPHY: And they are not prepared now, for instance, for 2007.

MR. PARISI: No.

ASSEMBLYWOMAN MURPHY: They prepare them in a timely fashion, in accordance with the schedule of work they have in the office.

ASSEMBLYWOMAN GREENSTEIN: They have to start being faster. (laughter)

ASSEMBLYWOMAN MURPHY: Or you need to supply them with a lot more people, more space, more money.

SENATOR SCHLUTER: I think you can get them early enough on that it can give people a good start, but I think that's--

ASSEMBLYWOMAN GREENSTEIN: I think it's so important for people to have the early start on this to make it successful.

ASSEMBLYWOMAN MURPHY: When are the-- Excuse me, Mr. Herrmann, when are the petitions usually completed?

DR. HERRMANN: I might defer to Mr. Parisi on that, actually, if you know. But the Division on Elections does that. We don't do that. So it's not in our jurisdiction.

MR. PARISI: What do you mean by completed?

ASSEMBLYWOMAN MURPHY: Well, when could I pick up a petition, for instance?

MR. PARISI: I think that you probably could pick it up a couple of months before the election.

SENATOR SCHLUTER: A couple of months before the primary.

MR. PARISI: Before the primary, right.

SENATOR SCHLUTER: And a couple of months before the primary filing.

MR. PARISI: Right. Before the primary filing date, is what it would be.

ASSEMBLYWOMAN MURPHY: So probably in January.

MR. PARISI: My guess is, you might be able to pick it up as early as December.

ASSEMBLYWOMAN MURPHY: Okay. And that gives you-- Because every time you have someone sign your petition, there's an opportunity to ask them to make a contribution.

ASSEMBLYWOMAN GREENSTEIN: Right.

ASSEMBLYWOMAN MURPHY: It's the perfect time to do it. Now, how soon could you file, fill out the papers as a qualifying candidate?

SENATOR SCHLUTER: Excuse me, excuse me. When you're circulating a petition, should not be the time, respectfully -- should not be the time you're asking for the contribution.

ASSEMBLYWOMAN MURPHY: No, but I meant the time in the-- I don't mean in the same place.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: I just meant -- oh.

SENATOR SCHLUTER: But in other words, as the League has made the-- We don't want frivolous candidates to be out there getting qualifying contributions, and having to keep track of them and all this. But once they file a petition, then they can start going after the qualifying contribution.

ASSEMBLYWOMAN MURPHY: So, in theory, if I picked up my petition in December, I could have it finished by the 2nd of January.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: File it, and then I have to apply to be a Clean candidate. And how long does that take?

SENATOR SCHLUTER: Well--

ASSEMBLYWOMAN MURPHY: So what I'm saying is, I'm trying to figure out, realistically, the time.

SENATOR SCHLUTER: Instantaneously, isn't it?

DR. HERRMANN: I'm sorry?

ASSEMBLYWOMAN MURPHY: If I file my petition on January 2 or 3, with my local clerk, and then I call you and say, "All right. I want to be a Clean candidate here. How do I do this?" How long does that process take me?

DR. HERRMANN: Well, I guess there isn't a process right now.

MS. MASSAR: It would have to be reworked to accommodate this longer time.

ASSEMBLYWOMAN MURPHY: But how would it? How long does it normally take, from the time you get a call from someone?

MS. MASSAR: We have software and instructions ready. We do training sessions on an ad hoc basis.

SENATOR SCHLUTER: Excuse me. You have to certify that they can. You have to accept the letter--

ASSEMBLYWOMAN MURPHY: Yes. When do they certify?

MS. MASSAR: You can file a declaration of intent to become a Clean Elections candidate at any point after whatever date you -- the Commission decides and the legislation says. So that if it's tied to the preparation or the filing of a nominating petition, that would be the trigger, and you could file the declaration of intent any time after that.

ASSEMBLYWOMAN MURPHY: That's how you would have that longer spread of time.

SENATOR SCHLUTER: Can we ask staff to find out from the Division of Elections-- Because I think what they do is, they print up petitions for the year 2007.

MR. PARISI: The counties provide them.

ASSEMBLYWOMAN MURPHY: Yes. The county clerk of elections--

MR. PARISI: It's not done by the Division of Elections. This is something that each individual county does.

ASSEMBLYWOMAN MURPHY: That's right.

MR. PARISI: And my guess would be that each county has its own timetable for doing that.

SENATOR SCHLUTER: Excuse me. I don't think the counties do it for legislative districts. Because legislative districts are not

coterminous with counties. I think the Division of Elections does it for legislative districts.

MR. PARISI: We can look into it.

SENATOR SCHLUTER: Can you check that out?

MS. WINTERS: So you want to know when the petitions are first available for people to pick up?

SENATOR SCHLUTER: When petitions for legislative office are available for people, on a normal basis? Then we might establish a couple dates.

MS. WINTERS: Okay, no problem.

SENATOR SCHLUTER: So this is a point for further deliberation, okay?

ASSEMBLYWOMAN MURPHY: Yes, right.

SENATOR SCHLUTER: There is -- and I think we can discuss this -- there has been a recommendation by both PIRG and Citizen Action that the seed money be increased in volume, which we've already addressed, but the individual contribution be reduced from \$200 to \$100. Is there any final thoughts on that, or do we want to put that off for further--

ASSEMBLYWOMAN MURPHY: I'm sorry. We were talking about statewide education.

SENATOR SCHLUTER: Okay. A couple pieces of testimony have been that the \$200 is too much for seed money, and it should be reduced to \$100 contribution, even though it might be expanded, as we would decide, from 3,000 to 6,000. Is there support for that or is there rejection of that, or is it--

ASSEMBLYWOMAN MURPHY: No.

ASSEMBLYWOMAN GREENSTEIN: It would reduce contributions-- Who gives those again?

SENATOR SCHLUTER: The maximum right now--

MR. DeLUCA: Anyone.

ASSEMBLYWOMAN GREENSTEIN: Anyone can do that.

SENATOR SCHLUTER: Anyone in the state, and even out of the state.

MR. DeLUCA: Individuals.

ASSEMBLYWOMAN GREENSTEIN: And it would reduce it from 200 to 100?

SENATOR SCHLUTER: Yes. In other words, up to-- They say seed money now is maximum \$3,000 in contributions of no more than \$200.

ASSEMBLYWOMAN GREENSTEIN: And this would say no more than 100?

SENATOR SCHLUTER: And this would say whatever the new level is, no more than 100.

ASSEMBLYWOMAN GREENSTEIN: What's the purpose of this?

ASSEMBLYWOMAN MURPHY: To get from more people.

SENATOR SCHLUTER: Well, get it from more people and--

ASSEMBLYWOMAN GREENSTEIN: But no more than 200, you could get smaller ones.

ASSEMBLYWOMAN MURPHY: No. You can get smaller ones, but they're saying 100 is going to be the limit. Two hundred used to be the high limit before. They want to make it 100. But if you're changing

that from \$3,000 to \$5,000 you need for seed money, you're never going to get it.

ASSEMBLYWOMAN GREENSTEIN: I don't particularly see much of a purpose to that change.

ASSEMBLYWOMAN MURPHY: Increase the amount.

SENATOR SCHLUTER: It says -- by Clean Elections and by Citizen Action -- and if you wanted to come up here, Marilyn, and testify you can. But you say in your testimony, "Seeks to increase support of larger numbers of people." And that was the purpose.

Mr. DeLuca, do you--

MR. DeLUCA: I think the package is that we increase the seed from 3,000 to 5,000, but we lower the number to 100 so that you have a minimum of 50 donors. The way it is now with 3,000, you could have a minimum number of donors at 15.

SENATOR SCHLUTER: Fifteen, correct.

MR. DeLUCA: So it's just a matter of whether it's in keeping with the whole purpose of this, of showing a broad enough base of support.

ASSEMBLYWOMAN MURPHY: But you're limiting it to people in the district for seed money.

MR. DeLUCA: No. No.

ASSEMBLYWOMAN MURPHY: People in the state?

MR. DeLUCA: No, any individual in the state.

MS. WINTERS: Anyone.

ASSEMBLYWOMAN MURPHY: In the state?

MR. PARISI: Not in the state.

MS. WINTERS: Anywhere.

MR. DeLUCA: Or in other states, yes. It's the United States or the world.

DR. HERRMANN: The world.

SENATOR SCHLUTER: Well, a certain-- (laughter)

ASSEMBLYWOMAN MURPHY: I don't see a need for that.

DR. HERRMANN: You can't get foreign money.

MR. DeLUCA: It has to be in U.S. currency, right?

DR. HERRMANN: Yes.

ASSEMBLYWOMAN MURPHY: I think if you're moving it up to \$5,000, that's goal enough. We have found that, did we not, with the 1,000 and whatnot, that we were asking for an awful lot of people. If you're saying that the focus shouldn't have to be that you're out raising money all the time, why are we making it harder? Why are we sending them out to get more money and in smaller amounts?

SENATOR SCHLUTER: Excuse me? I think that we can put this on as for further deliberation.

ASSEMBLYWOMAN MURPHY: Okay.

SENATOR SCHLUTER: And with a full-- Because it's (indiscernible) real quickly, and we'll give us a chance to try to think about it.

ASSEMBLYWOMAN MURPHY: Okay.

SENATOR SCHLUTER: I'm sorry. Yes, by all means.

DR. HERRMANN: On a related issue, I'll throw out a possible thing you might want to look at. During the testimony, one of the issues that came up was the in-kind contribution problem, how do you do a fundraiser? Maybe you could take the seed money concept and combine that

with an in-kind contribution. Right now the seed money, it has to be money. Perhaps you can allow in-kind contributions; i.e., the people could hold fund-raisers for people as part of the seed money situation and help them get started. Because right now we really don't have the mechanism for in-kind contributions, and maybe within the seed money context you could do that, which would allow candidates to get started and let people have coffee klatches for them. We had the hot dog issue, I remember -- how do you buy the hot dogs? Again, keeping it relatively low numbers, but letting people to use the seed money for that purpose.

SENATOR SCHLUTER: This is another thing I think we already have in our list of things to do. Don't we, Mr. Parisi?

MR. PARISI: Yes.

SENATOR SCHLUTER: Of making a determination about in-kind and that whole issue of in-kind, and making certain exemptions, and making certain--

ASSEMBLYWOMAN MURPHY: But I think if you could use in-kind as a process in the seed money also, it does expand exactly what everyone is talking about. It expands the voter base. It gets more people involved.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: Yes. We have -- in No. 6 we talked about that. And I think we're going to have to come up with the recommendations for the finding. So certainly that can be part of it.

SENATOR SCHLUTER: Yes. That's to be discussed further.

ASSEMBLYWOMAN GREENSTEIN: Mr. Chairman, I don't know if this is the appropriate time, but one thing that I was thinking, and I

know this would cost money to do it properly, but should we suggest some sort of a statewide education campaign on this issue to really get it out there? Maybe there's a way we can suggest that.

SENATOR SCHLUTER: That's one of the things that we did in our findings.

ASSEMBLYWOMAN GREENSTEIN: We do have that? Okay.

SENATOR SCHLUTER: I think just before you came we--

ASSEMBLYWOMAN GREENSTEIN: Okay.

SENATOR SCHLUTER: It is definitely going to be part of our whole report. We will elaborate on it.

ASSEMBLYWOMAN GREENSTEIN: In fact, I would almost say, I don't want to lose the momentum of what we're doing. And unfortunately if you skip a year, you lose momentum. But I would also say -- well, of course, we don't have this now for two years, so this would be the perfect year to do it. This in-between year would be a year that we should have a massive education campaign to help people in the next election year.

SENATOR SCHLUTER: That's a good point, good point.

ASSEMBLYWOMAN GREENSTEIN: It should start as soon as possible.

SENATOR SCHLUTER: Yes, good point. And when we issue our preliminary report, we'll have all the fanfare of a press conference. And then when a final report--

ASSEMBLYWOMAN GREENSTEIN: That could be a kickoff for it also.

SENATOR SCHLUTER: And we might -- part of our recommendation might be, in this current budget, so much being appropriated for when this bill passes.

ASSEMBLYWOMAN GREENSTEIN: I think it's a great idea. I'd like to really see us do that. Yes.

MR. PARISI: Do you want that as a recommendation, something to consider, or is this just--

SENATOR SCHLUTER: As part of the recommendation for publicity and publicizing Clean Elections, the thought should be that it start right away when this new legislation is passed, even in 2006.

ASSEMBLYWOMAN GREENSTEIN: The only thing I would think is, if we wait till then to just plan what the campaign will be, that will lose us a couple of months, because you know how that goes. I mean, if we're going to do it, I don't know but maybe there should be a subcommittee of this Commission to plan the education campaign or something. Or this Commission could--

SENATOR SCHLUTER: What if the Legislature, in its infinite wisdom, decides to scuttle the whole program, then--

ASSEMBLYWOMAN GREENSTEIN: Well, at least we'd have it all planned just in case. (laughter) We've done our part.

MR. DeLUCA: I think we had testimony from Citizen Action as to the public education that they used with the Board of Public Utilities. Maybe you want to come up and just describe that, because that might be a model that we could share.

MS. CARPINTEYRO: Marilyn Carpinteyro, with New Jersey Citizen Action.

Yes. Before New Jersey entered deregulation with our utilities, the Board of Public Utilities said that there had to be some form of education. So what ended up happening, New Jersey Citizen Action -- since we've been advocating for the issue about educating the consumers -- the Board of Public Utilities and utility companies pulled in sources of money to promote education. So what was done is that groups like Citizen Action went out to community groups, churches, pretty much any group that would listen, to educate people and let them know exactly what was going on. And we've conducted thousands and thousands, over the last five years -- of education. And that's pretty much how people got to learn about the program. And we've also set up our own educational presentation when we were talking about Clean Elections in both Clean Elections districts and outside of Clean Elections districts. And since we worked on so many issues, we talked about Clean Elections pretty much anywhere somebody will listen.

ASSEMBLYWOMAN GREENSTEIN: Sounds good.

SENATOR SCHLUTER: Were you here yesterday when Mr. Murphy testified, from the Fund for New Jersey?

ASSEMBLYWOMAN GREENSTEIN: Part of his testimony.

SENATOR SCHLUTER: And he made the point that some of these foundations have money for this kind of a public exposure, public publicity programs, and they use organizations a lot, like Citizen Action to-- They distribute money and they -- for the purpose of advertising the program.

ASSEMBLYWOMAN GREENSTEIN: It would just be great if this could be done well in advance of the election, so people around are really ready for it and the culture is in place for it.

MS. CARPINTEYRO: And we agree with you, definitely.

ASSEMBLYWOMAN GREENSTEIN: I'm sure it would be great.

SENATOR SCHLUTER: Here is something that we don't need to decide, but I think I would just like to just clear the air on for Citizen Action. You indicate third and nonparty affiliated candidates are eligible for the same primary funding grant if they collect the qualifying contribution as certified. Third and nonparty candidates are not in a primary. They have no primary for them. So that's--

MS. CARPINTEYRO: But if they would like to participate for Clean moneys--

SENATOR SCHLUTER: If they want to file a petition, as it gets into -- if they file a petition.

MS. CARPINTEYRO: They'll show up on the ballot.

SENATOR SCHLUTER: And that would allow them, according to the way we're going, to apply, sign a letter of intent, and to raise qualifying contributions. And if we have a tiered system, or whatever, it would start then.

A comment is made here -- everybody is showing great patience and we appreciate this -- but a comment is here, made by Citizen Action, "We recommend no later than 30 days before the general election, 20 days before the primary, that participating candidates are sufficiently protected against independent expenditures under the opt-out clause." Now, the

Commission should establish a reasonable deadline for candidates to withdraw from the Clean Elections program. Right now, they can withdraw right up to the election.

MR. DeLUCA: Right.

MS. CARPINTEYRO: Yes.

SENATOR SCHLUTER: Subject to the approval of our Commission saying that you can withdraw.

ASSEMBLYWOMAN MURPHY: Did they ever come and ask us?

SENATOR SCHLUTER: Pardon me?

ASSEMBLYWOMAN MURPHY: Did anyone ever come and ask us if they could?

SENATOR SCHLUTER: No one wanted to withdraw.

ASSEMBLYWOMAN MURPHY: Well, yes, the Green Party did.

MR. DeLUCA: No.

SENATOR SCHLUTER: They had not qualified.

MR. DeLUCA: The Green Party did not withdraw. We were notified that the Democrats withdrew.

SENATOR SCHLUTER: No, they-- But this is--

MS. CARPINTEYRO: This is once they qualify. Once they qualify they have to come to the Commission.

MR. DeLUCA: This is after you qualify, yes. Right.

SENATOR SCHLUTER: Once they qualify.

ASSEMBLYWOMAN MURPHY: Oh, okay. It's after qualification. Okay.

Thank you.

SENATOR SCHLUTER: Somewhat of an obtuse part of the law. But I think that there is merit in that, because it should be made very, very difficult, or only under very extenuating circumstances, that qualified candidates are allowed to change from Clean to nonclean, which would enable them to go out and get big time, special interest money.

MS. CARPINTEYRO: So essentially, a candidate could campaign through the primary and then, say, two weeks before the election, decide to opt out. They would have been campaigning in the primary and during the Summer months saying that they were running as a Clean candidate, have that good seal of approval, and then decide last minute that they wanted to opt out and go spend as much money. We presented that in front of ELEC a couple months ago about this, that there should be some type of protection clause for candidates, both in the primary and the general.

SENATOR SCHLUTER: Can we add this, Mr. Parisi, as to be a thing for deliberation -- the opt-out provisions and timing for further discussion?

MR. PARISI: Okay.

SENATOR SCHLUTER: Moving right along -- these are very good comments. Moving right along, here's something that we might want to even decide on now. If a candidate does solicit contributions and then fails to qualify, and we're talking about those contributions going to the Clean Elections Fund on a specified schedule or timetable -- within so many weeks after they're collected they have to be turned over there -- Clean Elections does not support returning those funds to contributors.

MR. DeLUCA: Citizen Action doesn't.

MS. CARPINTEYRO: Citizen Action.

SENATOR SCHLUTER: What did I say?

MS. CARPINTEYRO: Clean Elections

MR. DeLUCA: You said Clean Elections.

MS. WINTERS: Clean Elections.

SENATOR SCHLUTER: Citizen Action. The money should remain -- is there discussion on this point? Because it's a good point. Last time you had -- the Election Law Enforcement Commission got an advisory opinion because the money hadn't been turned over to them, that it could go back to the donors.

ASSEMBLYWOMAN MURPHY: Right.

MR. DeLUCA: I'm not sure I agree that the money should not be returned. I think that if someone gave a contribution and they were not able to qualify for whatever, it's really not the fault of the contributor; and why should that money go to the Clean Elections Fund if their candidate, the person that they wanted to support, is no longer a candidate. So I disagree with my friends at Citizen Action on this point.

MS. CARPINTEYRO: We put that in there in a sense that people are contributing to the program.

ASSEMBLYWOMAN MURPHY: No, they aren't. They're contributing to the candidates.

MS. CARPINTEYRO: To the idea of running a Clean Elections, and they're hoping candidates can qualify. That's why we put that clause in there. That they believe in the program, the funding system, and want to help candidates also qualify.

MR. DeLUCA: But, but--

ASSEMBLYWOMAN MURPHY: Their first goal is the candidate who asked them to contribute and to put the money in. And the goal in that is the party of that person, too. Let's be honest.

MR. DeLUCA: Yes. Assemblyman Greenwald said that politics in New Jersey is like sports -- you pick a team.

ASSEMBLYWOMAN MURPHY: Right.

MR. DeLUCA: And I think most people -- I think few people-- You had one person come to speak to us when we were in Lincroft -- the person who gave to everyone. I think it was in Lincroft, or it was some other place. She gave to all the candidates because she believed in the system. But I think the majority of candidates (*sic*)-- And even the information we got from ELEC was that most of the candidates (*sic*) gave for one party or the other, as opposed to both parties or all candidates.

ASSEMBLYWOMAN GREENSTEIN: Right.

ASSEMBLYWOMAN MURPHY: They really were -- there were some people very, very offended by that -- "I'm not giving my money to the *whatever* party."

ASSEMBLYWOMAN GREENSTEIN: People are not used to this concept of just supporting Fair and Clean Elections.

ASSEMBLYWOMAN MURPHY: Nope.

ASSEMBLYWOMAN GREENSTEIN: They think in terms of parties, and they want their money to go to the candidate of their party.

MR. DeLUCA: I think if it was a checkoff or some other process -- like, I check off, it goes to the Fund. I don't say it goes to the Democratic candidate or the Republican candidate, or even some of the

independents who might qualify. I just give it to the Fund. But in this instance, you have a candidate who is requesting that money to go to the Fund, and really that's the conduit on that person's behalf.

SENATOR SCHLUTER: You're anxious to say something, Mr. Herrmann.

DR. HERRMANN: Oh, I have that anxious look.

Well, one thing you might want to just look at is allowing the candidates to keep the money they collect. I'm not exactly sure why-- I don't know where the provision came from in the law. I mean, this created administrative problems for us, as well, that the candidates couldn't even deposit the money. We had people bringing in the checks in shoeboxes, because it wasn't their money. And I think, probably, looking at the bill as a whole, the idea must have been that that would have been a form of funding for the Fund.

ASSEMBLYWOMAN MURPHY: Right.

DR. HERRMANN: But it's really a drop in the bucket. I don't think the fund is going to make that much money doing that, and it's creating an administrative nightmare and tremendous confusion with people saying -- the old story -- "Well, I gave it to the Democrat running in the 13th District and somehow it ended up with the Republicans in the 6th District."

ASSEMBLYWOMAN MURPHY: Right.

ASSEMBLYWOMAN GREENSTEIN: Well, Fred, you're saying when people are giving it, they're really giving it to that candidate. And you're saying why not have, if it's a check, made out to that candidate.

DR. HERRMANN: Right.

ASSEMBLYWOMAN GREENSTEIN: Or if it's cash, which I'm really glad that we're allowing, by the way -- that they fill out the form. I think that's a much better way to do it. Because people do not see it as giving to the Fund. They want to give to that candidate. That's the whole concept of it.

SENATOR SCHLUTER: But we're not -- we're not changing the payee on the instrument.

ASSEMBLYWOMAN GREENSTEIN: You're saying it should still say it's going to the Clean--

SENATOR SCHLUTER: I don't think there's been any major, serious discussion about changing the payee to--

DR. HERRMANN: The candidate as opposed to the Fund?

ASSEMBLYWOMAN GREENSTEIN: I think it's a good idea.

DR. HERRMANN: I think that's a -- what I was suggesting is that's something you might want to look at. The other thing is, the candidates -- we had the problem of the candidates that are raising some money, they don't qualify, and they have to give away every penny they got and start at zero. If they were allowed to keep the money they collected -- and again, these are in small amounts of money -- at least if they didn't qualify for the program, they'd already have a pool of money.

ASSEMBLYWOMAN GREENSTEIN: First of all, it would take away administrative problems that I'm hearing about. But also, it makes sense if we think of -- to me it does -- if we think of the concept of Clean Elections, people are going around, they're convincing people they're a good candidate, and someone is giving them a donation. I think that makes sense.

SENATOR SCHLUTER: All right. But the money we've talked about, on a specific schedule, is going to go in every two weeks -- money collected for such and such a period -- goes to ELEC, it has to. Now, so therefore, there is that administrative burden if it comes back to the candidate or it comes back to the giver.

ASSEMBLYWOMAN GREENSTEIN: But actually, I thought the idea I just heard here of not having it go to ELEC, not having it made out or go to Clean Elections.

MR. DeLUCA: Right. What would go instead is a report--

DR. HERRMANN: Yes.

MR. DeLUCA: --from the candidate.

ASSEMBLYWOMAN GREENSTEIN: Yes, a report would go.

MR. DeLUCA: And then if -- I think we can pursue this some more in our discussion.

ASSEMBLYWOMAN MURPHY: I think that's such a good concept.

MR. DeLUCA: If the candidate had to raise 1,000 \$5 contributions, that's \$5,000. And if the candidate was eligible for \$65,000 in funding, well, they would already have the \$5,000, so they only get 60,000 more.

SENATOR SCHLUTER: We're introducing a whole new-- I'm trying to limit the number of things. (laughter) And now we've added a whole new proposition. And I thought that that was sacrosanct -- that the contributions had to go to the Clean Elections Fund, and they would go with a 3-inch by 4-inch slip of paper, which has the name of the candidate who would get credit for that. And there would be reports made and tallies

made on a two-week basis, or whatever we come up with, as far as that. Now we're talking about the candidates keeping the money, and their good faith in reporting it.

DR. HERRMANN: Well, it wouldn't be-- They're not on the honor system, I think, as Commissioner DeLuca was saying. They would report to the Commission, and we would audit and make sure that what's on the-- That's what we do now with the reports. A person can hand in any report to us, they can say anything. But we have the ability to go and audit and make sure that what's on that report is actually what's in their bank account.

SENATOR SCHLUTER: On their financial report.

DR. HERRMANN: Yes.

SENATOR SCHLUTER: That it matches up with what they have said they've gotten.

DR. HERRMANN: Yes.

SENATOR SCHLUTER: And you're trying to get rid of that administrative burden of having to get the money and then send it back.

DR. HERRMANN: It's partially that it's an administrative burden, not only on the Commission, but on the candidates. But also, there are other aspects of it -- that the candidates would then get to keep that money, and they wouldn't have to start from square one if they didn't qualify. They'd have some money. There wouldn't be the confusion with the contributors, which has been a real problem. "Hey, I gave the money to you, and somehow it ended up in another district with a candidate from another party getting the money."

SENATOR SCHLUTER: We've got Assemblywoman and -- Ms. Murphy, you're not leaving are you?

ASSEMBLYWOMAN MURPHY: I'm going to the ladies' room.

SENATOR SCHLUTER: Oh, all right. (laughter)

ASSEMBLYWOMAN MURPHY: If that's leaving, I guess I am. (laughter)

SENATOR SCHLUTER: We put a lock on your car wheel, so you can't go home.

MR. DeLUCA: You'll find that in the record. (laughter)

SENATOR SCHLUTER: We've got a new concept. And we've got some public interest groups here and others. And I really think that before we really come to any hard and fast conclusion on this--

DR. HERRMANN: Oh, I was just throwing it out as something to think about.

SENATOR SCHLUTER: Oh, no, no, no. It's been very, very good--

DR. HERRMANN: Yes.

SENATOR SCHLUTER: --because my opinion has changed in this discussion, mainly because of the merit of candidates getting something for their effort, and not having to give it up and not having anything. At least they would get it, which is better than the donor saying that somebody in District 13 or somebody from the other party got it. So I wondered if we can't revisit this and have more deliberations on this, and get some input from the League of Women Voters, AARP, and Clean Elections.

MS. WINTERS: Citizen Action. (laughter)

MR. DeLUCA: Citizen Action. (laughter)

ASSEMBLYWOMAN GREENSTEIN: Mr. Chairman?

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN GREENSTEIN: In a way, in this little discussion, we've really discussed two different things it seems. One is the idea of the candidates keeping the money if something develops, but the other is this idea of the money coming directly to them, the checks not being made out to-- That's a second part to it.

SENATOR SCHLUTER: Yes, yes. Well, it's old, but it's rolled into one, because then they would have the money and they would have possession of it. If they wanted to give it back to the donor, they could presumably do that.

ASSEMBLYWOMAN GREENSTEIN: But I guess the question would be, who are the checks made out to?

DR. HERRMANN: The candidates. They would deposit them in their fund.

ASSEMBLYWOMAN GREENSTEIN: Which I think is much better.

MR. MA: Could I just offer--

SENATOR SCHLUTER: Well, let me say that -- and we welcome Assemblyman Baroni. We had to fight for who was going to replace me as Chairman. You almost got it. They reelected me.

ASSEMBLYMAN BARONI: Oh, I would have voted for you.  
(laughter)

SENATOR SCHLUTER: I was trying to get out-- Excuse me.

MR. DeLUCA: You came late, a minute late.

ASSEMBLYMAN BARONI: I've been sitting outside waiting for the election to be over. (laughter)

MR. DeLUCA: Exactly.

ASSEMBLYMAN BARONI: Three-and-a-half hours waiting. (laughter)

MR. DeLUCA: I saw the smoke come up.

ASSEMBLYMAN BARONI: Right. Wave the white smoke. (laughter)

SENATOR SCHLUTER: Okay, Mr. Ma would like to weigh in on this.

MR. MA: Yes. I just wanted to offer why-- You were suggesting that it was sacrosanct that the checks be made out to the Commission and not to the candidates. And I think part of the reason why that's the case is, the idea of Clean Elections was to take money out of politics. And the \$5 contribution was not so much a contribution to the candidate, but a way to make that signature, that support of the candidate a little bit more real. But the idea was that it was not a contribution to the candidate. I think the thing we're trying to move away from is that giving money to a candidate then somehow can be repaid and influence that candidate. So the idea of the qualifying contribution is to say, I'm a legitimate candidate, not I'm collecting money and raising money from people to win. We were trying to remove the connection between money and qualifying. And the idea of writing a check to the Clean Elections Fund -- I think there's a lot of merit in creating a system where you're not writing checks to politicians to demonstrate that they're qualified. And I think that's why it's important.

I understand there's administrative issues and it's kind of difficult to handle, but there is a good reason why we're trying to protect against making contributions out to candidates.

ASSEMBLYWOMAN GREENSTEIN: But what do you think, Steve, that the average member of the public who gives the \$5 check -- what do they think? What's going through their mind when they decide whether to make out that \$5 check?

MR. MA: Oh, absolutely that they -- whether they support the candidate or not, yes. I think there is, even if it's just a psychological difference of writing out a check to a candidate or writing out a check to a fund, a Clean Elections Fund-- I really like the idea of people writing checks out to a Clean Elections Fund so that there's no-- The candidate, ultimately -- a qualified candidate who wins in Clean Elections would have taken no money from anybody written out to them, not a penny. And I think there is value to that.

The fact that a person is actually supporting a particular candidate, yes. And maybe they can write in the little memo section which candidate they're giving it to, and that will help them qualify. But that part -- the qualifying part was never running for office. That was just to demonstrate that you're qualified or not to receive public funds. The whole issue of returning the money and all these things, actually, doesn't come up in Maine and Arizona, because most people who want to qualify do. The threshold is much lower. Here we have sort of a unique problem because we made the threshold so high, we've come up with new problems. Should there be a tier system if you get halfway there? What happens if you don't

qualify? These problems don't exist in the other states. And I do think there's value in lowering the thresholds and solve some of these problems.

SENATOR SCHLUTER: Okay. Let me say that I think we said that, with this issue, we're going to have to revisit it. It's for deliberation. We've heard a lot of good comments on several different things, and we urge you to get more testimony in, and League and Citizen Action to get more testimony in.

We have to -- this originally came up about, should the donor get the money back like they did in Monmouth County with the Republicans, or should it stay with the Clean Elections Fund? And we've sort of changed that around now. Should it be made out to the candidate and let it be up to them to turn it into the Fund, or they can keep it, or they can give it back to the donor? That's where we are. And we'll have to revisit that.

You got the sense of that, Frank?

MR. PARISI: Yes.

SENATOR SCHLUTER: Any more discussion on this particular thing? I think we want to move right along.

Before I forget it, Mr. Baroni, we set a couple of other dates. And Assemblywoman--

ASSEMBLYWOMAN MURPHY: I gave them to her.

SENATOR SCHLUTER: What?

ASSEMBLYWOMAN MURPHY: I told her about the dates.

SENATOR SCHLUTER: Now, what are the dates, Mr. Parisi?

MR. PARISI: The preliminary report would be due by--

SENATOR SCHLUTER: For our meeting?

ASSEMBLYWOMAN MURPHY: January 11.

SENATOR SCHLUTER: January 11.

MR. PARISI: January 11, that's it.

SENATOR SCHLUTER: Five--

ASSEMBLYWOMAN MURPHY: January 18.

MR. PARISI: From 5:00 to 8:00 p.m.

SENATOR SCHLUTER: Five to 8:00 p.m.

MR. PARISI: And then the second meeting would be on Wednesday, January 18, again from 5:00 to 8:00, in Trenton.

SENATOR SCHLUTER: In Trenton.

ASSEMBLYWOMAN MURPHY: And you will let us know where?

MR. PARISI: Yes.

SENATOR SCHLUTER: And Assemblyman, Trenton has -- we can do conference calls with people who can't make it. But basically, staff is going to -- staff has already got their instructions to go forward with the boilerplate kind of report -- the background, the origination of this, and some of the experiences, and just a registration of the standard stuff, which they might not have ready by the 11th. But by the 11th, when you get the revised copy of these different policy matters, you will see some that are assumptions or findings, some that are for further deliberation, and some that are for recommendation for the final report, not the preliminary report. So they'll be different categories, and then we're going to have to decide, such as, do we want to -- how many -- what do we want to reduce the number of contributions to, and how much, and when do we want to-- And all of this is going to be in the language there.

Moving right along--

Thank you, Marilyn, for your good testimony.

That's the same as we talked before -- about the target date and who should set that, whether the Legislature should set it, or we should recommend.

Where's my PIRG? Here's my PIRG.

MR. DeLUCA: Mr. Chairman, no offense, but when I took over yesterday, we were out of here in 45 minutes. (laughter)

SENATOR SCHLUTER: Excuse me.

ASSEMBLYMAN BARONI: Efficient management.

MR. DeLUCA: We just moved along here.

SENATOR SCHLUTER: Yes, all right.

Well, most of these things have been covered in our discussion today.

MR. DeLUCA: There you go -- a little prodding. (laughter)

SENATOR SCHLUTER: Yes.

We've gotten to that point where I'll ask for additional comments from anybody in the audience who has additional comments?

ASSEMBLYWOMAN MURPHY: And I would move to adjourn whenever you're ready. (laughter)

SENATOR SCHLUTER: How about from our newly arrived Commission member, Mr. Baroni?

ASSEMBLYMAN BARONI: I know the remaining Commission members who are here, in my absence, did outstanding jobs. (laughter)

ASSEMBLYWOMAN GREENSTEIN: How do you know that? (laughter)

ASSEMBLYMAN BARONI: Because we in the 14th District do everything well.

ASSEMBLYWOMAN GREENSTEIN: We know everything. (laughter)

SENATOR SCHLUTER: Anybody -- any Commissioners have--

Did you have anything, Ms. Matsen, that you want to add? Would you comment on this other issue that was raised, look it over, and give us your comments?

And let's get to PIRG. Can we get to PIRG? You want me to call PIRG? I'll call PIRG and tell them about this thing and let them comment. They've been--

And Steve, you've testified, but if you want to put it in writing.

What was your motion, Ms. Murphy?

ASSEMBLYWOMAN MURPHY: Let me think now. (laughter) I think it was to adjourn, sir.

SENATOR SCHLUTER: All in favor? (ayes respond)

Thank you all.

**(MEETING CONCLUDED)**