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# *Commission Meeting*

of

## NEW JERSEY CITIZENS' CLEAN ELECTIONS COMMISSION

*"The Commission will meet to review sections of an initial draft of the NJCCEC's preliminary report on the NJFACE Pilot Project and to discuss several open issues"*

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**LOCATION:** Committee Room 7  
State House Annex  
Trenton, New Jersey

**DATE:** January 11, 2006  
5:00 p.m.

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

William E. Schluter, Chair  
Steven Lenox, Vice Chair  
Assemblywoman Linda R. Greenstein  
Victor DeLuca  
Carol Murphy  
Curtis Tao

### **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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(The New Jersey Citizens' Clean Elections Commission held a teleconference meeting on January 11, 2006, at 5:00 p.m. Member Curtis Tao was present via teleconference.)

**SENATOR WILLIAM E. SCHLUTER (Chair):** Let's get started.

We have Curtis Tao on the speakerphone.

Curtis, are you there?

MR. TAO: I am here.

Good evening, everyone.

**SENATOR SCHLUTER:** Good. Well, you've been very patient.

We've got Vic DeLuca, Steve Lenox, and myself. And we've got Frank Parisi and Gina Winters, of OLS, up front. And we've got a number of the various organizations, including ELEC -- with their three people -- four people. And we've got Ingrid Reed, from the Eagleton group. We've got the AARP representative. We've got the League of Women Voters. And we've got -- that's PIRG, New Jersey PIRG. But Citizen Action is not here, is it?

Is there anybody I've missed? (no response)

They're probably coming.

Let's get started. This is a work session. We have not concluded anything definitively, with respect to what we're going to recommend in the report.

We do have a set of assumptions. There were about 15 or 16 which the members went over when we met up in New Brunswick, at

Winants Hall. And that is already behind us. So we've indicated, generally, a position on these, subject to final review by members of the Commission and staff in writing the report.

I would suggest that with the agreement of our members here, that we proceed, first, with the open issues that we have a list of. These were done by letter, A--

MR. PARISI (Commission Secretary): A through R.

SENATOR SCHLUTER: A through R. And we'll see if we can discuss these and get some sort of idea of where we want to be. And then we go into the report. And then we're going to have to go over the report, as it has been drafted by Mr. Parisi and Ms. Winters.

We are now being joined by Commissioner Murphy and Commissioner -- newly elected Assemblywoman Linda Greenstein.

We're just getting started.

Welcome.

So we have a quorum.

And I started off by saying, Assemblywoman and Ms. Murphy, that at the last meeting we had a set of assumptions, which we have already done our work on. And we've put that aside, although those are not final. They're subject to review. But we will be discussing, at this meeting, the open items -- the open concerns, I think Frank called them -- of A through R -- and see if we can get some sort of consensus for those. And then we're going to go over the report.

Now, we have another meeting scheduled for next Wednesday, the 18th -- at the same place, right, Mr. Parisi?

MR. PARISI: Right.

SENATOR SCHLUTER: And at that time, we should be able to finish up our report, as far as us giving input. After we give input, it will be up to staff to draft the final report, and to organize it, and then get it back to all of the Commission members after the 18th. And we will all have a chance to revise, update, and form any kind of -- make any decisions on issues that are still open at the time. Because some of these, I think, we ought to get a full membership to weigh in on, rather than just the five of us.

And we're tentatively planning to release the report on February 7, which is a Tuesday, which is the last day that we have under the law.

Is that not right, Mr. Parisi?

MR. PARISI: That's correct.

SENATOR SCHLUTER: It's going to take a lot of drafting by OLS. And these folks are very good at that.

And when it is finalized, and we all have agreed -- or assuming that we've agreed -- or any dissent is so indicated, we'll get an executive summary and we'll get a press release. And maybe we can get questions, and answers, and things like that for our announcement.

Keeping in mind that this report of February is the preliminary report, the final report comes 180 days after the election, which will be in early May. And the final report will have specific recommendations, including a piece of legislation which we would propose, which would contain our recommendations.

So, starting with Assemblywoman Greenstein--

Do you have questions or comments?

ASSEMBLYWOMAN GREENSTEIN: At this point, not yet.

Thanks.

SENATOR SCHLUTER: Mr. DeLuca?

MR. DeLUCA: Nope.

SENATOR SCHLUTER: Steve?

MR. LENOX: No.

SENATOR SCHLUTER: Ms. Murphy?

ASSEMBLYWOMAN MURPHY: No thank you.

SENATOR SCHLUTER: Mr. Parisi, do you have anything to add at this point in time?

MR. PARISI: No, Mr. Chairman. Thank you.

SENATOR SCHLUTER: I'm sorry. I got out of order here. We had promised Ingrid Reed the opportunity to address our group with her report. All of you, I think, have received a copy of that report on the -- by e-mail today, did you not?

MR. PARISI: Mr. Chairman, if I may point out, it's also in the folders in front of everyone, as well.

SENATOR SCHLUTER: It's in our folders up here.

Ms. Reed, are you prepared to come forward and--

**I N G R I D W. R E E D:** Is this the right one, here? (referring to PA microphone)

MR. PARISI: Yes. When you get there, hit the button. It will turn red.

MS. WINTERS (Commission Staff): Red means go.

MS. REED: I'll never remember that. Thank you for reminding me each time. (laughter)

I think the report that you got by e-mail has two main points. On second thought, I reorganized it to have four main points. And I thought, in the interest of time-- And I should also say that I think many of these issues that I've listed here are, somewhere, already addressed in your report. And I guess I'd have to say that -- please don't feel that you need to address the ones that I've brought up if you've already come to a conclusion that you have a direction you want to take. But, also, if I'm echoing a point that -- in this report that you've already made, please consider it support.

As I say in here, my work at Eagleton is basically looking at politics and governance from the point of view of the voter. And that's what I tried to do in coming up with the observations that I have here. And there are basically four.

One is that we've discussed a lot the fact that people weren't familiar with the Clean Elections project. But I think there's another area where there was a lack of familiarity and a lack of ability to get information. And that was the way the program was administered. And I say this with great admiration for the OLS staff and the ELEC staff for putting together the elements of this program so quickly and persevering through some very tough times this summer. But I think that experience simply underlined the fact that there is no administrative unit for handling how this program will be run.

And I make some specific suggestions. I think you know that the information on Web sites was buried, basically, in -- well, not buried. But if you knew to go to the ELEC site, or if you knew to go to the OLS site, you could find out about Clean Elections. People did a great job in getting information up. But, basically, it was the statute. It wasn't in plain

language. There wasn't a question and answer session, there wasn't an 800 number. And so I think one of the issues that we, who have been supporting this, I think, need to do is make sure that there's money, and tasks, and responsibilities of an administrative unit that really makes the program accessible and makes it possible for the program to be flexible: answer questions, be an advocate for it, speak, and so on. That just is something that I think we've learned we need and want to be supportive of it.

The other issue, I think, that's come up is that, as we look ahead -- and I think there's a consensus that this program should continue -- that we who are not on the Clean Elections Commission -- I'm sort of speaking to myself and other people in the audience -- should make sure that there is a Clean Elections Commission as we continue. You cannot do the kind of evaluation that I think is implied by continuing the pilot project and giving it the -- being the responsible party for the governance of this program.

I also think that there are a number of areas where the issues related to contributions-- It would be helpful to give voters a sense that they have a bit more ownership. And I think you've addressed a number of these issues. I think the way people participate in politics is to support candidates and parties. And we should encourage that.

I also-- I don't know what you've suggested about whether candidates can get partial support if they raise only partial qualifying funds. But I suggest that you take a look at staggered deadlines so that if people get in 50 percent of the funds by the fourth week before the deadline-- If they can't make it to the end, they could be assured that by meeting an

early deadline with half of the funds, they could get half of the funds. And that's all really on the assumption that you want to be more flexible and not just hold people to raising the total amount.

SENATOR SCHLUTER: Ms. Reed, excuse me. Maybe it might be a better way to organize your testimony if you summarize the first points, A through F.

MS. REED: I have one more to go.

SENATOR SCHLUTER: All right. But I thought you summarized those. And then we can ask you questions. And then we can follow in with the other points. Or would you rather have us finish -- would you rather finish the whole--

MS. REED: I think you can look this over. It's not that long. And I'll save some time.

SENATOR SCHLUTER: All right.

MS. REED: And I think the final point is that voters deserve an explanation about how the districts were determined. But you continue with giving the parties several districts from which to choose-- I think that it's only fair to have some criteria for why districts are selected. And if-- And in that case, if you have the criteria for a set of districts, then there -- really don't need a criteria for the final selection of the districts. But I do think that voters are owed an explanation.

So I'd be glad to answer questions. And, again, I want to say how -- the appreciation that I have, and that I know -- in talking with other people -- for your comprehensive view, and your open and thoughtful approach to this process; and the flexible approach that you took in the Fall, being mindful that you do need to have standards and rules that

everyone can understand. And I think you did a fine job in hitting just the right balance.

SENATOR SCHLUTER: Thank you.

We'll start with Assemblywoman Greenstein.

You can lead off. And we'll go in that order with the different witnesses or anybody that--

ASSEMBLYWOMAN GREENSTEIN: You know, I actually do not have any questions yet. So, if it's okay, I'll listen to you folks, and then I'll follow up as we go.

SENATOR SCHLUTER: Mr. DeLuca.

MR. DeLUCA: I did have a question on the-- I was trying to find some previous testimony.

The comments about contributors and being able to direct the money to candidates-- There was some conversation among the Commission, and I guess there was some testimony too, about the idea of candidates getting the checks directly written to them, keeping the money, and just certifying that they've raised a certain amount.

And then I think it was Mr. Ma who came up and suggested to us that that was, sort of, contrary to the principle of Clean Elections -- that it was not about candidates, it was about a process and a system. I was wondering if--

You said earlier, here, that people-- And, actually, in one of our earlier meetings, Assemblyman Greenwald also said, in politics people pick sides and they support candidates. So the whole notion of supporting a process versus supporting candidates -- which you touched on some -- I wondered if you could talk a little bit more about that.

MS. REED: The way I look at it is that we're encouraging the participation of voters. And encouraging the participation of voters means that we want them to pay attention to who is running. And, in many cases, people see participation as supporting a party, because they believe in the platform, or supporting candidates because they are associated with a party they stand for. They are the kinds of people with the experience and knowledge that they would like to see elected. But they also believe that the way elections are run and the way elections are supported should be fairer and more open. I don't think the two things are mutually exclusive. And I do think that, in our society, there is a strong connection between the candidates, and the parties, and participation. And I sort of fudged this and did not say that people should make out the check to the candidates, but give them an opportunity to put the candidate's name on the check, or on the line on the Web site. For many people, I think the Clean Elections Fund is just too vague, too abstract to engage them. And so I was trying to figure out how to respect most people's participation, but yet be able to enlist them in a different way of running campaigns or supporting campaigns.

MR. DeLUCA: Mr. Chairman, I have one more question. That was around the 800 number and that whole process of-- I don't think you used the word -- of an *ombudsperson* or-- We've used the word *master* before, but that was mostly in the idea of -- if there was a problem or something.

MS. REED: And I think that's still something to be looked at. But we really-- I don't think we know enough about how to do that and what problems are likely to come up. Because we don't really have a lot of

experience. I was trying to look at this administration if we had had the eight candidates participating. And there really was a lot that needed to be done. And there isn't an entity that has responsibility, that has a budget that can actually run the program. I think we're very lucky that it got done as well as it did.

MR. DeLUCA: One of the questions I have is -- and I think I've raised it with you before -- is, who is, or what is, the appropriate messenger for this? Are people more likely to believe elected officials that this is a great program? Is it a third party? Is it the State? And we heard some testimony from Citizen Action that they -- during the process of deregulation of electricity -- received a contract from the BPU, and, I guess, also some funding from the utility companies to do public education. So I'm wondering if, when you're thinking of this -- an 800 number, and sort of a go-to entity -- do you see that as a State office, do you see a third party doing it, or doesn't it make a difference?

MS. REED: I actually saw it as a State office. I mean, this is a State program.

And I also brought along a flyer, inviting all of you to come to a roundtable discussion that we've organized at Eagleton to talk about communicating with the public. It's going to be held on Friday, February 10, in the morning, from 9:30 to 11:00. And Dale Florio, from Princeton Public Affairs Group; Larry Cramp (phonetic spelling), from Princeton Communications Group; and Mark Matsen (phonetic spelling) -- some people know him from the Governor's Office, who is now with the MWW Group -- are going to talk about how they think about communicating with the public, what's effective if you want to get across information, and so on.

But I see that as offering suggestions, ideas to a State role -- let me put it that way -- because I'm not saying create a big bureaucracy. But I do think that this is a State program. It's created by legislation. I think it's probably possible to get proposals from various entities who might run the program for you on the basis of a grant.

But State government, in many different ways, does a good job of communicating with the public. I mean, the advertising that's now done for the food stamp program and the debit cards that are given out is quite sophisticated. And it's run by the State. And it seems to me that you assign an administrative responsibility, and that person or that small office is there to both do the work and offer information. It's not unusual to have most frequently asked questions, have somebody answer the telephone.

And I think one of the issues that will come up in this program -- and we need to be prepared for it -- is that there will be people who will be questioning the practice of what's going on out there with Clean Elections. And, in that sense, there may be another step of the masters, or the ombudsperson, or something in each district. But there really isn't a place to go and say, "Is this the right thing that's happening?" And I would hope that the State would, while this is going on, have something right on the front page that you could click on that said, "Find out about Clean Elections."

But there just needs to be a point entity -- let me put it that way -- that-- And there's a question of, should that entity be responsible to the Commission? Where should it be lodged? But unless you make a commitment to administering this program in a professional way that

someone is responsible for, I don't think it makes sense to even ask where that program should be put.

MR. DeLUCA: Thank you.

Thank you, Mr. Chairman. I'm fine.

SENATOR SCHLUTER: Mr. Lenox.

MR. LENOX: Ms. Reed, I think this is an appropriate question for you.

We've talked a lot over the past months about the fact that third parties are treated differently under this program. Treating them the same as the major parties, I would assume, would legitimize this program in the eyes of voters. Do you agree with that?

MS. REED: Yes. I mean, I don't think the ordinary voter understands why there are different deadlines, and what it means to have a certain number of votes. I think the two main party candidates or people who are elected may be a little skittish about encouraging third parties. But that's part of our democratic system. And I'm-- I mean, Eagleton doesn't have a position on that. So I'm just really trying to look at this from the point of view of both what's legal and what the average citizen thinks is fair. And I'm assuming that that's--

MR. LENOX: Right.

MS. REED: We get enough questions about it. So I think there's a little confusion.

MR. LENOX: Thank you.

SENATOR SCHLUTER: Ms. Murphy.

ASSEMBLYWOMAN MURPHY: Hi, Ingrid.

Just a couple of things. And not having seen this before, I'm kind of responding to questions that have been asked, as well as looking at it.

I would like to see the program, of course, involve the two districts that were involved this time, and expanded exponentially from that.

MS. REED: Right.

ASSEMBLYWOMAN MURPHY: Would it make sense, do you feel, to place this program's administration in and under ELEC?

MS. REED: I think that that's certainly a good possibility, because of the many administrative tasks that ELEC has that people aren't necessarily familiar with. And they're very-- There is a capacity there to respond to citizens, to explain things. But what I wanted to make sure, in making this recommendation to you, is that you first make a commitment to administration, that you come up with what you think the tasks and responsibility of that office is, and that you make sure that you have funding for it. And then you can assign the responsibility to someone. And it probably would help if ELEC could be more visible. But that's another whole issue. I'll go to bat for a better State Web site somewhere else, not in this room.

ASSEMBLYWOMAN MURPHY: The other thing I thought-- Do you feel that if we are going to allow third party candidate, or fourth, or fifth, or sixth party -- however many we go to -- to be as -- be numerated in the same way that the two main parties are presently-- Would you feel that criteria needs to be established to define what a third party, or fourth, or fifth, or sixth party is?

MS. REED: That's really a tough one. And I know that there -- that the attempt has been -- there is a definition for other parties. And I would say that it makes sense to be as closely aligned with other accepted definitions of third party eligibility, or what a third party is. I know that the Green Party is now considered a recognized party. I think with this program, you want to be as consistent as possible with other rules and regulations that are out there.

ASSEMBLYWOMAN MURPHY: And the last thing that comes to my mind is the question of checks to -- with the name of the person on the check. If you are going to work in a primary, and bring this to a primary-- If you have seven or eight people running on one party's ticket, somebody might not want to write a check to the party, they might want to write a check to indicate their support for a one or a two, whatever it is -- candidates in that line. So I would think you're correct about putting the name of the candidate -- simply to indicate where the support is coming from. It gives people who look at those things a sense of where--

But I would think-- Having run in elections with seven people against -- running for one seat in the primary--

MS. REED: That's not the party running. That is people vying for the party nomination.

ASSEMBLYWOMAN MURPHY: Correct. But if they run under a Democrat or Republican line in a county that doesn't have a singular line -- but you can have them there -- would it encourage--

MS. REED: You mean a different name, like *Modern Republican*, or *Republican for Peace*, or something like that.

ASSEMBLYWOMAN MURPHY: But do you think it would encourage more people to run, rather than discourage them, if having the line doesn't matter? In other words, if I'm not being a regular Democrat or a regular Republican-- If I'm just a *Republican Spearheader*, or whatever I want to call myself--

MS. REED: Well, isn't that the way people run in a primary?

ASSEMBLYWOMAN MURPHY: Not in an party line county -- as singularly as they do in an open primary.

In my county, all of us could run with the same name. We could all run as regular red-blooded Republicans. And you'd have seven of us. Who would know, unless you slit our wrists. (laughter)

MS. REED: I understand that--

ASSEMBLYWOMAN MURPHY: But I just think having the name--

MS. REED: --you have discussed this issue, and that it's on the table, in terms of how contributions are made. Are they made to candidates or aren't they? And I would encourage you to clarify that.

ASSEMBLYWOMAN MURPHY: Continue to--

MS. REED: And I was being sort of cautious about whether or not it would be possible to make out a check to a candidate as opposed to the Clean Election Fund. I was trying to have it both ways and say, "Well, if you want to support a candidate, it's okay to put the candidate's name on the check."

Another suggestion that's come up here is that, in groups advocating for the program doing education, being involved -- that I think it's difficult to do that if you can't say the names of the candidates. And I

know that we discussed here -- and it was related to what things Eagleton wanted to do to promote the program -- that we were cautioned not to use the names of candidates. And I hope you will address that, because I think it's another way--

ASSEMBLYWOMAN MURPHY: I like the concept of putting the name in the memo portion, or somewhere on the check, because it indicates support for what a candidate has done, or said, or stands for, as opposed to the whole bunch. Because somewhere along the line, you're going to go in and vote for a singular candidate, one at a time, or whatever. You don't vote for a block.

Interesting. Thank you very much, Ingrid, as always.

MS. REED: I don't know. I mean, I can't-- I don't know what the right answer is, in terms of who you make the check out to. Because I think the Clean Election Fund does have a certain status. But if it were possible, I would lean in the direction of making it possible for people to write the check to the candidates.

ASSEMBLYWOMAN MURPHY: And would you repeat the date of that seminar, please?

MS. REED: I'm going to give you a paper on it, okay?

ASSEMBLYWOMAN MURPHY: Thank you very much.

SENATOR SCHLUTER: Ms. Reed--

MS. REED: Yes.

SENATOR SCHLUTER: --don't depart, because I've reserved the last -- the clean-up role for me. (laughter)

But I see we have Assemblywoman Greenstein who has some questions.

ASSEMBLYWOMAN GREENSTEIN: Thank you, Mr. Chairman.

Good evening. We don't often get to say good evening.

Two things: How important do you think an advanced educational campaign is to the success of this? I've always felt strongly that the only way this is really going to succeed, no matter what rules we set up here, is if there really is a statewide campaign for a couple of months to let people know about this. Otherwise, I think it's very difficult for them to key into this. And then it becomes a matter of what was done down in Camden, where they had -- have an effort of the party to get all of these folks out. It's very tough for a candidate to do this.

MS. REED: I suspect that-- And when we have the seminar -- if you talk to communications people, you would get advice that people don't get it with just one communication. And they probably aren't likely to take it as seriously as if they don't see it in different venues. For example, a card that you get in your home saying, "Your district, District 6, is going to be part of the Clean Elections project. That means," and it gives you three little bullets, or something like that. And then, if they also see an ad -- which, they're very cheap -- in the weekly newspaper for two or three weeks that says, "If you live in Millstone Township, you can participate in the Clean Elections project," or maybe even hear a radio ad--

ASSEMBLYWOMAN GREENSTEIN: Public service announcements would be really good.

MS. REED: Yes, and maybe some letters to the editor. I think there's an important parallel effort among the citizens who believe in this.

And I do think if people write letters to the editor and say, "Hey, it's really terrific. Our district is a Clean Elections district."

So I do think that as soon as the districts are known, that's when you start thinking about how do you get the message out, and how do you help people do it, how do you both -- on the Web site say, "This is the key information; if you are a club, a Rotary, or something, this is what you need to know about Clean Elections in District 6; you can download it, and copy it, and so on." But then I do think that you need to get something out to the citizens in the district more than once, and in different venues. Let's put it that way.

ASSEMBLYWOMAN GREENSTEIN: I'm hoping that the -- that we will make a decision fairly soon about what we're going to do, so that there can really be a year-long type of campaign to educate the public. Because I think a lot of the problems we've seen would fall by the wayside with people knowing about this, and kind of expecting it, and not being surprised when they hear it at the door. I think it would be great to have everybody prepared for it and, ideally, buying into it, in a sense.

MS. REED: I think you'd want to sort of key your big public campaign close enough to the time that people need to pay attention to it. On the other hand, I think there is a role for organizations, volunteers to play in getting ready. And I happen to think that parties should participate in that effort. I would hope they would in a different way than they did this time, in part because you didn't have the information there. There wasn't an easy explanation for what the Clean Elections project is until practically the last minute. So now you have a chance to prepare.

And I guess one of the things that you might look at is, what is the right timeline -- setting up a timeline, and what do you do at each point that makes sense. And a lot of you are involved in efforts that require that kind of thinking. And you could expect that for this project.

ASSEMBLYWOMAN GREENSTEIN: Another question I have is -- and I don't think we've really talked that much about this. In a couple of the districts -- my district would be an example, but there are a fair number of others -- the amount that's the maximum under the regulations that we've set is exceeded in these campaigns right now. And I guess the goal here is -- as we've said about Clean Elections -- where the money comes from. We want it to be Clean money. We've talked less about the actual limits.

Do you have concerns that-- And I think you and I have talked about this. And I think the goal in these things should be -- and we've agreed -- that people have what they need to get their messages out. Do you have any concerns that, perhaps, there are some places in which the amounts that have been set up, to now -- I can't even -- what is it, \$100,000 or whatever -- that those may not be enough in some places to get the message out?

Now, I know we've talked about the obscene amounts that some of these elections cost. But what if it can be shown that, in some cases and in some kinds of districts, you really would need these much larger amounts to get the message out?

MS. REED: I am a skeptic about the amount of money that people think they need to run campaigns. And one reason I'm a skeptic is that my students and I collect campaign materials, collect clippings from the

newspapers, and so on. And the stuff that comes through the mail is not always, from our point of view, very effective. And we've asked ourselves--

ASSEMBLYWOMAN GREENSTEIN: I always wonder how they judge that--

MS. REED: --do you really need--

ASSEMBLYWOMAN GREENSTEIN: --because I think the same.

MS. REED: --12 mailers that you look at, and you say, "I can't find the candidate's name on here," or "the candidates' photographs are on the mailer without a caption that tells you who they are."

ASSEMBLYWOMAN GREENSTEIN: The mail gurus seem to always tell you, "You need 12 pieces to do this effectively." And I'll often question them and say, "Well, how do you know it's not 10, or 9, or 13?" And you never get an answer.

ASSEMBLYWOMAN MURPHY: They've budgeted for 12.  
(laughter)

ASSEMBLYWOMAN GREENSTEIN: Exactly. That fits with the budget.

MS. REED: I don't know what the number is. I don't want to talk about this on the record, but there were a couple of campaigns this year where the mailers really seemed to be geared to the voters. They were easy to understand who was running. It was very clear what the people wanted to do. The candidates were identified in the ads. There weren't mysterious things like hands pulling fake money out of pockets, and so on. And it turns out that, in those cases, the candidates won. And I thought it might

be good to look at how much they actually spent, how many mailers they actually did.

When it comes to how much is enough, I think more than \$20,000 is definitely what you need. More than \$200,000, no, I don't think so. And I'm also struck by -- this year, we saw more use of newspaper advertising for candidates. Somehow, I think, there's been a connection made that people who read newspapers participate more in politics. We found, in our Clean Elections survey, that those people who read newspapers were more aware of this program than people who watch television -- surprise -- because there was information in the newspapers.

ASSEMBLYWOMAN GREENSTEIN: Has your research told you-- I mean, do you have any good research on the idea of what it would take to win certain elections in certain places? Is it something that can be researched?

MS. REED: I don't think it can be, because a lot of it is how you use the money, and also how you deploy volunteers. And I think it's good that we can't say that you can win if you spend \$.37 for every person in your district.

ASSEMBLYWOMAN GREENSTEIN: Thank you.

SENATOR SCHLUTER: We have Curtis Tao on our speakerphone.

Curtis, do you have questions of Ms. Reed?

MR. TAO: None at this time.

SENATOR SCHLUTER: Okay.

I have a couple of questions, Ms. Reed. And I think you can answer these very briefly with a yes or a no. (laughter)

You talked about--

Well, I mean, I'm trying to--

MS. REED: No, I'd be glad to. I will discipline myself.

SENATOR SCHLUTER: There has been previous testimony -- and you've heard from some people up here -- about whether the checks should be made out to a candidate in order to have them buy in. And you've also heard that it's important that the candidate knows to whom the money is going to help -- or, excuse me, the contributor knows to whom that money is going to help.

MS. REED: Right.

SENATOR SCHLUTER: Do you think it is sufficient to have a check made out to the Clean Election Fund, and they can put on the check down there "For Suzie Smith, candidate"? But you also have a piece of paper that goes in with it, which gives the address and has a little statement on the bottom that -- "This contribution was made without coercion or was not directed by any other source." And on that piece of paper, you put the candidate's name. Do you think that would be sufficient?

MS. REED: Yes. If there's a commitment for Clean Elections, the checks should be made to the Clean Elections Fund.

SENATOR SCHLUTER: The Clean Election Fund, with the fact that there is a positive way to get the name of the candidate before the contributor.

MS. REED: Yes.

SENATOR SCHLUTER: Okay. Number two, you talked about a manager.

And I would ask staff if they can come up with a good name for that particular position. And there have been a few names bannered around, as far as--

MS. REED: I think administrator is very often--

SENATOR SCHLUTER: Administrator or director.

And I think you said that you think -- and I think Ms. Murphy said that she thinks it ought to go into the ELEC agency. And I think that's the obvious place, myself, where it should go. And I would like to, if it's appropriate, to ask Mr. Herrmann if he could--

No, no, don't come up. You don't have to come up.

For our next meeting, if you could, put your head together with Ms. Massar and Ms. Davis, and figure out, administratively, where that could fit into your shop -- whether you have a separate subdivision or deputy director to do this -- in charge of this -- what that responsibility -- and what it might mean, as far as a budget. Is that a fair question? And then we could accept that or not.

Incidentally, I also want to say that what we're doing tonight is getting some broad themes, and we're not being specific. Even in this preliminary report that comes out in the first part of February, we're going to just say, "These are the things that we have found." And we might not be specific, as far as what the remedy would be.

Now, you mentioned the fact that it might be possible to have -- particularly nonparty people who want to run, be able to have a lower qualifying amount, or there be stages. Well, we have, sort of, used the word *tiers*. So this is what we've talked about -- a tiered way of entering the

program. Once you get in, you have to stay, and you're committed to stay in, in the primary and in the general.

This follows what a lot of people have said. Is this generally what you were talking about?

MS. REED: Yes.

SENATOR SCHLUTER: And it might be a certain number of contributions. It might be a certain value of total amount of money contributed. But then they qualify for a certain percent, a lesser percent.

MS. REED: And I would add the timeline to it. Because I think one of the things you observed this year was, letting the contributions come in at the last day was not really an effective way to run the program. And so you get started, and see how well you're doing. Try hard at the beginning. And you have to make a commitment so that you are in the program to a certain level at a certain date. And then move your way up. That's the way I think would be fair.

SENATOR SCHLUTER: Okay. Now, to answer--

And, as part of this, Ms. Murphy talked about -- or maybe you talked about -- I guess it was you, Ms. Reed -- talked about what is a political party, and how you spell out third parties. Well, there's a very simple way, under New Jersey law. You're either a candidate of a party in a primary -- and there's only two parties -- or you're a candidate by petition, by direct petition. So direct petition would govern all those who are in the Green Party, or the Libertarian Party, or just any party.

MR. DeLUCA: Or no party.

SENATOR SCHLUTER: Or no party, yes.

So that, I think, is a very simple distinction.

Now, going one step further, to get your views on this -- and the Commission has done a lot of study and a lot of work on this, and talked about having this applied to primaries. And I think it was the League of Women Voters who said that people should not be allowed to apply -- to declare their intent to be a Clean candidate until after they filed a petition. That would be the starting mark from where they then would get into the system. And they could do this, probably, in February or in April. But they would have to file a qualified petition. They'd have to know what the district is, and so on.

And if you have a tiered system, and they started early, do you think that this could qualify for a lesser amount of funding for the primaries, as some other states do?

MS. REED: I think that makes an awful lot of sense -- that primary elections are not as expensive. I'd have to think that over and look at what the data shows us about expenditures on primaries. But the reason why it's so important to include primaries, and why I think you really should look at the cost of campaigns to get an idea, is that, in New Jersey, so many legislative districts are noncompetitive. And the only way to have an opportunity to participate is to run in the primary. I could bring my little chart that shows you that there may be five districts where people win by 6 percent or something like that.

SENATOR SCHLUTER: If a candidate in a dominant party got a certain amount of money because they got to their initial threshold of maybe 50 percent, and they had this money, and they saw that the opposition -- which is token kind of people who ordinarily run in primaries,

really don't get -- they don't have to spend that money. They could keep that money and use it in the general.

MS. REED: I really haven't thought about those.

SENATOR SCHLUTER: Well, these are things that, I think, this Commission is going to--

MS. REED: And I hope that maybe Maine and Arizona would have some guidance for you -- what they do in the primaries.

SENATOR SCHLUTER: Yes, they do. And I forget what it was. I think Arizona-- If--

Which one of them, Frank, was it that if there is a one-party dominance in a primary--

MR. PARISI: It's Arizona.

SENATOR SCHLUTER: Arizona -- that the other candidate who is not in that particular party, or part of that, can get up to three times the amount of public funds. We can look at that.

MS. REED: Maybe the public funds that you get should be related to the margin of victory in the primary. If the candidates usually win with 60 percent of the vote -- or 80 percent of the vote, as some do -- you get the higher -- opponents get a higher amount in the primary.

SENATOR SCHLUTER: A final question: Do you think our Commission should recommend, in its final report, how the Clean Elections program, in the future, should be funded? It's in there, now, just by regular legislative appropriation.

MS. REED: Right.

SENATOR SCHLUTER: But do you-- And there's an awful lot of different alternatives around the country of how these are funded.

Do you think we should go that extra step, and study that, and make a recommendation?

MS. REED: I would certainly look at what other people do and assess whether that would be appropriate for New Jersey. It seems to me that what I know of the Connecticut victory on Clean Elections -- that the source of funds was a very important element in that victory -- that they had identified funds that could be used that were not going to be coming from the treasury. I don't know if New Jersey has some options. But certainly, to look at what other states have used and assess whether that's appropriate in New Jersey -- at the same time that you are looking at whatever you might imagine could be a source of funding -- I think would be very helpful. But I think it also is important to point out that this initial pilot project came out of the Treasury and probably wouldn't have been successful if there hadn't been a willingness to make a public commitment to better campaigns.

SENATOR SCHLUTER: Would you and your Eagleton group be willing to look at this and give us recommendations on--

MS. REED: I'd be glad to go back to my colleagues and see what we can do.

SENATOR SCHLUTER: --how to fund?

I know, for example, in the data that Mr. Parisi gave us, coming from the -- this California group. One state takes half of the punitive damage awards in lawsuits and assigns that to Clean Elections, or puts that into the election system. Because they figure that the punitive damages are not that -- are more important for that.

MS. REED: Right.

Well, let me say that we'll at least consult with our colleagues and some other people who might be interested in giving us advice. And we'll see what we can do for you.

SENATOR SCHLUTER: Thank you very much.

MS. REED: Thank you.

Let me leave this with you.

SENATOR SCHLUTER: Now, we have Steve Ma, of AARP. And he has submitted written testimony.

We don't need to have you specifically testify, because this basically was not a session where new people will testify.

But if anybody else is here that has a document or something they want to submit, for goodness sake, let us have it at this time.

With that, I think we ought to proceed. And I think if we proceed on the report, we'll get to the concerns later. But if we proceed on the report that has been--

Has everybody gotten the report that was e-mailed out a couple of days ago by OLS?

Now, this report, Mr. Parisi, did not have pages on it.

MR. PARISI: Oh, okay.

SENATOR SCHLUTER: So I think, in the future, if you put pages on it, it will be helpful.

ASSEMBLYWOMAN MURPHY: And date sent.

SENATOR SCHLUTER: Date sent, yes.

MR. PARISI: Okay.

SENATOR SCHLUTER: Now, I have a question. You have two pages of assumptions to start it off. Was there any reason for that

being at the beginning, or is this going to be an executive summary, or what?

MR. PARISI: My rationalization for that was that that would be part of an executive summary, which would appear at the beginning of the report. We had-- The Commission had not really discussed what it was interested in, as far as an executive summary goes. And it seems to me that perhaps the most important thing that the Commission was coming up with, at this particular time, was the assumptions. And, therefore, I thought that they would be in -- at least form the basis for an executive summary. And, therefore, they were put at the beginning.

SENATOR SCHLUTER: Do you want to talk to the Commission members, now, about the general format of the report?

MR. PARISI: Whatever the Commission wants.

SENATOR SCHLUTER: Could you make some suggestions?  
(laughter)

MR. PARISI: Well, would you like me to just describe the structure of the report?

SENATOR SCHLUTER: Well, the structure -- I mean, an executive summary, which would include -- we call them *assumptions*. And you can tell us a little bit about the general--

MR. PARISI: Okay.

The report is really in four parts, the first part being the summary of preliminary assumptions. That's the 16 assumptions that the Commission has discussed in the past. The second part is the introduction. And the introduction really examines public financing of elections in New Jersey and the origins of P.L. 2004, c.121, which is the Clean Elections Law.

It starts, in very general terms, as to what Clean Elections is, and then moves on to looking at public financing and practice in many states. It talks about Clean Election in Maine and Arizona. It then talks about -- a little bit about the history of public financing in New Jersey. And then it moves on, in fact, to discuss the public financing experience in New Jersey. And then to the history of P.L. 2004, c.121. That's the introduction.

Really, if you look at this -- and not to be funny -- but this is really an inverted triangle. We start very generally, and then it gets down to very specific things. That is in the introduction. It really starts with general -- what Clean Elections is -- and then gets down to our P.L. 2004, c.121.

The third part of it is, in fact, the -- a discussion of the work of this Commission and of the individual candidates. And that is preceded by a discussion of just what the explanation is of the bill that became law, P.L. 2004, c.121. And as I say, following that there is generally a summation of the work of this Commission and of the experience of the candidates.

And then the fourth and final part is the assumptions. And then they are set out with some rationalization, as best as I can understand, of what I thought you had in mind when -- in framing these assumptions. And there is an attempt here to look at what the law said and then to really look at what the candidate's feeling was, how they viewed these, what their expression was of these assumptions, as well.

Of course, this is a draft and is certainly subject to any changes, modifications, additions, or subtractions the members of the Commission would like to make.

SENATOR SCHLUTER: Questions by members of the Commission, of Mr. Parisi, on his basic structure?

MR. PARISI: I would say that this is actually a joint work of Ms. Winters and myself. I will not take full credit for it, or blame, as is appropriate. (laughter)

MR. DeLUCA: Yes. When I read this, it's very linear. And I think the problem is that it takes too long to get to the meat, which are the assumptions at the end, which begin on Page 28.

And my suggestion would be, I think people, when they look at this, do want -- what you have here -- what you're calling your summary, Pages 1 and 2. They just want the 15 points. But I think the assumptions, which begin on Page 28, should follow immediately. And then the history, and then the Commission's work. Because I think if you wait until the end, you lose it. Because the assumptions are really, what I think, the meat of this report.

SENATOR SCHLUTER: Well, what would you think, Mr. DeLuca, of putting some of the preliminary stuff in appendix form, because it's-- I think it's very important that people really want to get into the background of this to find out what was the genesis of this program, and the people going up to Maine and talking to the Maine officials, and what Maine does, and what Arizona does, and how that really helped developed what we're coming up with in our assumptions.

MR. DeLUCA: I think that information is here. I'm not sure exactly what you mean by putting it in as an appendix. That information is here, and it is now in what you're calling *introduction*, which begins on Page 3. And all I'm suggesting is that that come a little later.

You know, we're only talking about 40 pages -- 44 pages -- or 40 pages or so. And maybe, I think-- I'm not suggesting anything be cut out. I'm just suggesting the reordering of the-- And I think the point you're making about the folks who went to Maine, and then some of the people who came and testified-- I think everything is in here.

ASSEMBLYWOMAN MURPHY: But you're right. It's of interest to those who know about it and who are interested.

MS. WINTERS: Can I just ask a question to clarify?

Mr. DeLuca, you're saying that you want to move the piece in the back, which has the explanation of the assumptions, to the front.

MR. DeLUCA: Right.

MS. WINTERS: Because, essentially, what Frank and I did was, we just repeated the assumptions without their explanation to kind of -- to do what you said, to put the meat of the report in front of it. You would just rather see them, as well, with all their explanation with them.

MR. DeLUCA: I think when people read this, they're going to want to know what we think, what we found, and why we found it. And it just takes too long. It takes to Page 28 to really get there.

MR. PARISI: Okay.

MR. DeLUCA: That would be my only--

And I think there can be attachments to this, certainly, Mr. Chairman, if you think that something is missing. But I think this is a

pretty comprehensive piece. And it lays out the history in New Jersey, going back to the first gubernatorial funding -- public-funding process. And then it talks about the experiences in Maine and Arizona, and how folks went up there -- our colleague went up there, it even mentions in here. And then it talks about people who testified in earlier hearings. And so I think it's pretty comprehensive.

ASSEMBLYWOMAN MURPHY: And if I may join in with you, I think putting the assumptions -- because it's telling what happened in the election. It grabs people. It's the candidates and what happened, their experiences.

If people feel that it's part of something they're living now, the history-- Everyone in the world is not a history fan, I guess, is what I'm trying to say. So people get bogged down in all the people who testified, and what groups they belong to, and where everybody went, and what the experiences were, and the legislation. I think if you read it, and you find out what people discovered was unwieldy for them, and what bothered them, and what suggestions have been made -- then you can go back and read the charts, and get involved in how we got to online contribution, how we got to this, and what the numbers were.

I found, in talking with my husband -- who is interested but not passionate about this, because it doesn't involve him at the moment -- this part was what he was interested in, what the candidates think.

MR. PARISI: Just for a point of clarification, Commissioner, are you saying, then, that perhaps the charts should be in a separate appendix, or they--

ASSEMBLYWOMAN MURPHY: No.

MR. PARISI: --can stay where they are in the history, but that they would--

ASSEMBLYWOMAN MURPHY: Just the order of where things are in the book. Catch me first--

MR. PARISI: Okay.

ASSEMBLYWOMAN MURPHY: --then I'll read the end of the mystery. I won't turn to the back page and say, "Oh, that's how it ended. Okay. I don't need to read the rest." You want people to read it.

SENATOR SCHLUTER: Let me be the devil's advocate a little bit here. And I think that's certainly a good point, in getting to the meat of it very fast. But if you don't have some sort of an introduction, and some sort of rationale for Clean Elections -- which might be done in two or three pages -- as to why, and with some of the impacts that it hopes to change, and other things -- then they get into-- The first thing they see is, should the number of contributions be 1,500? "We believe it should be 1,000, we believe it should be 800." And they-- I think you have to have a little bit of introduction to condition the reader to the fact that this is a program which will improve the competition, and the elections, and the whole climate in New Jersey.

ASSEMBLYWOMAN MURPHY: But I don't think that would be as lengthy as the 27 pages that are in there. And I think that introduction, or that prologue, or something that welcomes you into reading this is definitely what we need to have to start people-- Why should anyone bother to read this? Because it affects them.

MR. DeLUCA: Actually, Page 3 does exactly what you're saying, in that it talks -- it sets it out as saying that--

SENATOR SCHLUTER: Is this the one that says “Introduction” at the top?

MR. DeLUCA: Yes. It sets it out that-- It says that this is a preliminary report, and this is what it is. And then it talks about the concept of Clean Elections, which I think you’re getting to. Maybe we ought to set the-- This is what Clean Elections is about.

I think after that, on Page 4 and on, it starts getting heavy into history, as opposed to just saying, “Clean Elections is an attempt to do this. And this is where it is, and blah, blah, blah.” So I would, maybe, agree with you -- of having something up front on a little introduction and setting the stage. And maybe some part of Page 3, or all of Page 3, can serve that, and then more of a-- Public financing and practice can be a separate, historical document -- or historical part of the report towards the end.

SENATOR SCHLUTER: Can we ask staff-- I think you’ve done a fantastic job in putting everything here, and capturing a lot of what we’ve been saying. And it’s very, very good. But do you think you can give this a second look with your people, Mr. Parisi, and--

MR. PARISI: Certainly.

SENATOR SCHLUTER: --try to make these adjustments as we’ve generally talked?

MR. PARISI: Certainly.

SENATOR SCHLUTER: And use your own judgment and your own editorial abilities, which are considerable in your department.

MR. PARISI: Well, thank you.

On behalf of everybody who was involved, the-- What you’re asking for is not all that difficult. And we can certainly do that, if you’d

like. And we will certainly move it around. I think we're really talking about moving around information, not adding too much information to this -- just kind of reordering the sequence of the information.

ASSEMBLYWOMAN MURPHY: And not removing, because the history of this -- particularly to those of us who have been involved with it -- is very important and very interesting.

MR. PARISI: Certainly, we can do that.

ASSEMBLYWOMAN MURPHY: But I want people to read it.

MR. PARISI: In my own defense, I will say that as a history Ph.D., I tend to think linearly, from one sequence to another. (laughter) So that's reflected in the report.

MR. DeLUCA: Yes. It's very linear. And I'm also a history person and do things linear. And I think-- When I read this, I was just -- it was just a little too straight-lined for me. (laughter) We need a catch up front.

MR. PARISI: Okay.

MR. DeLUCA: I'm thinking about who our audience is going to be.

SENATOR SCHLUTER: If you need additional assistance, for those who have masters' in history, Dr. Herrmann will be able to help you. Because that's his--

**F R E D E R I C K M. H E R R M A N N, Ph.D.:** Three cheers for history. (laughter)

SENATOR SCHLUTER: That's his field, too.

Well, you get the tenor.

MR. PARISI: Yes.

SENATOR SCHLUTER: I would like to go through here, because I have found some things that I question, as far as the tone. And if it isn't too much trouble, and the Commissioners are ready, we can go over this page-by-page.

Did you folks put pages on yours?

MR. DeLUCA: They're on the bottom of what we were handed out tonight.

SENATOR SCHLUTER: Oh, they are?

MS. WINTERS: Yes.

ASSEMBLYWOMAN MURPHY: The ones in the folder, today.

MS. WINTERS: In the packet.

SENATOR SCHLUTER: Okay. Well, I didn't make my chicken scratchings on this one. I did it on my other.

As we go along, let's be very, very brief. And if you have a specific thing--

But I would like to-- On Page 3, bottom paragraph, you talk about opponents of public financing. You talk about "diminishes electoral competition and entrenches incumbents." And I don't think that's accurate.

MR. PARISI: Well, Mr. Chairman, that's based on a newspaper report that appeared in the *Trentonian*, that quoted a report by the Cato Institute, in which they used those exact words, that their feeling -- their concern with Clean Elections was that it did that. And the idea, here, was to try to show both sides -- not only the supporters, but those

who felt as though Clean Elections -- who did not support Clean Elections, that had an alternative view.

SENATOR SCHLUTER: Well--

MR. PARISI: This is simply an attempt to show a balance between the two points of view.

SENATOR SCHLUTER: We don't have a reporter from the *Trentonian* in here, do we, tonight? (no response)

I think that you mentioned the reasons why we should leave it out when you quote the *Trentonian* and the Cato Institute. (laughter)

ASSEMBLYWOMAN MURPHY: Yes, so do I.

SENATOR SCHLUTER: If you don't mind my saying so.

But I think that when you say that they're against it because it diminishes electoral competition and entrenches incumbents, it's just smoke. So I would--

MR. PARISI: It's your call.

SENATOR SCHLUTER: I would suggest you look at that expression.

MR. DeLUCA: Are we taking that out?

SENATOR SCHLUTER: I would hope so.

MR. DeLUCA: Okay.

Mr. Chair, I would suggest that's what we do, that we go through it. And if someone finds an objection, we'll raise it. And if no one objects to it coming out, then let's take it out or change the wording.

SENATOR SCHLUTER: All right.

ASSEMBLYWOMAN MURPHY: Well, list the attribution.  
(laughter)

SENATOR SCHLUTER: Page 2-- And I'm on-- This starts out "Public Financing in Practice."

MR. DeLUCA: Page 4.

SENATOR SCHLUTER: I'm sorry, Page 4.

ASSEMBLYWOMAN MURPHY: Okay.

MR. TAO: I'm sorry, Chairman. Are we going by page order, or are we going by speaker order? Because I did want to at least ask a question which relates to one of the summary of preliminary assumptions which, of course, would relate to the body of the document -- if that's appropriate now. Or should we just continue with your comments? And then, when we get to me, we'll get to me.

SENATOR SCHLUTER: Why don't we pick that up later, Curtis?

MR. TAO: Okay.

SENATOR SCHLUTER: Can you do that? And as long as you're going to be with us -- and if you have to leave--

MR. TAO: The only reason I raise it now is because my comment relates to Page 2.

SENATOR SCHLUTER: I see.

Well, why don't we get that later?

MR. TAO: Okay.

SENATOR SCHLUTER: Now we're on Page 4.

I would like to-- There's a-- I'm trying to find it now. "Supporters further believe that the free speech argument is countered by court decisions, which acknowledge that contribution limits are permissible."

ASSEMBLYWOMAN MURPHY: Is that the first or second paragraph?

SENATOR SCHLUTER: This is the first paragraph. They're talking about people who say that we cannot restrict campaign financing, because it's an abridgement of freedom of expression. And I think a comment in there -- whether this appears in your preliminary or in your -- about the fact that courts have decided that you can limit contributions without limiting -- without infringing on freedom of expression. And I can give you language on that.

MR. DeLUCA: Where are you?

ASSEMBLYWOMAN MURPHY: I don't think that's in our paragraph under public financing.

MR. PARISI: I think, actually, the Chairman is in the paragraph before the one that begins "Public Financing in Practice." It's the same one with the section that had to do with the quote that he suggested be excised.

SENATOR SCHLUTER: Yes, you're right. And I apologize.

ASSEMBLYWOMAN MURPHY: Would you read the sentence that you are concerned about, Mr. Chairman?

SENATOR SCHLUTER: Well, it--

MR. PARISI: The sentence is, an "Argument has also been made that any limit on campaign contributions restricts free speech and violates the First Amendment of the Constitution of the United States." I believe what the Chairman is saying is that there are court rulings that say that you can't have campaign finance that is really not in violation.

SENATOR SCHLUTER: I'm sorry. But I had a-- And I can work this out, if it's all right with the Commission members -- work it out with staff.

I have a sentence saying, "Supporters further believe --" supporters of public financing -- "that the free speech argument is countered by court decisions which acknowledge that the contribution limits are permissible in order to prevent the corrupting influence, real or perceived, of too much money in political campaigns."

ASSEMBLYWOMAN MURPHY: So you would have both of these sides in there.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: I think that's fine.

SENATOR SCHLUTER: Okay.

I'm sorry.

Chip in as we go along.

MR. DeLUCA: That's okay. We'll follow you, Mr. Chairman.

SENATOR SCHLUTER: "Public Financing in Practice" -- second paragraph--

MR. DeLUCA: Mr. Chair, I just would like to point out that the people in the galley, here, are eating something and not sharing it with the Commissioners. (laughter)

MS. REED: Excuse me. This is a long tradition that goes back to the Maine public hearing when we were there for five hours.

MR. DeLUCA: I don't know. Is this, like, a nominal gift? (laughter)

ASSEMBLYWOMAN MURPHY: You'll have to report it. Mr. Herrmann will give you the form. (laughter)

DR. HERRMANN: I'll give you an apple.

MS. REED: They're cheap. They're from Trader Joe.

MR. DeLUCA: Thank you very much.

SENATOR SCHLUTER: That's good, organic, nutritious food.

In the second paragraph, under "Public Financing in Practice," you say, "Minnesota's program is funded by an optional income tax check-off." I think it's a credit.

MR. PARISI: No, it's a check-off like we have for the gubernatorial public financing in this state, where you can say that a certain amount of money goes to the program.

SENATOR SCHLUTER: I thought, in Minnesota, that they got -- people who make a contribution of \$50 automatically get that as a credit on their income tax.

MR. PARISI: I can check it.

SENATOR SCHLUTER: If you can.

In the bottom line of that paragraph, you say, "To date, there are approximately 14 states with some type--" Does that mean states which have it at the state level, or they might have it at the municipal level, or--

MR. PARISI: That's at the state level.

SENATOR SCHLUTER: At the state level.

ASSEMBLYWOMAN GREENSTEIN: But it could be gubernatorial?

MR. PARISI: Yes, that would include gubernatorial.

SENATOR SCHLUTER: Okay. Is it worthy of indicating that there are a number of local jurisdictions that also have it? New York City, which is a -- has 7 or 8 million people -- has public financing.

MR. PARISI: If you'd like, we certainly can put that.

And you could say public financing programs at the state level and numerous programs on the county and local level.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: Because Portland also adopted a--

SENATOR SCHLUTER: We go on now. We're on Page 5.

I found that middle paragraph to be very, very confusing. And I'm just asking if-- It's hard to follow. And they've got a lot of--

MR. DeLUCA: Percentages.

SENATOR SCHLUTER: Well, the Maine program -- if they do qualify, if they don't qualify, if they have an opponent, if they don't have an opponent. And I think I'd just like to--

Does everybody understand that thoroughly?

MR. DeLUCA: This is the one that says, "Under the program, Clean Elections candidates for the Maine House--"

SENATOR SCHLUTER: Right.

MR. DeLUCA: Actually, when you mentioned about getting the three times, isn't it in here?

SENATOR SCHLUTER: I think it might be.

MR. PARISI: No, I believe that's under the Arizona program.

MR. DeLUCA: That's somewhere else. Arizona.

SENATOR SCHLUTER: Well, I'm just asking if you can look it over and see if you can make it more clear. And I think, for the first time,

when you talk about the -- in this Maine Clean Elections-- Halfway through the paragraph you talk about money contributions up to a hundred dollars from individuals, which may be used for any campaign purpose. I think you have to explain that that's seed money, and then explain what seed money--

ASSEMBLYWOMAN MURPHY: It says seed money.

SENATOR SCHLUTER: --explain what seed money is.

MR. PARISI: It says seed money. "During this period, Clean Elections candidates are also eligible to collect seed money contributions of a hundred dollars from individuals, which may be used for any purpose."

SENATOR SCHLUTER: Okay. Then explain what seed money is.

MR. PARISI: So you want an explanation of seed money.

SENATOR SCHLUTER: Yes. I'm sorry.

MR. LENOX: Chairman, if I could add something to that paragraph.

SENATOR SCHLUTER: Yes, by all means.

MR. LENOX: In the paragraph, they were saying no -- and we talk about the Maine legislature is made up of 151 House districts and 35 Senate districts. I'd like to see, in there -- if we could put the number of residents in each of those districts, and compare that to New Jersey's districts. I think that may provide some of the rationale for our Legislature coming up with the 1,500 contributions in our program.

MR. PARISI: Mr. Commissioner, I can do that, but I would point out that that is provided in -- under-- If we reorganize this, that information will already be provided in one of the assumptions.

MR. LENOX: Okay.

MR. PARISI: At this point, I don't remember which one. But it is-- We did get into that, and talked about the comparison between-- It is the first -- No. 2 and No. 3 -- I have it in a somewhat different order, because I double-spaced -- in which it said that, "In Maine, for example, \$50 -- 50 contributions of \$5 are required to be collected from each member of the Maine House of Representatives, representing 8,443 constituents. Given the state is among the smallest districts in the nation, New Jersey, by contrast-- In New Jersey, by contrast, each district is represented by two Assembly members. And each district has a population of approximately 220,000 residents, or about 110,000 residents per member."

MR. LENOX: Okay, I see that. Thank you.

SENATOR SCHLUTER: And that, you say, is in the assumptions?

MR. PARISI: That's correct.

SENATOR SCHLUTER: Moving along, Page 6. Down the bottom there, I think, again-- If there could be some additional work to clarify some of these things, because it's very hard to keep up with this -- with the different numbers, and what they refer to -- whether they're seed money, whether they're contributions, and so on.

MR. PARISI: Well, Mr. Chairman, I can suggest that, perhaps, you and I can get together. If you have a specific issue, we can work it out, as far as the language goes.

SENATOR SCHLUTER: All right.

ASSEMBLYWOMAN GREENSTEIN: I think, if I could suggest-- Part of it may be because this is all in one long paragraph.

MR. PARISI: Okay.

ASSEMBLYWOMAN GREENSTEIN: Maybe there is a way to divide it up. If you're talking about seed money, that would be one paragraph. That might make it a little clearer.

MR. PARISI: Okay.

MR. DeLUCA: You might also box some of this, too, just into a table -- some of the numbers.

ASSEMBLYWOMAN MURPHY: I was wondering if we couldn't *tablize* it for a better comparison of things. But it's dizzying, isn't it? I don't know how a candidate is supposed to keep track.

SENATOR SCHLUTER: Okay.

MS. REED: The PowerPoint that was presented by the Maine speaker -- the Executive Director -- I have used. It's very useful, because it has the boxes showing the increase in participation. And maybe you might want to include a couple of those in the text.

ASSEMBLYWOMAN MURPHY: The other thing that is missing, in a sense, from these, is the number of days of each session in these different states, and the salary that each of them gets, which would be-- You wouldn't want to serve in Maine, in many instances, because it is more -- quite often, more burdensome. In New Jersey, it's not so.

SENATOR SCHLUTER: Would that be something for an appendix?

MR. PARISI: It's your call.

ASSEMBLYWOMAN MURPHY: I think that would be-- I think that's where the table might go, is in the appendix. Because then you can compare. You could look at a table outlining Maine, one outlining Connecticut, one outlining Arizona, if you will -- and put down days of a session, or what it means to be in session even. Here we are at the call of the Speaker or the Governor -- we can be called into session. They aren't. They have limited days.

SENATOR SCHLUTER: I know you visit in Maine. Do they have a limited time period where the constitution says they can only meet for the first three months of the year?

ASSEMBLYWOMAN MURPHY: Agrarian societies tended to let you be on the farm, or at your business, or something. And you went for specific-- And the salaries and expenses were quite different, too.

MR. PARISI: So just a point of clarification, you're interested in a table that lists the salaries, the days of the session, and what else?

ASSEMBLYWOMAN MURPHY: Well, could a table, such as the man from Maine brought down, incorporate many of these things that you have written verbally here and make them easier for people to compare?

MR. PARISI: We certainly can try.

ASSEMBLYWOMAN MURPHY: I'll come down and help you. I'm not very good at numbers, but I'll come help you.

ASSEMBLYWOMAN GREENSTEIN: If I could, it seems one of the main things that would be very helpful would be to just compare the size of the districts. In a way, I hate to say it but, to some extent, at least when it comes to Maine, that takes away a little bit of the force of the

arguments we're making, because Maine really is very different. But I think we should lay it out clearly to show people the size of the districts, the amount of money that people collect there, and just lay this out as much as possible. And tabular form is the best way to really see it, I think. Just some of the main aspects of the different programs.

ASSEMBLYWOMAN MURPHY: So people get a sense of what really is happening.

MS. WINTERS: Would you like us to keep the text as well, or would you like us to convert the text into tables and eliminate the text entirely?

ASSEMBLYWOMAN GREENSTEIN: I think you may need both to really--

MS. WINTERS: Both?

ASSEMBLYWOMAN GREENSTEIN: I would think.

ASSEMBLYWOMAN MURPHY: Yes, there are those who will read it, and there are those who will want to see-- But I think, as an index item, that would be marvelous.

MS. WINTERS: Thank you.

SENATOR SCHLUTER: I don't know that you have to be in as much detail in the text, if you put it in a--

MR. DeLUCA: Why don't you try it and see what it looks like?

SENATOR SCHLUTER: A question on Page 8 -- "The State's public financing program is similar to the program in other states." The State's public financing program -- you mean the gubernatorial?

MR. PARISI: Yes.

SENATOR SCHLUTER: But it's not similar to Maine or Arizona.

MR. PARISI: No. But the previous paragraph talks about partial public funding of gubernatorial elections.

SENATOR SCHLUTER: Matching funds.

MR. PARISI: Right. We can certainly say, public financing program for governor is similar to other gubernatorial -- or similar to programs -- gubernatorial programs in other states.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: Okay.

MR. DeLUCA: But Arizona has a-- They're a Clean Election--

SENATOR SCHLUTER: It's totally Clean.

MR. DeLUCA: Right.

SENATOR SCHLUTER: So--

MR. DeLUCA: So you would have to just work on that.

SENATOR SCHLUTER: Now, this is a point of information. We can cover some of these points--

At the bottom of that paragraph, you have, "In Fiscal Year 2005, the Legislature appropriated \$8.9 million to cover the cost of both elections." But nothing was spent in the general election. That \$8.9 million went only to the primary, was it not?

MR. PARISI: I believe Dr. Herrmann can check on that. My understanding was, that is how much was allocated by the Legislature for both elections.

SENATOR SCHLUTER: Excuse me. There were independent candidates who-- That's right, I'm sorry. I apologize.

DR. HERRMANN: Mr. Castillo (phonetic spelling), a third party candidate, ran in the general election. And he did receive some public funding.

SENATOR SCHLUTER: I see. Okay, I was wrong. So that -- it counted both (indiscernible) two major candidates. It didn't--

Are we up to Page 9?

I don't hear many comments from other Commissioners. I'm the bad guy here.

ASSEMBLYWOMAN MURPHY: When you find a paragraph, would you start by saying what the first sentence is, so that we can locate it?

SENATOR SCHLUTER: Yes. Page 9, history of P.L. 2004.

ASSEMBLYWOMAN MURPHY: That's on Page 8.

SENATOR SCHLUTER: I'm sorry, Page 8.

ASSEMBLYWOMAN MURPHY: That's okay.

MR. DeLUCA: It's okay.

SENATOR SCHLUTER: I thought that the next three pages really could be cut back and condensed. That's just a comment.

MR. PARISI: How would you like them condensed? (laughter)

SENATOR SCHLUTER: Well, I think this is-- There's an awful lot of stuff that I don't know is pertinent to the overall--

ASSEMBLYWOMAN MURPHY: I agree with you.

SENATOR SCHLUTER: If you want to save a little space, it could go into appendix form.

ASSEMBLYWOMAN GREENSTEIN: Mr. Chairman, just a small point. I know when the ethics package was first put out -- this is in the history part -- it was 25.

MR. PARISI: Yes.

ASSEMBLYWOMAN GREENSTEIN: Is it now considered a 24-bill?

MR. PARISI: I believe so. I believe there was one added, and then there were two dropped.

ASSEMBLYWOMAN GREENSTEIN: So I just don't know, do we still want to refer to it as a 25-bill ethics package? The reason I ask that is, I just happened to be listening yesterday when Assemblywoman Watson Coleman made her speech. She mentioned the 24-bill in her speech. And I happened to notice it, because I've always heard it referred to as the 25-bill. And I know it had changed a couple of times.

MR. PARISI: Yes, it had changed. It's your call, except I think there may be some confusion without an explanation.

ASSEMBLYWOMAN GREENSTEIN: It started out as 25, I know that.

MR. PARISI: Yes.

ASSEMBLYWOMAN GREENSTEIN: I just want to point that out.

SENATOR SCHLUTER: I think you've heard a couple people say that these several pages -- they're very accurate, and they give a lot of information, but I don't know that that information is that pertinent to where we are. And it can be condensed and cut down. And if it can go in an appendix, that might save a little space and get into the--

MR. DeLUCA: The one thing this did for me, when I read it, is that-- And I don't know if this was the purpose. I think you were trying to show that this was an experiment, and that there was some investigation, and there were hearings, and then there was this fairly broad base of folks who spoke in favor or opposed.

MR. PARISI: Yes.

MR. DeLUCA: And I think that point may be useful, going forward, if we're going to recommend continuation, to show in our document here that, in the first go-round, there was a fairly broad set of players who were supportive of this process. So whether it stays here, or maybe there's just a list, at the end, of organizations who have expressed support for Clean Elections--

MS. WINTERS: Can I make a suggestion, if I might? One thing that we will be adding to this is a list of people and organizations who testified at this Commission's hearings. We could do a similar format for those who testified on the bill itself, and put it in the appendix, if you would prefer that information there, rather than in the text.

MR. DeLUCA: Yes, and then it takes it out of the text. And it's probably a little easier.

MS. WINTERS: And I think that would address the Chairman's concerns about the length of this section of the report.

ASSEMBLYWOMAN MURPHY: I think it would, too. And I think it would make it easier for people to look at.

MS. WINTERS: Is that sufficient?

MR. DeLUCA: Works for me.

MS. WINTERS: Thank you.

MR. PARISI: The only point I would bring up is that if you do a list like that, they will not be indicating if those people were in favor or against the bill. So, in the way it is now, it is very clear that these members of this organization spoke in favor of it. If you just list them, then you--

MR. DeLUCA: Wouldn't you be able to do that? You could say, "The following testified in favor of the bill at such-and-such, and the following did not?"

MR. PARISI: Well, since they spoke at different -- different people spoke at different times, it gets a little confusing to say, "One particular member of an organization spoke in favor at this time, and somebody may have spoken at one of the Clean Elections hearings at a particular time in favor of it." So I could try to do it that way.

ASSEMBLYWOMAN MURPHY: Would you mind trying to just do that? Because you have given the dates on which these meetings took place -- Thursday, May 20; special meeting June 3 -- Thursday, June 3, Senate State Government Committee.

MR. DeLUCA: I think those are the only ones that had public representatives speaking -- or at least identified as speaking.

ASSEMBLYWOMAN MURPHY: Well, no, legislative action on Thursday, June 10.

MR. DeLUCA: But I don't think there's anyone from the public listed in there.

ASSEMBLYWOMAN MURPHY: No, there aren't, but there are players. But that's okay. They're on the record anyway. So that one is all right.

MR. DeLUCA: I think that would help if you could just try that.

MR. PARISI: Okay.

SENATOR SCHLUTER: Moving right along-- What page are we up to?

ASSEMBLYWOMAN MURPHY: Explanation of P.L. 2004, c.121, Page 12.

MR. DeLUCA: This is definitely sausage making, isn't it?

SENATOR SCHLUTER: Okay.

All right, we're on--

MS. WINTERS: Page 12.

SENATOR SCHLUTER: --Page 12.

Page 13.

MS. WINTERS: Page 12.

SENATOR SCHLUTER: I'm sorry.

MS. WINTERS: Fund-raising.

SENATOR SCHLUTER: Page 12, okay. Well, I hear no comments.

ASSEMBLYWOMAN MURPHY: No.

SENATOR SCHLUTER: Page 13.

ASSEMBLYWOMAN MURPHY: No, 13 looks good to me.

SENATOR SCHLUTER: Okay. And now we're into Page--

MS. WINTERS: Fourteen.

SENATOR SCHLUTER: --14.

In the paragraph, New Jersey Citizens' Clean Elections Commission, I wonder if you could add something to the fact that the Commission is bipartisan.

ASSEMBLYWOMAN MURPHY: Nine-member bipartisan Commission.

SENATOR SCHLUTER: Does it say bipartisan?

ASSEMBLYWOMAN MURPHY: No, but it could, instead of just Commission.

SENATOR SCHLUTER: Just put-- Be sure-- I think that's significant.

MR. DeLUCA: Did you say bipolar or bipartisan? (laughter)

ASSEMBLYWOMAN MURPHY: Toss the coin.

SENATOR SCHLUTER: Page 15, New Jersey Fair and Clean Elections Pilot Project -- I thought that was-- This is really-- A lot of this is excerpted from the bill, I think, isn't it?

MR. PARISI: It is pretty much the explanation, which was given out at the initial meeting. And it appears on the Web site. That is what that is.

SENATOR SCHLUTER: All right.

MS. WINTERS: These sections, beginning on Page 15, are taken from the minutes of the Commission but condensed.

SENATOR SCHLUTER: The minutes of this Commission?

MS. WINTERS: Correct.

SENATOR SCHLUTER: Okay.

ASSEMBLYWOMAN GREENSTEIN: Do you all think that that's something that should be in an appendix, rather than in the body?

MR. PARISI: Are you referring to all of the minutes of each of the meetings?

ASSEMBLYWOMAN GREENSTEIN: Well, either that, or even the summaries.

MR. PARISI: Well--

MS. WINTERS: The way--

MR. PARISI: Assemblywoman, the way I've seen it is, either it's summarized like this, or, in many cases, it's not referred to at all. It's just said that several meetings were held, to do so forth.

My concern would be that you're putting a lot in the summary -- you're putting a lot in the index here. And rather than making this more concise, it's having the opposite effect.

ASSEMBLYWOMAN MURPHY: Yes.

MR. PARISI: They are-- Also, the other thing I would point out is, those minutes are readily available on the Commission's Web site, for anyone who is interested in getting them.

ASSEMBLYWOMAN GREENSTEIN: Maybe the larger question would be, what would be -- just generally, what should be in the body, and what should be in the appendix? What types of things should be in the appendix?

MR. PARISI: Well, the direction we received from the Chairman was that there were a few things that he wanted in the appendix, and that the structure that we have here is pretty much how he had laid it out to us. Among the things in the appendix was the summary of the information provided by Ms. Reed from the Council of Academic Advisors.

And that was one thing that was going to be in the index -- or the appendix rather.

ASSEMBLYWOMAN GREENSTEIN: Are we also going to have, in the appendix or--

MR. PARISI: And, certainly, anything else can be added that you'd like.

ASSEMBLYWOMAN GREENSTEIN: I mean, would it be good to also-- We've had several major groups who've been at most of these meetings. Would it be good to have the findings not only of Professor Reed's group, but also the AARP, or PIRG, or whatever, and Citizen Action.

MS. WINTERS: We could certainly do that. The only thing I would point out is that those have already been appended to the meeting transcripts for which they testified. I mean, we can certainly append them to this report as well.

ASSEMBLYWOMAN GREENSTEIN: Or at least refer to them in some way.

MS. WINTERS: To the best of my ability-- I kind of took the lead on this section of the report. To the best of my ability, I tried to summarize, very briefly, what everybody said. But as you know, I didn't want to make this-- It could be a book. So I tried to condense as much as I could without losing the gist of what the different advocacy groups had brought to the table.

But it's completely up to you how much detail you want to go into, what you want to append.

ASSEMBLYWOMAN GREENSTEIN: Would you say that the recommendations, that we're coming up with as our recommendations,

pretty much track what all of the other groups have -- all these groups have said? Or do you feel that some of the groups -- because I haven't gone over all of these recently -- some of these groups have different recommendations?

MR. PARISI: With all due respect, this is-- We really did not focus on recommendations. We're really focusing here on assumptions and the findings.

ASSEMBLYWOMAN GREENSTEIN: Or conclusions.

MR. PARISI: To date, the recommendations, as the Chairman has pointed out -- there seems to be a lot of unanimity among the groups, as far as their suggestions for recommendations for the Commission to consider. And that probably would be appropriate in the final report, which is the purpose -- which has that as its purpose.

MR. DeLUCA: Mr. Chairman.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: I would say that I think the findings do track the testimony we got. And the written suggestions were all based on findings, which were, I think, pretty much all reflected here in our 15 points.

SENATOR SCHLUTER: I think -- and I hope this backs up what you're saying, Mr. DeLuca -- that it would almost be superfluous to put all of the testimony -- the written testimony. Because they're very similar. And you would have to have at least six organizations in there -- sitting out here. You'd have to have them all if you have one.

ASSEMBLYWOMAN GREENSTEIN: Well, if we had some great differences, it would be more interesting to do that. But since they are similar, I would say it wouldn't be necessary.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: And would we notate -- or annotate that the longer minutes of the meetings, etc., etc., are all available at whatever?

MR. PARISI: We certainly can make mention of that in its report.

ASSEMBLYWOMAN MURPHY: And I think that would take care of people wanting to see what comments were given to us. Any materials we received, etc., can all be--

MR. DeLUCA: The one comment I'd like to make, Mr. Chair, on this section-- There seems-- I would suggest you read it again. I think there are things -- for example, on Page 16 of what was handed out today -- saying that we're going to meet again in the second week of August, and we're going to poll the members, and all that. I don't think that kind of information-- That's more of an administrative matter. I don't think those things are necessary. And some of the discussion here of what was handed out and not, I don't think-- Again, I would just maybe go through this and edit it a bit.

SENATOR SCHLUTER: Okay. She's got the notes on that.

Selection of participating districts-- Anything in that? (no response)

Hearing nothing, we'll go to qualifying period: NJCCEC meetings. And I would identify, in the paragraph which begins on August

15-- Mr. Micah Sifry, of Public Campaign-- I would indicate of Washington, D.C., because it's not a state organization. All the rest are--

ASSEMBLYWOMAN MURPHY: In-state.

SENATOR SCHLUTER: AARP, and Citizen Action, and so on--

We go to "Use of--

MS. WINTERS: Check cards.

SENATOR SCHLUTER: --Check Cards for Qualifying Contributions." I would strongly recommend that because it was a very big part of this Commission's work, as well as ELEC, and as well as our staff at OLS, to add a paragraph about that one week of-- All you say is-- You just say-- We start off in that section, the use of check cards-- "On August 26, ELEC issued Advisory Opinion No. such and such." But an awful lot went into that. There was a lot of-- There were meetings held.

MR. PARISI: Well, Mr. Chairman, since some of those meetings were not public, I didn't know, really, how much detail to get into on that.

SENATOR SCHLUTER: Well, I think something should be acknowledged that -- because there was such a clamor by the people in Monmouth County to do something -- and the Commission responded. And I think we can put in there, even though these weren't public meetings, that administratively we did, and we got tremendous cooperation from ELEC, and the Treasury Department, and the Governor's Office, from both political parties-- And we were able to do things, which, I think, let's the public know that this Commission was not just sitting on its hands.

ASSEMBLYWOMAN MURPHY: Right.

ASSEMBLYWOMAN GREENSTEIN: We were trying to make it work, even with instruments--

SENATOR SCHLUTER: You were there.

ASSEMBLYWOMAN GREENSTEIN: Yes.

MR. DeLUCA: I think that's right.

MR. LENOX: And it let's the public know that the Governor took this program seriously, the Legislature took this program seriously. They didn't just implement it and drop it.

ASSEMBLYWOMAN GREENSTEIN: That's right. Everybody wanted to make it work.

SENATOR SCHLUTER: So if we do just a little paragraph.

MR. PARISI: Certainly.

MR. DeLUCA: I think that making it clear that the Commission acted and empowered the Chair to get this done is good.

SENATOR SCHLUTER: And ELEC had a meeting by telephone and really went to the wall for this. And so did Treasury. They made it happen.

Okay. Anything on the chart of online contributions?

ASSEMBLYWOMAN MURPHY: May I just go back to that Page 18, the third line of the last paragraph: "Following ELEC's advisory opinion," etc.? The link to that Web site was [www.state.nj.us](http://www.state.nj.us). Is there a space between "clean" and "election?"

MS. WINTERS: It's an underscore. That's the correct link. Actually, if we-- I don't know what the Commission's intent is for this document. But if this document was ever put online, it's a hyperlink. That

way, people could click on it, and they would actually go to that Web site. That's how I set it up.

ASSEMBLYWOMAN MURPHY: Okay. So it will come up in a different color.

MS. WINTERS: It would be blue, if you put it on the Web.

ASSEMBLYWOMAN MURPHY: That's fine. Then that underscore will show. That's the only thing I was looking at.

SENATOR SCHLUTER: This chart is online contributions. And that was the check card, was it not?

MS. WINTERS: I spoke with Ms. Massar, actually, on this point. It's both check cards and electronic checks. So I titled it "Online Contributions" to capture both of those financial instruments.

SENATOR SCHLUTER: Okay.

ASSEMBLYWOMAN GREENSTEIN: Maybe we should write *Check Card and Electronic Checks* to make it clear that that's what it is.

MR. LENOX: Can we just bring that chart all on to one page just to make it look a little neater?

MS. WINTERS: It is in the Word version. In PDF, it got mangled slightly.

MR. LENOX: Okay.

ASSEMBLYWOMAN MURPHY: In this one, it comes out right.

MR. LENOX: Perfect.

ASSEMBLYWOMAN MURPHY: My computer began speaking some very, very strange, archaic language shortly after this page. (laughter) And all I got-- So I went to bed. I figured it was much too late.

SENATOR SCHLUTER: Underneath this chart, you have Extension of Qualifying Period. And you have-- Wait a second. I'm sorry, I'm on the next chart.

MS. WINTERS: You skipped.

ASSEMBLYWOMAN MURPHY: In the next chart--

SENATOR SCHLUTER: Total Number of Contributions Raised.

ASSEMBLYWOMAN MURPHY: Yes. Ms. Gurenlian collected 255 \$30 checks for a total of \$7,650. Mr. Thompson collected 252 \$30 checks for the same total. I thought that was interesting.

SENATOR SCHLUTER: No, they're different totals.

ASSEMBLYWOMAN MURPHY: Seven thousand, five hundred, and sixty, and one is -- oh, 7,6-- It was the same in here. Thank you. God, what eyes.

SENATOR SCHLUTER: That's a transposition there.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: Okay.

Underneath that, Transfer of Funds to Noncertified Candidates-- Do you think it is necessary -- because there is a quirk in the law, which says that candidates can give money to other Assembly candidates. Do you think that's necessary to put that in?

MS. WINTERS: I could add that citation, if you would like, parenthetically. I considered doing that, but I didn't want to clutter it up.

MR. DeLUCA: Well, isn't it-- It's broader than just the Assembly. A candidate can give to a candidate running for a similar office.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: So it's a State quirk.

MR. PARISI: Well, it's part of the reporting act. It's just an existing statute.

MR. DeLUCA: Right.

SENATOR SCHLUTER: But it is something that, perhaps, was not intended to go to a candidate of another party. But they used it to go to another party, and the intention was the same party.

MS. WINTERS: Would you like me to note that in the text? I'm sorry -- cite the statute, or provide further explanation?

MR. DeLUCA: Actually, I think it might be useful, because it was-- These were amounts above the ELEC contribution limits. And so someone might ask why that was allowed. And, this way, if we just have a note that it's permissible, it just clears it up.

SENATOR SCHLUTER: Now, we're going, here, to-- Going right along: Voter's guide statements? (no response) Candidates debates. (no response)

Election results: In the chart showing election results-- I'll ask the Commissioners this question.

And, staff, don't do anything yet.

Would it be useful, in these charts where you show the vote total, to show the percent? Then you'd get an order of the magnitude.

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: But then, would it be also useful to show the comparable numbers for the major party candidates in 2003, particularly in the 6th District? In other words, what difference did the Clean Election make from one year to the next?

MR. DeLUCA: I would agree with that. Are the numbers good? I don't remember that. (laughter)

MS. WINTERS: One thing I would caution -- or at least express to the Commissioners -- that in the 13th District, we didn't have a Clean election. So it may be difficult.

ASSEMBLYWOMAN MURPHY: That's right.

MS. WINTERS: I mean, those numbers here-- These people-- They did not-- And nobody in the 13th ended up running Clean. So to compare it to two years ago and say, "Here's a Clean and here's a pre-Clean election," that might be a difficult comparison to make.

SENATOR SCHLUTER: For the 13th. I'm just saying this for the 6th.

MS. WINTERS: For the 6th District only. Okay. I'm sorry. Thank you.

MR. PARISI: I think you could do the percentage for the 13th -- the overall percentage. That makes sense. But I agree with Ms. Winters.

SENATOR SCHLUTER: Yes.

Now, Commission members, I'm sorry. This is where I quit, because I thought we were going to do half the thing today. And since we're going to meet next week--

I'm sorry. This is where I quit. This is as far as I got in the report. But I wondered if we could continue on the report next week, but now jump over into the concerns.

ASSEMBLYWOMAN GREENSTEIN: I have to leave at 7:15 tonight.

SENATOR SCHLUTER: That's giving you--

ASSEMBLYWOMAN GREENSTEIN: I've got about 15 minutes, 20 minutes.

SENATOR SCHLUTER: All right.

MR. DeLUCA: So we're going to pick it up where you left it off there.

SENATOR SCHLUTER: Well, these are not the presumptions -- assumptions.

MR. DeLUCA: Correct.

SENATOR SCHLUTER: These are the concerns, which we listed.

MR. DeLUCA: No, no, I'm sorry. I wanted to go back to this report. I just want to be clear about our task for next Wednesday. We're going to come back and pick it up again on--

SENATOR SCHLUTER: After that--

ASSEMBLYWOMAN MURPHY: Results.

MR. DeLUCA: Right, after the results there.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: And are we-- Is it our intention, on the 18th, to finalize these preliminary assumptions, as far as the language here? We want to put this to bed on the 18th?

SENATOR SCHLUTER: Well, I think the preliminary assumptions are farther in the-- They are in the text, right?

ASSEMBLYWOMAN MURPHY: Right, Page 28.

MR. DeLUCA: Yes.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: From Page 28 on.

SENATOR SCHLUTER: And we will be going over those on the 18th.

MR. DeLUCA: Okay. And it is our intention to finish these and say, "Yes, we agree with this language," or, "We want to make some more changes."

SENATOR SCHLUTER: To the extent that we can.

MR. DeLUCA: And I think you laid out earlier, there would be a document sent to each of the Commissioners to sign off on.

SENATOR SCHLUTER: Yes, to be sure that they agree with it.

But we have a whole list of-- There are issues of concern--

MR. DeLUCA: Yes, I understand that.

SENATOR SCHLUTER: --which I'd like to have addressed now.

Now, what I'd like to ask Commissioners is, do you still want to keep these issues in the issues of concern category, or do you want to come to some conclusion and pass them along to the assumption category?

MR. PARISI: If I could just interject here.

SENATOR SCHLUTER: Yes.

MR. PARISI: What I've seen recently in a report that was done for the Governor on the pension system, they had a separate appendix which listed additional items to be considered, or additional items of concern. So what you could do, as an alternative, if you find any that you can't agree on, you could have those set in a separate category in the appendix, or you could have that at the end of the document.

ASSEMBLYWOMAN GREENSTEIN: But if we agree, it would go into the assumptions.

MR. PARISI: If you agree, certainly, they can be assumptions. But anything in addition that you see as an area of concern, that you would like the Legislature to know this is something to be considered, it certainly can be brought to their attention by that means.

SENATOR SCHLUTER: I don't know that that would need to be in the appendix. That could be in the report itself, couldn't it?

MR. PARISI: It certainly can be in the report. However you'd like it.

SENATOR SCHLUTER: And the fact is, this Commission is going to be meeting for the next three months anyway. And if we are so inspired, we could make decisions on those.

ASSEMBLYWOMAN MURPHY: Right.

SENATOR SCHLUTER: So if something comes up we can't make a decision on, it doesn't mean it gets into the appendix. It's a matter of concern.

MR. DeLUCA: Just one-- I'm sorry. I don't want to be too process-heavy here. But when we first separated these out, these were different than findings. It seems to me, everything that we said was a finding is in the report that we just looked at earlier, correct?

MR. PARISI: That's correct.

SENATOR SCHLUTER: Assumptions.

MR. DeLUCA: Those are the assumptions, findings.

So if we were to move any of these lettered concerns to an assumption, we would have to phrase it as an assumption as opposed to-- These are more open-ended at the moment.

MR. PARISI: Correct. These were set apart because, in part, there was disagreement on whether or not they should be made-- There was agreement, on a particular point of view, that they were an assumption. And, therefore, they were listed as items of concern.

SENATOR SCHLUTER: Okay.

Let's move right along. I think people in the audience can follow us. I will tell you what the concern is, and you can follow.

First -- A: Whether there was a rationale for requiring that candidates for the office of Member of the General Assembly, who were members of the same political party, both needed to become certified New Jersey Fair and Clean candidates for either of them to receive public funds for their campaigns. In other words, the idea of, you've got to have two -- they both have to qualify, or neither one gets it.

Now, let's have discussion here.

ASSEMBLYWOMAN GREENSTEIN: The reason that I think this was done on the pilot -- I'm not positive, but my sense says it's the way we tend to run the elections. People tend to run as teams. Not everybody does, apparently, but a lot of people do. And it's a way-- I guess there's a kind of economy to it, because the parties help fund those.

So I think that's the reason. I'm not sure that happens in every district, by the way, because some people, I think, run a little more separately. But the way the parties fund it, tends to be as a team.

Did you find that, as well?

ASSEMBLYWOMAN MURPHY: I would find that very, very awkward in a primary -- in an open primary county. While there are only two of them, they're there.

ASSEMBLYWOMAN GREENSTEIN: I don't know about the primary.

SENATOR SCHLUTER: You couldn't have it in the primary, could you?

ASSEMBLYWOMAN MURPHY: I couldn't do that.

SENATOR SCHLUTER: You could not-- I would presume that you could not have a team thing in a primary.

ASSEMBLYWOMAN GREENSTEIN: See, I don't know-- I never thought about it with the primaries. I was speaking about during the general. But I don't know how that works with the primaries.

ASSEMBLYWOMAN MURPHY: I mean, I think whatever rule you make is going to have to apply to both primary and general. And I think maybe somewhere along the line, we have to look at what it means to have an open primary as opposed to a party-line primary in any one of our counties. Because I think the funding is-- I think it plays out differently.

ASSEMBLYWOMAN GREENSTEIN: Personally, I don't see a reason that both people on the team have to participate. I really don't. I think it would be okay to have it be an individual choice.

MR. DeLUCA: Let me raise a concern that I've raised about this in the past. If you have one candidate participating -- let's say two Democrats. One Democrat participates, one Democrat doesn't. How do you stop the nonparticipating Democrat from generic advertisement of, "Vote Democrat on November something," and being able to spend as

much as possible to promote his or her own candidacy with the natural spillover effect of helping the Clean Democrat?

ASSEMBLYWOMAN GREENSTEIN: Or the contrary way of looking at that is, in most campaigns, that goes on. There's a lot of that generic advertising, which would benefit the Clean Election person.

ASSEMBLYWOMAN MURPHY: My feeling is, that in the general, that's what you could do. I think the primary, though, is going to be the different animal.

MR. TAO: And, Vic, another response to that is that, currently, under the way the current law is drafted, the county party can run generic advertisements saying, "Vote D," or "Vote R," or "Vote line A all the way."

Perhaps one way of thinking about this is, indeed, candidates have the option, when they submit their petition, to both be on the petition or separately solicit their signatures. And that would be a valid basis for us to conclude that a candidate, under the Clean Elections framework, should be able to have the option of opting together, or opting separately, or not at all.

SENATOR SCHLUTER: Curtis, that's a very good comment.

I think, and if others here think -- agree -- that this is such a weighty problem that it cannot be solved right now. I don't think there is consensus. And I would respectfully suggest that it continue on the issues of concern for further consideration.

What do you think?

ASSEMBLYWOMAN GREENSTEIN: That's fine.

MR. DeLUCA: Sounds good to me.

ASSEMBLYWOMAN MURPHY: I agree.

SENATOR SCHLUTER: Okay.

Curtis, I'm sorry. Do you want to bring up your item on the preliminary assumptions that you had a problem with?

MR. TAO: Sure.

And I will also circulate -- because I have certain nits and work tweakings, which I don't want to take up the Commission's time. But I will circulate that, via PDF and e-mail.

SENATOR SCHLUTER: Why don't you--

MR. TAO: With respect to the actual list of preliminary assumptions, are all of these items closed, in a sense that we've already agreed to have them all included? And is it possible for us to perhaps wordsmith and soften just a few? And the ones that I will raise are, effectively, 15 and 16. The other ones, I think, we can wordsmith them in a way which I think people will find acceptable.

SENATOR SCHLUTER: Curtis, they already have been by me, as one. And I will suggest that on some of these -- which is a matter of editing or picking on a few things -- if you can send it into Frank and Gina, and trust their good judgment to -- where they're convinced that that change is good and is technical in nature -- they could do it.

MR. TAO: Sure.

SENATOR SCHLUTER: But, absolutely, you have-- These are not final. And if you have recommended modifications, just as I, you can send them on it.

MR. TAO: Well, let me say then, just verbally, to everyone on the Commission-- And I don't have the expertise or the knowledge to be

able to make a basis of judgement on this. But I know that we'll need to be, at some point, counting votes. And I don't know how many votes we lose by having a full expansion in the way, drafted here, to primaries. I just don't have a sense of that. I suspect we'll lose some, particularly-- And I'm just presuming certain legislators from certain various state districts, thinking that this opens them up to an opportunity to be challenged in the primary-- But I just don't know how many votes that equates into. So we'll just need to, I think, consider that, in terms of the viability of this as a package, being passed, for purposes of No. 15.

With respect to No. 16--

SENATOR SCHLUTER: Can we get a little discussion on 15?

You all heard what Curtis Tao said. Is there comment from Commissioners?

ASSEMBLYWOMAN MURPHY: I think you've got to put language in there that speaks to the fact that every primary, in each county-- There are those counties that have an open primary. And this is extraordinarily difficult for them. I don't think you want to fund seven people, or nine people, or 12 people running for two freeholder seats, or two Assembly seats.

SENATOR SCHLUTER: No, but the-- We're not saying how we're funding them. We're just saying, "The Clean Election Pilot Project should apply to the primary election." And I might add that this was on every single recommendation of every single group that testified before us.

And, Curtis, I think in that sense, we don't know the details of it. We don't know how it can be done. But I think this properly reflects

the sentiment advanced by all the interest groups that have been involved in this.

MR. TAO: Okay.

Well, just something for the Commission to chew on. Perhaps we can rephrase by saying, "Strong sentiment was expressed that the Clean Elections project should have been applied to the primary election," thereby, we're leaving the idea out there. But I wouldn't-- I mean, I just suspect that there will be opposition to it. So rather than say that this is a key aspect of what, ultimately, this Commission's recommendations will be, I'd rather leave it out there for food for thought.

MR. DeLUCA: I would respectfully disagree. I think that-- I don't want to go into this counting votes. I want to go in this with what I think is important changes and an important package that we ought to put forward. If we get a pushback from the Legislature on No. 15 or No. 16, then we can deal with it. But I find that both of these were very heavy sentiments and testimony. And, to me, that's a finding. We did it with other ones where there was-- We had no empirical evidence that the seed money, for example -- in No. 5 -- the seed money was too low. But we relied on the testimony of what people said. And I would look at it the same way. I'm going to rely on the testimony that, to open the process and to be true in Clean Elections, it should be applied to the primaries, and it should be expanded going forward. So I think we should leave it with the language as it is.

SENATOR SCHLUTER: Would there be any-- This is trying to be Solomon here. Would there be any sense in putting it -- leaving it as

15, but also putting it in as a concern, in that the method of public financing in a primary offers many difficult problems?

ASSEMBLYWOMAN MURPHY: Challenges.

SENATOR SCHLUTER: Challenges -- much better. Absolutely.

Does that--

ASSEMBLYWOMAN MURPHY: I think that's fair, because it does.

SENATOR SCHLUTER: Mr. DeLuca, does that diminish what you--

MR. DeLUCA: Mr. Solomon, I would never go against you. (laughter)

Actually, I do agree with you. I think, as a principle, I would like to see it go forward. I do think there are some questions, as Ms. Murphy raised and others, about how to make it work. And, actually, some of the testimony we received at Seton Hall about frontloading primaries and all that-- So I totally agree there needs more conversation. But I'd like to go into the conversation with the premise that we want to try to find out how to make primary funding work, as opposed to leaving it up as a question.

SENATOR SCHLUTER: So you would not-- You don't think it should be in as a -- leave it here, and then also have it as a concern.

MR. DeLUCA: I think we can put it as a concern -- as how to make it work. How to implement the primary funding is the concern that I see.

SENATOR SCHLUTER: As Ms. Murphy said, a challenge.

ASSEMBLYWOMAN MURPHY: I do agree with that.

SENATOR SCHLUTER: Okay. We seem to have consensus, Curtis.

MR. TAO: That sounds good.

SENATOR SCHLUTER: And so we leave it as 15. We also put it in as R, S, or whatever it might be that represents a challenge.

MR. TAO: Okay.

With respect to No. 16, am I correct in presuming the reason why we want to specifically identify both the 6th and the 13th as those districts that should be reselected, is because we want to have elections to which to compare against this current election? And this is for an academic comparison basis? Or are we making a determination that we think these are competitive and, therefore, on that basis they should be reselected?

ASSEMBLYWOMAN MURPHY: Mr. Chairman, can I--

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: Since I mentioned that in the beginning, Curtis, my thinking was that these are two districts in which public people have a knowledge of what's happening. And I think that since they do have a knowledge of it, they will influence the other districts that are selected to become more knowledgeable. It also, exponentially, increases the number of districts that are in the pilot program.

SENATOR SCHLUTER: I think we received testimony, did we not, from Ms. Reed -- that your group felt that from some groups--

Raise your hands out there -- who testified that District 6 and 13 should be repeat districts in the next pilot? Who said that? I see AARP,

I see Citizen Action, I see PIRG. Is the League of Women Voters-- They didn't take a position.

But I think there was a strong feeling that that should be, because of the institutional experience that they've had with this.

MR. TAO: I agree. And, perhaps, either we describe that either in the summary or we also add into the substance here -- it also provides an opportunity for the Commission to study and have further information so that we'll be able to compare multiple election cycles in the same district. I think we can all agree to that. I simply wanted to build upon that rationale.

With respect to the four additional districts selected for 2007-- The legislation calls for expansion of the program. Do we want to take a position, in terms of-- And I know part of the legislative process in the original bill was that there was some bartering between what sort of districts would be within the pool. Do we want to engage in that selection of the pool districts, or should we simply permit a broader authority to the State chairs to select any district within their purview, up to four?

SENATOR SCHLUTER: I think that there is some consideration of this in the concern section, which we will get to a little later on. That's one of the items in the concerns.

MR. TAO: Okay.

SENATOR SCHLUTER: I can't put my finger on exactly which one it is, but I remember writing up quite a long thing about that.

MR. DeLUCA: Mr. Chairman.

SENATOR SCHLUTER: Yes, I'm sorry.

MR. DeLUCA: On the point about why we're recommending -- or why we find -- why the assumption -- including the 6th and 13th Districts. On Page 39, the staff does say that it is because the -- we don't want to lose what was learned. We want to build upon the experience.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: And I think that's exactly what we talked about when we were at Rutgers.

SENATOR SCHLUTER: See, you've done your homework and I haven't. I haven't read that far.

MR. DeLUCA: I read the first page and the last page. (laughter) I was hoping you would fill in the middle. You were doing well until you stopped.

MR. LENOX: Do we want to add in there, also, that we want the Senate races to be included in 2007?

SENATOR SCHLUTER: It is assumed that they should. It is essential that-- I've reworded this. "It is essential that the project be reauthorized and expanded for 2007. It is recommended that two of the participating districts be those that participated in the 2005 pilot, specifically the 6th and the 13th. And four additional districts--"

I think we ought to add there that--

You're right, Steve.

MR. LENOX: And then that goes back to the last question. Are we going to continue to make both Assembly candidates qualify as a team? Are we going to require that the Senate candidate can also be part of that team since, as Assemblywoman Greenstein was saying, the two usually run together? All three usually--

ASSEMBLYWOMAN MURPHY: No.

MR. LENOX: No?

ASSEMBLYWOMAN MURPHY: Quite often, they really don't.

MR. LENOX: No?

ASSEMBLYWOMAN MURPHY: They do, but they don't.

ASSEMBLYWOMAN GREENSTEIN: They do, but they don't, it seems. (laughter)

ASSEMBLYWOMAN MURPHY: There are, I think, two district offices in the State of New Jersey -- two district offices -- where all of them share one office. My district was one of them.

MR. PARISI: District 9 is the other.

ASSEMBLYWOMAN MURPHY: Is District 9 the other one?

If you look at the number of Assembly people and Senators there are, and think they can't even share an office, and have their own staff in it to cut down the cost of rent, etc., etc., you've got to know the Senators are not going to run for the House of the people.

SENATOR SCHLUTER: But not only that -- excuse me -- the Senators are a single individual. And if they get an opponent, it's a single individual. You don't have this business of: you have to be a pair. Because when the opponent is a nonparticipating candidate, the one Senator gets it all. And you don't have the same problem.

MR. LENOX: Okay.

SENATOR SCHLUTER: However, I think Steve Lenox's point is good. And if you could add something on the bottom of that to say this shall also apply to Senate candidates.

ASSEMBLYWOMAN GREENSTEIN: Can I ask a question?

What is the reason-- And I was just thinking about this. And I know we've talked about it a number of times. What's the reason why we think that it might be important to pick, let's say, a competitive district versus a noncompetitive, or whatever? Is the theory there that we think that the Clean Elections program will impact the outcome, potentially? I mean, is that the reason that it might be important to see how it works in a competitive district? I mean, what's the reason?

If the whole idea of this is to just have all districts, eventually, just become Clean, and just use Clean money, is there something we think is going to happen in the election if it's competitive or not?

SENATOR SCHLUTER: I'll ask staff, because the districts in the legislation were specifically identified.

ASSEMBLYWOMAN GREENSTEIN: Right.

SENATOR SCHLUTER: And they had to be among those districts.

ASSEMBLYWOMAN GREENSTEIN: Well, I think, frankly--

SENATOR SCHLUTER: And there were standards that were used.

ASSEMBLYWOMAN GREENSTEIN: They set standards, but I think what it got down to is, they wanted to pick districts where it wasn't going to impact it.

MR. LENOX: Right.

ASSEMBLYWOMAN GREENSTEIN: They wanted to look at this. It was the first time, they're experimenting, and they really didn't want it to. But is the theory here that, somehow, we want to check out

whether it can impact the results on the theory that it's bringing in-- One of the things we've said is, it could bring in different kinds of candidates, it could open the door to women, minorities, others who've had less opportunity to enter. Is this somehow a statement, if we put it into competitive districts -- somehow a statement that we think it could have such an impact?

SENATOR SCHLUTER: Assemblywoman, can we defer that until we get to Item G in the concerns?

ASSEMBLYWOMAN GREENSTEIN: I won't be here, so just remember that. (laughter)

SENATOR SCHLUTER: If we're finished with this, let's jump to--

Curtis, we're finished with your comments on the assumptions, right?

MR. TAO: Yes, I'm done with that. We can go back to the issues of concern.

SENATOR SCHLUTER: We said, A -- we're not going to change that from a concern. That's going to continue to be a concern.

Let's go to G -- whether the 2007 elections -- whether, for the 2007 elections, the chairs of the political parties should select the participating districts in accordance with standards promulgated by our Commission. And I have added here, or should our Commission do the selecting? And when should the selection be made?

These, Assemblywoman, talk to your concerns. Should we establish broader standards?

ASSEMBLYWOMAN GREENSTEIN: I'm really asking this question-- I'm interested in what Ingrid thinks about this, and the others, just generally. Because it's something I haven't really thought out -- why-- Is that what we're trying to do, to impact the actual election in a competitive district? Is that the goal, as opposed to just making everybody Clean money districts? I'm just interested in other people's thinking on that.

SENATOR SCHLUTER: If anybody wants to come up--

I think because of the questions that have been raised on this -- and you do have to, I realize -- that this should be a continuing concern. We don't take it off the concern list.

ASSEMBLYWOMAN GREENSTEIN: It could, but I--

Mr. Chairman, is it all right if we get some -- just a small amount of input on it? I'm just interested in what some of our guests think.

SENATOR SCHLUTER: I would--

And, Mr. DeLuca, do you--

MR. DeLUCA: Well, I was going to say, having been involved with Citizen Action in advocating for this in the beginning, we were-- Our intention was to have this adopted in all 40 districts. What came back to us was this idea of having a pilot project, and going over two election cycles, starting with two districts, and going to four districts.

I think then it became a question of, how do you pick the districts? And I think it was fairly safe districts, where you could assess--

ASSEMBLYWOMAN GREENSTEIN: One Republican, one Democrat.

MR. DeLUCA: Right -- where we could make some assessments on the ability to raise the money.

ASSEMBLYWOMAN GREENSTEIN: Without really impacting the election.

MR. DeLUCA: Right.

ASSEMBLYWOMAN GREENSTEIN: But then, going beyond that, what's our--

MR. DeLUCA: I'm sorry. Without maybe changing the results of the election. But I think there was some expectation that there might be some different vote totals in those elections. And I think that's your point in putting it in here, to compare it to the 2003, to see if having more money--

I mean, the whole premise here is having an equal playing field will allow even the -- sort of the minority party in a district to compete, because they'd be able to send out the 12 mailers or whatever they have to send out.

ASSEMBLYWOMAN GREENSTEIN: One thing that I just thought of when we're doing this kind of a table -- looking at last time, say, in the 6th District -- it would also be interesting to know what they spent. Because if they spent-- Like, say, the Democrats in the 6th spent less last time than this time--

They were commenting-- The Republicans in that district were commenting that the votes were closer this time than they were last time. But it isn't clear-- See, I don't know what was spent. And it may be that the Democrats spent even less money last-- I don't know what was spent. It would just be interesting to also know.

SENATOR SCHLUTER: One of the concerns that we have is in analyzing what was spent. Because what is spent on the candidates report -- our report -- might include transferring money to other districts, or spending money for local candidates, which really aren't on their election.

ASSEMBLYWOMAN GREENSTEIN: You could check that in the reports though.

SENATOR SCHLUTER: Oh, yes, well it could--

ASSEMBLYWOMAN MURPHY: It's time consuming.

SENATOR SCHLUTER: It is.

ASSEMBLYWOMAN GREENSTEIN: It is.

ASSEMBLYWOMAN MURPHY: You could look at a report and get three different answers on it.

Can I say something else, though? If the Legislature is to vote on whatever we want done, I think it would be penny wise and pound foolish if we said to them, "We'll tell you what districts." I have to tell you, I think there are 30 Assembly people who would say no. The party chairs are the people who feel that they have been elected in order to do this. And I think, at least until we have half the districts in this, I don't think you can fool around with them. You're asking to be nullified before we get off the ground.

ASSEMBLYWOMAN GREENSTEIN: Just pretty much leave the standards up to them as to how they pick the districts.

ASSEMBLYWOMAN MURPHY: Well, they're going to pick competitive districts in a sense, but they're going to look to the balance of their members. Because their members who are incumbents are going to have to vote on this. And if they don't think they're going to be sent back,

you've got to know they're not going to be supportive in any way. And we need that support.

ASSEMBLYWOMAN GREENSTEIN: I agree with that, because I think until this thing really starts to run well, and people are used to how they can collect the money, and we really get the standards working, I think nobody -- party chairs are not going to want it to affect the results of the election. They're going to want the elections to work similarly to the way they've worked, in terms of how they pick their candidates.

ASSEMBLYWOMAN MURPHY: That's right.

ASSEMBLYWOMAN GREENSTEIN: I mean, we have to kind of get this running before, I think, you can start to say we're going to affect the outcomes.

SENATOR SCHLUTER: Well, why--

ASSEMBLYWOMAN MURPHY: And that's not cynical, Linda, that's really pragmatic.

ASSEMBLYWOMAN GREENSTEIN: It is.

ASSEMBLYWOMAN MURPHY: The pragmatic reality of politics is, people run to win. And they support legislation, they work for legislation to benefit their constituents and themselves along the way, in the sense of being able to stay in the system. It's like picketing. If I'm outside the building picketing with a big sign, I'm not at the table, and I'm not making any decisions. So I'd rather negotiate. These people want to stay in the game, or in the field. This is where they are. I shouldn't say *game*, because it isn't. It's darn serious. And I really think the chairs are there to support and help them. And we have to work with whatever we have in order to make everyone understand. We are not trying to throw people

out. We're not trying to take out good Assembly people. We're only trying to enlarge the playing field. But we want to give everyone a level place.

SENATOR SCHLUTER: I've heard, if I may, enough argument about removing my little comment about whether our Commission should do the choosing. I've heard that.

Would you agree, Mr. DeLuca?

MR. DeLUCA: Yes.

SENATOR SCHLUTER: Okay. We can take out that added thing that I put in there, Gina. I had that. I don't know whether you put it in.

MS. WINTERS: Yes.

SENATOR SCHLUTER: Okay.

MR. PARISI: In accordance with the standards promulgated by the NJCCEC, or the second?

SENATOR SCHLUTER: No, I had, "Or should the NJCCEC do the selecting."

MR. PARISI: Okay. That's excised.

SENATOR SCHLUTER: But I think that the issue should stay there as a concern, with respect to the standards. In other words, should we give them standards by which they pick? In other words, the percent difference in registration, the percent difference in expenditures. Because they pick these with no real standards that were spelled forth in the legislation.

MR. PARISI: Mr. Chairman, if I can make a suggestion here. Maybe instead of saying *standards promulgated by the NJCCEC*, since

promulgated is something which is an affirmative action, perhaps you would want to say *standards recommended by the NJCCEC*.

SENATOR SCHLUTER: You're absolutely right.

ASSEMBLYWOMAN MURPHY: I think--

MR. PARISI: And that would be-- This is what you believe -- this is what the Commission believes should be, but it's not binding on them.

ASSEMBLYWOMAN MURPHY: Right. We can't put the cart before the horse. They will lead us as much.

MR. TAO: I might have missed that. So are we suggesting, then, we're going to have a veto over the selection, or we're just simply providing helpful guidance?

SENATOR SCHLUTER: Helpful guidance.

ASSEMBLYWOMAN MURPHY: Yes.

MR. TAO: Okay.

SENATOR SCHLUTER: So we leave it in as a concern.

MR. DeLUCA: Well, I was wondering if there is agreement that, in 2007, the chairs of the political parties should select the participating districts? Should we move that part to the assumptions?

MR. PARISI: Well, Mr. DeLuca, with all due respect, I think you need to be careful and not mix the assumptions with the recommendations.

MR. DeLUCA: Okay.

MR. PARISI: And if you do that, my concern is that you're moving into a recommendation.

As Ms. Winters pointed out at a previous meeting, what we really need -- the Commission may really want to do on this is to say, "This is what we saw, looking back at the experience," in this report. And in the subsequent report, the final report, say, "This is what we believe should be done."

SENATOR SCHLUTER: Okay.

And, incidentally, I apologize. For the people in the audience here, I know you've got a lot of concerns. You're following this on your sheets. Get your comments into us. If you want to influence, get your comments written, rather than having a lot of dialogue here, because then we would never get anywhere. Get your comments into us.

Thanks a lot, Assemblywoman.

ASSEMBLYWOMAN GREENSTEIN: Thank you.

SENATOR SCHLUTER: All right.

Now we're going to go back to B, which is a concern: "Whether the calculation for the amount of funding given to a certified New Jersey Fair and Clean candidate" -- I have, as specified in P.L. 2004 -- "was flawed, because it was based, in part, on expenditures a candidate made to individuals, groups, or committees in other parts of the state, or not just on expenditures made in connection with a campaign for office."

This talks about what we were speaking about a couple of moments ago -- about the fact that they take the campaign finance report, and they take the totals for the last two elections. And the differences are very, very stark. We had a couple where the average was \$495,000 on one party and \$20,000 on the other party. So you average it out, and half of

that. And this is an authority issue, which I don't think there's much-- I think we ought to keep that on the concerns.

ASSEMBLYWOMAN MURPHY: I do, too.

MR. DeLUCA: Mr. Chair, I agree keeping it. Can we ask for an opinion from ELEC as to how easy it would be to segregate these amounts?

DR. HERRMANN: Sure.

SENATOR SCHLUTER: Let's ask that--

MR. DeLUCA: I mean, I'm not sure we'd need it now -- if we can do it in the future?

DR. HERRMANN: I was just coming up to say yes, we can do that.

MR. DeLUCA: Okay.

SENATOR SCHLUTER: Could you do that? Could you undertake that on our request for, maybe, the six districts that were put in the original bill? Because there were some stark differences there.

DR. HERRMANN: Yes. I mean, there are going to be some assumptions, in terms of -- there are probably many different ways this can be done. But we will take a look at it and come up with something.

SENATOR SCHLUTER: Sure.

MR. LENOX: Wouldn't this problem alleviate itself once this program has gone through its second, third, fourth, fifth cycles?

SENATOR SCHLUTER: I'm sorry, I didn't hear you.

MR. LENOX: Wouldn't this--

MR. TAO: Let me propose or suggest an alternative way of looking at this. I mean, to be fair, I think, by definition, the \$100,000

number was arbitrary. I mean, it's a round number. That's how we came up with it. And maybe we don't need to focus on the fact that it's not great or accurate because certain expenditures are made to other groups, committees in other parts of the state, and just not expenditures made in connection with the campaign for office. And just simply say that we need a bigger number, or the number is fine, or we need a smaller number.

I just find it somewhat intellectually confusing for us to try to base the number -- which we all know was arbitrary, and it was just a round number -- to try to then justify it, when we all know it was just a number that someone picked out.

It's just a suggestion that we just don't even have to go through this line of argument and just simply say if the number is high enough, too low, or just right.

SENATOR SCHLUTER: Actually, Curtis, that's part of the problem. And the way this concern is phrased, we can consider what the level -- what the magnitude of that amount of funding should be. So I think we have that latitude.

I see that we--

I'm sorry Steve.

MR. LENOX: My question was, going forward, as this program goes through its second, third, fourth cycle, wouldn't this problem not alleviate itself?

MR. DeLUCA: Well, I don't think it will unless we're able to address the candidate funding other candidates, or even a candidate using their campaign account to make contributions to civic groups and things like that. We heard testimony. So people look at this as much more -- as a

pot of money that's much more than running for office. It's part of you doing your business, it's part of supporting other candidates who are your partners. And so unless we're talking about eliminating all of that, then I don't think it will go away, because it will always be a skewed number.

SENATOR SCHLUTER: I see what you're saying, Steve, but -- which goes back to Curtis's comments. We could recommend a different way to come up with these numbers, which would factor in the fact that when you get districts that you're running Clean, then there's a whole different basis. Because if you go back to the law, it says the elections of 2001, 2003.

MR. LENOX: Right.

SENATOR SCHLUTER: And you've got to move on.

I think we've -- as long as we know that we can expand that question there, to include what level of funding it should be.

Now, C: "Whether to require that an individual be a certified Clean Elections candidate in the primary election in order to seek election as a certified Clean Elections candidate in the general election."

Here, again, we come up with-- We did recommend that this should apply to primaries. And I almost think that this is an assumption. If this does apply to-- If Clean Elections applies to primaries, that once a candidate opts in, in a primary, they have to stay in, in the general.

ASSEMBLYWOMAN MURPHY: My feeling is, you can't-- I don't believe you can make this recommendation until you figure out how you're going to do it in every primary.

SENATOR SCHLUTER: All right.

ASSEMBLYWOMAN MURPHY: I don't think you can leave two counties out.

SENATOR SCHLUTER: You could do what?

ASSEMBLYWOMAN MURPHY: I don't think you can omit two counties being part of this activity.

SENATOR SCHLUTER: What do you mean, omit two counties?

ASSEMBLYWOMAN MURPHY: Well, if you have an open primary in two counties in this state-- As long as they are an open primary, I don't think you can require that all of them be part of this. I don't think the public can afford it.

If we get seven candidates for a seat now, what would you get if you were financing the campaign and limiting everybody's money? How many would you have? And you're going to finance them all?

SENATOR SCHLUTER: They have--

MR. DeLUCA: If they met the threshold, you would.

ASSEMBLYWOMAN MURPHY: But that's a bulk of money that I don't think you want to spend in an open primary county. In a party-line county, you don't get that. And it's only two counties, I recognize that. But you have to resolve it. I don't think you can have different laws for--

MR. DeLUCA: No, I don't think you would. And I don't think you want to treat candidates different.

But what would be the downside if you had seven candidates, and all seven were viable and were able to meet the threshold -- the

contribution threshold? Then it just becomes a question of public money that gets spent on that election.

ASSEMBLYWOMAN MURPHY: Well, I'm thinking, I guess, of the public money, because you can get seven in one party, and seven in the other.

MR. DeLUCA: Right.

ASSEMBLYWOMAN MURPHY: Then you've got fourteen. And that's in one of the two counties. So you can have 28 candidates you're funding. And in every other county, you're funding two or four.

MR. DeLUCA: That's the same situation with our gubernatorial funding. Anyone who can qualify as a candidate for funding-- And maybe I will just run through this, and tell me when I'm off base.

Anyone who qualifies as a candidate for funding then has to -- in order to get public funding, has to go through another qualification process. And if that person does, they don't have to belong to a party. I don't know -- how many people ran for governor, 10 people?

UNIDENTIFIED SPEAKER FROM AUDIENCE:  
(indiscernible)

MR. DeLUCA: Six or seven.

ASSEMBLYWOMAN MURPHY: All right.

MR. DeLUCA: So if they all met the criteria, then we would have had to fund six or seven gubernatorial candidates. It's possible, in that case you're presenting -- in like seven people running -- not all of them are going to qualify for the public funding. But certainly, I think, once someone goes through a primary -- even if we did agree that seven people

could get it -- there's only going to be two, at the end, running for the Assembly.

ASSEMBLYWOMAN MURPHY: That's right.

MR. DeLUCA: I think they should remain as Clean candidates. Because if we're making the investment on the primary side, of public funds, I don't think we want them to turn around and say, "No more with that stuff. We want to go and do a different way of funding."

SENATOR SCHLUTER: They game the system.

MR. DeLUCA: Yes.

ASSEMBLYWOMAN MURPHY: Okay.

SENATOR SCHLUTER: Well, we can still keep this as a matter of concern, Carol.

ASSEMBLYWOMAN MURPHY: I understand the point of it. I really do understand the point of it. I just sometimes get boggled by thinking of the number of people that would--

SENATOR SCHLUTER: But as Mr. DeLuca says, if you have a threshold, and you have your tier as \$5,000 that they've got to raise in \$5 contributions in order to get the primary--

ASSEMBLYWOMAN MURPHY: Right.

SENATOR SCHLUTER: --funds, that is a hurdle.

ASSEMBLYWOMAN MURPHY: Right.

SENATOR SCHLUTER: And we have to be sure that that hurdle is right.

ASSEMBLYWOMAN MURPHY: It's the same 200,000 people everyone is going to.

SENATOR SCHLUTER: Yes.

So, anyway, let's leave that open. I thought we might be able to decide.

ASSEMBLYWOMAN MURPHY: Well, I'm closer to this than I was.

SENATOR SCHLUTER: D: "Whether the contribution form should have a statement specifying that the contribution is made without coercion and from the contributor's own resources, and not from money provided from any other source." As far as I'm concerned, that should be an assumption.

ASSEMBLYWOMAN MURPHY: Right. But are you lumping the other half into it?

SENATOR SCHLUTER: I think that should be a separate assumption.

ASSEMBLYWOMAN MURPHY: Okay. So the second part, "Whether it should be possible to use this form," is different than the first part.

SENATOR SCHLUTER: Do you agree with this?

ASSEMBLYWOMAN MURPHY: I agree with the first part.

SENATOR SCHLUTER: Do you agree?

MR. DeLUCA: Oh, I absolutely agree with the first part.

SENATOR SCHLUTER: Okay. We can put that first sentence -- first part -- three lines of D into an assumption.

MR. PARISI: Mr. Chairman, is that really an assumption, or is that a recommendation, really -- that you're saying that-- The assumption is really a finding. It would seem to me that what you're saying is, in the

next time, the contribution form should have a statement specifying the contribution was made without coercion.

ASSEMBLYWOMAN MURPHY: Yes. So it's a recommendation.

MR. PARISI: This is really a recommendation. And I think what you find, in going through these, is many of them, in fact, are recommendations as opposed to assumptions.

SENATOR SCHLUTER: But what category are we going to transfer this into?

MR. DeLUCA: Maybe, Mr. Chairman, we can have another category. And that is, if we can come up with an agreed upon recommendation tonight, this is where we can park this one.

MR. PARISI: Well, we do--

MR. DeLUCA: We can put this one in that.

MR. PARISI: There is, at the end of this list on the final page--

ASSEMBLYWOMAN MURPHY: There were five items -- four.

MR. PARISI: --there are four recommendations that were agreed to by the Commission already. And I would suggest that we--

MR. DeLUCA: Then maybe we can put it there.

MR. PARISI: We could just transfer it to that. And these are things which, I think, you're going to want to examine again when it comes time to look at the recommendations.

MR. DeLUCA: Right.

SENATOR SCHLUTER: Okay. But it gets transferred out of this category.

MR. DeLUCA: Right.

MR. PARISI: And that would apply to both parts?

SENATOR SCHLUTER: Well, the second part-- Let me-- “It should be possible to use the contribution form to make a contribution to several candidates at once, instead of requiring a separate form for each contribution.” And I think we heard-- I think that’s a fairly simple thing to do. And I think we’ve heard uniform testimony in favor of that.

MR. DeLUCA: I would agree with that. I think the wording has to be changed, because I don’t know what several candidates-- I think if we’re talking about two candidates, or--

SENATOR SCHLUTER: Well, it could be a senator and two Assembly people, or something like that.

MR. DeLUCA: I think we have to figure that out.

SENATOR SCHLUTER: More than one.

MR. DeLUCA: I would actually separate the two thoughts in D, because I think they’re two different things.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: And I would put them both on whatever we’re calling this list of recommendations on Page 3.

MR. PARISI: Okay.

SENATOR SCHLUTER: Are we going to be taking these assumptions, and reviewing them, and putting them into recommendations?

ASSEMBLYWOMAN MURPHY: We just took--

MR. PARISI: At some point, Mr. Chairman, that may be, in fact, what you want to do -- is just go over the assumptions that the

Commission agrees to, and then use those as your basis for your recommendation in the final report.

SENATOR SCHLUTER: I think if we're going to put some recommendations in the preliminary report, here is one on the assumption that, I think, we can put in a recommendation right now. I'm not saying we go into that -- but, "There was no rationale for having two qualifying contribution amounts."

Now, that's listed as an assumption -- the fact that you have a \$30 amount and a \$5 amount.

MR. DeLUCA: Right.

SENATOR SCHLUTER: And I think that if we -- the way we treated this language on the form, as a recommendation, is the same thing that I think the--

MR. PARISI: That would certainly be a recommendation. I don't know that you want to necessarily include the items that have been identified as recommendations in this preliminary report, because that's not the purpose of the preliminary report.

ASSEMBLYWOMAN MURPHY: Right.

MR. PARISI: It would seem to me that you would want to have the recommendations -- that you hold on to them for the final report.

MS. WINTERS: We've got to have something to release in June -- May.

MR. PARISI: In May.

SENATOR SCHLUTER: But then I don't understand what the difference is, between No. 3 on the assumptions and what we just decided on No. D, on the concerns.

MR. PARISI: Well, maybe there isn't a significant difference. But all I'm suggesting to you is that this seems to be a recommendation, as it's worded. And if you put it in the assumptions as it is, it comes across as a recommendation, not as a finding.

SENATOR SCHLUTER: Well, maybe you can change the language to put it in the assumptions as a finding, or something. But there is no rationale not to do this. But you've got--

I've had, from the beginning, problems with the word *assumptions*. Does assumptions mean findings?

MR. PARISI: Yes.

SENATOR SCHLUTER: Well, if No. 3 is a finding, we could say we make a finding that it is reasonable to have the contribution forms say that they -- the contributions were made without coercion and without money provided from another source.

MR. PARISI: Mr. Chairman, it's your report. (laughter) However you'd like it, it can be done. All I'm saying is, I think you're blurring the line between what the experience of the Commission was and looking back on it, and what you recommend for Clean Elections in the future by doing that.

MR. TAO: Isn't some of this stuff easily addressed by wordsmithing? And what I mean by that is -- with respect to these issues and concerns, we would have a separate section. We would simply articulate that, based on the testimony received, a number of questions have been raised, including the following: A, B, C, and D, which we will attempt to address in some fashion in our final report to the Legislature in May, 2006, and do it that way. I mean, that, I think, simply, again, identifies

this as an open question, which we had gleaned from both testimony and also by the Commissioners from the information received. And we're going to try to address it in our final report, if we can.

MR. DeLUCA: I think that was what you were recommending.

MR. PARISI: Well, that's what it is. What Curtis is saying is what -- in fact, the way it is. It is currently listed together as items of concern. And perhaps Curtis's suggestion is addressed by leaving it as an item for concern that can be revisited when it comes time to the recommendations.

ASSEMBLYWOMAN MURPHY: Because--

MR. DeLUCA: Mr. Chairman.

ASSEMBLYWOMAN MURPHY: I'm just saying that we have said the paperwork required by current law, etc., etc., in a preliminary assumption-- So in our final report there is the preliminary assumption. And our recommendation to alter that assumption is to do thus.

MR. PARISI: Exactly.

MS. WINTERS: I agree.

MR. DeLUCA: And, Mr. Chairman, I would say that I -- with all due respect to your position -- I do think this is different. This actually is -- I can recall -- was raised from us to-- It was a question that we raised to people who testified, as opposed to them raising it to us. On the \$5 and \$30, I heard more people saying that it didn't work, and people were confused, and there didn't seem to be any rationale why that--

I think this was a suggestion that you raised, I believe, in the Lincroft meeting, when we had the two Assembly members there. So that would be the one difference I would--

SENATOR SCHLUTER: Can we take it out of this concerns and put it wherever you want? But it's something that's been decided on by us.

MR. DeLUCA: Yes, it would go on this last page.

ASSEMBLYWOMAN MURPHY: Right, as a recommendation.

SENATOR SCHLUTER: I disagree, but I won't belabor that.

All right, E: "Whether the payment of additional public money to a certified Clean Elections candidate should be triggered when a nonparticipating candidate expends more money than a certified candidate, and whether it should be provided automatically to a certified candidate when another candidate in the same district does not qualify or attempt to qualify as a certified Clean candidate."

This gets to the -- gets to two issues. And I think it can be resolved in one way. This gets to what Bill Baroni raised at the first meeting, about intentional nonparticipation, as well as inability to participate. And because the way the law is written, the inability to participate provides a windfall for the participating candidate of a tremendous amount of extra money, which I think everybody agrees is not fair and not right, not intended.

Okay. Other states do not provide the public funds to the qualifying candidate, that they get because their opponents are not participating, until the nonparticipating candidate gets up to 90 percent of that level. Do you see what I mean?

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR SCHLUTER: And they can do this -- and Fred Herrmann has confirmed that they can do this by their reports. And they can be made, in the law, that you have to -- when -- if a participating candidate -- say there are two of them -- they get \$65,000 each, and they get \$130,000. And if the other candidates who are not participating get to be 90 percent of that, they have to let ELEC know either on -- both expenditures and receipts so that they can then get the money.

But it means they don't get the money the minute they qualify. Excuse me, they don't get the nonparticipating -- they don't get the penalty money, they get the basic money.

ASSEMBLYWOMAN MURPHY: Yes, but they don't get the penalty money.

SENATOR SCHLUTER: They don't get the penalty money. And I personally think that's a much better way to go. And you get rid of the unfairness, because the candidates that can't make it aren't going to get that amount of money anyway. And you have your relief just when it's needed.

MR. DeLUCA: I agree. And the only concern I have is, if we're using-- I assume we're going to be using the 29-day and the 11-day reporting -- whether that works -- whether those time periods work.

In the testimony we got on December 2, they talked about the Connecticut program -- that as soon as the nonparticipating candidate spends up to 90 percent-- They didn't really tell us when those reports are due.

I'm just concerned that-- Suppose the information comes in on the 11-day. That means the Clean candidate has to turn around, and get

that money, and spend that money in the last week of the campaign. And that's real hard to do. A catch-up is hard to do.

SENATOR SCHLUTER: I think, Mr. DeLuca, that we can separate the two issues. There's the issue of timing -- what you're talking about -- which is in several of these other points here.

MR. DeLUCA: Okay.

SENATOR SCHLUTER: And then there's the issue of when the transfer of the money takes place for the penalty money. And you absolutely have a -- it's a major concern. So I wonder if we could--

MR. DeLUCA: Can I just pursue this a little?

SENATOR SCHLUTER: Yes.

MR. DeLUCA: I'm not talking about the penalty money. You're suggesting that if I'm a participating candidate and you're not, then I will not automatically be entitled to your money.

Right now, the way it works is, if I'm a participating candidate and you're not, I'm entitled to your \$65,000.

SENATOR SCHLUTER: Right, as soon as you qualify.

MR. DeLUCA: As soon as I qualify.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: You're suggesting that we change that.

SENATOR SCHLUTER: I'm suggesting that we consider changing that.

MR. DeLUCA: And that there be a trigger.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: So I guess-- And let me flip it. Let's say you're the Clean candidate and I'm not -- this way I will give myself all the bad acting.

What would prevent me from holding back on expending things, and reporting things, or ordering things and not paying for them until I have to? And then my last push -- all of a sudden you find out that I've spent that money.

SENATOR SCHLUTER: That comes into two things. First of all, the law says that when you incur an expenditure obligation, that is the same as an expenditure. You have to report it.

MR. DeLUCA: Right.

SENATOR SCHLUTER: So you can't order something, and sign a contract, and then report it, theoretically. A lot of people don't do that--

MR. DeLUCA: Right, right.

SENATOR SCHLUTER: --until the cash -- until the check goes out of your account.

MR. DeLUCA: Until the check is written, right.

SENATOR SCHLUTER: And then you have to address the end of the campaign final dates, which is-- I would say the final dates is -- I mean, we can make it part of this. This is true. But this is a--

Incidentally, excuse me--

Curtis, I understand that the telephone company is going out of existence at 8:00.

MR. TAO: Oh, okay.

SENATOR SCHLUTER: And I don't think we're going to go much longer. Maybe we'll just do a few more of these.

MR. TAO: Okay. Well, I have just a few comments, then, which I can submit via e-mail. But let me just quickly, before I get cut off -- and then I will respond to everyone -- respond to Vic.

On this one, this is the one where I have the greatest concern, because I don't have a methodology to address the very valid concerns that everyone, including Vic, is raising. Last second cable buys happen all the time. And I don't know how one will make a basis to determine that -- "Well, okay. We can do this in a timely fashion to be able to give the publicly funded candidate additional money." Logistically, we just need to be very careful in what we think we can do, and the basis of which we can create a structure to accomplish what we hope to accomplish.

I'm skeptical that we can. And I'm also skeptical how we can distinguish effectively between a candidate who tries, in good faith -- because good faith is subjective -- versus one who just puts up some type of facade of -- "Oh, I tried, but failed." And then the other candidate doesn't get the money. I just think we need to be very careful and think through this one, because I have difficulty in framing out the best solution here.

SENATOR SCHLUTER: You absolutely are correct. We have Fred Herrmann here. But there are other states where they cut off--

Are you still with us, Curtis?

MR. TAO: I'm still here.

SENATOR SCHLUTER: There are other states which have a termination date for raising and spending money of 15 days before the election, or maybe even farther. But you could have a longer span between

the election and the final date that they can make expenditures and receive contributions.

Is that not correct, Mr. Herrmann?

DR. HERRMANN: I believe so.

What I was going to comment on was that maybe the trigger here, to help out, would be when the candidate raises the money, not when they spend the money -- when the opponent raises the money. If they raise the amount that's equivalent to the grant amount, that's when the Clean candidates get the double money -- or some. It could be 90 percent or some other formula like that.

But, in other words-- Based on your point of raising the money -- but the understanding is, they're raising the money for one purpose, to spend the money.

MR. TAO: Okay. Well then, let's say they raise the money into a county account or to a state party account.

DR. HERRMANN: Well, again, in a Clean program, the only place they can raise the money -- the only money they can use-- Oh, you mean the -- this is the--

MR. TAO: I'm talking about the non-publicly funded candidate.

DR. HERRMANN: Again, in terms of reporting, if the county committee or the state committee is raising money for them, it's not that candidate's money until the state committee or the county committee actually spends it. And if there's coordination, then it counts as a contribution to the candidate, which is money raised. And they would count that way.

MR. TAO: Agreed. But then, again, we're still under the same fact scenario, where there could be a last second cable buy, let's say, by the county committee.

Listen, it may be just one of those things that -- it stinks, but we just have to accept it. And, maybe, hopefully, the public candidate can manage and use that as a campaign issue. But I just think we need to be very careful in how we address it.

DR. HERRMANN: Commissioner, I think you're correct. But, also, let me say this, too. In terms of the reporting -- we were talking about the 29-day report and the 11-day report. We can have a special report, filed with the Commission, and it would mandate when you have raised and reached that amount, that is the trigger amount, they must immediately, or within 24 hours, notify the Election Law Enforcement Commission -- if we're doing this -- and provide the additional money to the candidate.

Now, if it's done a day or two before the election-- I mean, that's a problem we have right now.

MR. TAO: Right, there's nothing you can do.

You're right. There are 24-hour reports. You're right. I forgot about that.

Okay. I'm getting some beeps on this end, so I think I am going to get cut off. Everyone, it was a pleasure speaking with you. And I will try to submit and circulate my comments via e-mail.

SENATOR SCHLUTER: Well, I think this is-- We'll keep this as an issue of concern.

Boy, we have a lot to do the next meeting, don't we?

MR. TAO: Okay.

SENATOR SCHLUTER: But we also, I think, realize that we can get around this business of a nonparticipating candidate's amount of money automatically going to the participating candidate just by that participating candidate qualifying, which doesn't-- There are other systems in other states which take care of it.

Well, we've gotten through E.

MR. TAO: Okay. I'm going to drop off now.

SENATOR SCHLUTER: Okay, Curtis. Thanks.

ASSEMBLYWOMAN MURPHY: Good night, Curtis.

MS. WINTERS: Bye.

MR. DeLUCA: See ya.

MR. TAO: So long, everyone. Bye-bye.

SENATOR SCHLUTER: Mr. DeLuca, let's just go through F here.

"If a district has a contest between a Clean Elections candidate and a nonparticipating candidate -- whether restrictions should be placed on how much money the nonparticipating candidate can raise and spend in the last month or week of the campaign." That's part of the issue, right?

MR. DeLUCA: Yes. I'm not sure that, legally, we can restrict the candidate. We might be able to require that they report.

SENATOR SCHLUTER: Well, if you did it for all Assembly candidates, I think you could do it. But you would have to make that apply to all.

MR. PARISI: Mr. Chairman, I believe Commissioner Lenox wants to speak on this.

MR. LENOX: Chairman, in our packet-- Assemblywoman Greenstein asked this question to Legislative Services, and we got the response. And the response seems pretty clear that we can't limit that.

SENATOR SCHLUTER: We cannot limit what?

MR. LENOX: That seems to be what the response is saying from Legislative Services.

SENATOR SCHLUTER: When did we get this?

MR. LENOX: It's in your packet there.

SENATOR SCHLUTER: Oh.

ASSEMBLYWOMAN MURPHY: I would think it would be. And the bill would never get out of the Senate, and the House, and the Governor would never sign it. So why do we go to things that are going to kill us?

SENATOR SCHLUTER: Well, this will give us some homework to do for next time. (laughter)

MR. PARISI: So, basically, what the legal opinion says is that it would be -- probably would be unconstitutional to try to limit a nonparticipating candidate in any way.

ASSEMBLYWOMAN MURPHY: You have to let public opinion do them in.

SENATOR SCHLUTER: I'll read that. And I don't know-- It is-- As former Assemblywoman Murphy has said, the Legislature might not do these things. But then, again, we might -- just like the primaries--

Okay. We're going to have a meeting next--

MR. DeLUCA: Mr. Chair.

SENATOR SCHLUTER: Yes.

MR. DeLUCA: Just to clean up-- On G, did we not agree that we think the chairs of the parties should continue to pick?

SENATOR SCHLUTER: Yes.

MR. DeLUCA: So that could move to that last section.

SENATOR SCHLUTER: Well, we have-- No, but--

MR. DeLUCA: I think there's still the question about the standards.

SENATOR SCHLUTER: I think we left it open as a concern, because we might want to recommend standards.

ASSEMBLYWOMAN MURPHY: We might want to recommend standards.

MR. DeLUCA: But what I'm suggesting is, maybe we just separate it. Leave the question of standards in there, but just say that we've already come to an agreement that the chairs should continue to--

SENATOR SCHLUTER: All right.

ASSEMBLYWOMAN MURPHY: But didn't the legislation say they would?

MR. DeLUCA: Yes, and I think--

ASSEMBLYWOMAN MURPHY: If the legislation says the chairs will--

MR. DeLUCA: Well, there was a question of whether we wanted to change -- recommend a change or not. And I think what we're recommending is no change in the legislation.

ASSEMBLYWOMAN MURPHY: But I think what we're saying was -- recommending that we set some standards.

MR. DeLUCA: Right.

SENATOR SCHLUTER: Yes.

ASSEMBLYWOMAN MURPHY: That's it.

MR. PARISI: I think what you can very easily do is say that this is a recommendation, and basically say that for the 2005 -- 2007 election, the chairs of the political parties should select the participating districts in accordance with standards recommended by the NJCCEC.

MR. DeLUCA: That works.

ASSEMBLYWOMAN MURPHY: Yes. I don't want to scare these guys off.

MR. DeLUCA: I agree with you. They're going to be scared by the standards. (laughter)

ASSEMBLYWOMAN MURPHY: They're scared by us to begin with, believe me.

SENATOR SCHLUTER: In the next meeting, we have a very specific agenda, which is to go over the rest of the report, as we did the first part of the report; and feed Mr. Parisi your other comments, as some have done already. And he can meld them in with this. We will go over the concerns, starting with -- where were we, G?

MR. DeLUCA: H.

MR. PARISI: H.

SENATOR SCHLUTER: Or wherever it was.

And we also want to -- if we have time -- go over the preliminary assumptions.

MR. DeLUCA: Well, the preliminary assumptions are part of the--

SENATOR SCHLUTER: Well, we want to be sure that they're final. And we just want to--

MR. DeLUCA: Oh, okay.

SENATOR SCHLUTER: --and they were-- People have had a couple of-- I think you had said you had a few words that you wanted to change here and there.

MR. DeLUCA: I think it was Curtis. That's okay. I might by the next meeting.

SENATOR SCHLUTER: Okay. Well, I--

ASSEMBLYWOMAN MURPHY: Move to adjourn.

SENATOR SCHLUTER: Move to adjourn.

MR. LENOX: Second.

SENATOR SCHLUTER: All in favor? (affirmative responses)

I apologize to the audience that we had to be a little bit restrictive of some of the documents here, but we don't want -- and I hope you all agree. We don't want our recommendations to go out piecemeal. We want to have this in a final report in February that has an impact of the final report.

**(MEETING CONCLUDED)**