



State of New Jersey

ELECTION LAW ENFORCEMENT COMMISSION

RALPH V. MARTIN
Chair
PAULA A. FRANZESE
Vice Chair
LYNNAN B. WARE
Commissioner
SUSAN S. LEDERMAN, Ph.D.
Commissioner

Respond to:
P.O. Box 185
Trenton, New Jersey 08625-0185
(609) 292-8700
Website: <http://www.elec.state.nj.us>

FREDERICK M. HERRMANN, Ph.D.
Executive Director
JEFFREY M. BRINDLE
Deputy Director
GREGORY E. NAGY
Legal Director
JAMES P. WYSE
Counsel

PUBLIC SESSION MINUTES

October 24, 2000

Chair Martin, Vice Chair Franzese, Commissioner Ware, Commissioner Lederman, Counsel Wyse, Senior Staff, and Deputy Legal Director Nedda Gold Massar were present. Legal Director Gregory E. Nagy was not present.

1. Open Public Meetings Statement

Chair Martin called the meeting to order and announced that pursuant to the "Open Public Meetings Act," N.J.S.A. 10:4-6 et seq., adequate notice of the meeting of the Commission had been filed with the Secretary of State's Office and distributed to the entire State House Press Corps.

The meeting convened at 11:00 a.m. in Trenton, New Jersey.

2. Approval of Public Session Minutes of September 19, 2000

On a motion by Vice Chair Franzese, seconded by Commissioner Ware and passed by a vote of 4-0, the Commission approved the Public Session Minutes of September 19, 2000.

3. Executive Director's Report

A. Legislative Activities

Executive Director Herrmann informed the Commission that on September 25, 2000, he testified on S-1189 (Cardinale/Bassano) in front of the Senate State Government Committee. He said that this bill redefines the meaning of a campaign contribution to be the net after deduction for fund-raising event expenses. The Executive Director advised the Commission that he opposed the bill because it erodes the current contribution limits and contributor disclosure threshold, greatly increases the complexity of campaign bookkeeping, is arbitrary in the expenses selected as the basis for netting out, and is based on federal charitable contribution laws, not the Federal Elections Campaign Act. Executive Director Herrmann added that no jurisdiction in the nation uses such a system. According to the Executive Director, the

bill was also strongly opposed by the League of Women Voters, Public Interest Research Group, Common Cause, and the Sierra Club. Executive Director Herrmann said that no one spoke in its favor except the sponsor and that the Committee held the bill.

Executive Director Herrmann reported that on October 16, 2000, he testified before the Assembly State Government Committee on A-2647 (Weingarten/O'Toole). He noted that this bill provides that a gubernatorial candidate must disclose the contributions and expenditures of any Section 527 committees affiliated with the candidate in order to receive public funds. The Executive Director said that he testified in favor of the bill. Executive Director Herrmann reminded the Commission that he had made a presentation on the Senate version of the bill at a public hearing held at Drew University in July. According to the Executive Director, the bill passed unanimously and was amended to include similar committees.

B. Staff Activities

Executive Director Herrmann mentioned that on September 26, 2000, Legal Director Gregory E. Nagy spoke to Professor Frank Askin's Law Class at Rutgers University - Newark Law School about campaign finance issues. He added that Assistant Legal Director Maria Novas-Ruis was also in attendance.

Executive Director Herrmann informed the Commission that ELEC's computer network is now connected by fiber-optic cable which makes it much faster and will allow for future expansion. He noted that the recarpeting of the 12th floor has now been completed and the Review and Investigation staff is now relocated to the 14th floor. The Executive Director cited a number of staff persons who did a phenomenal job in making this arduous project work. They were: Bettie Michael (who planned the removal of furniture and files from each office), Shirley Bryant, Desiree DeVito, Samira Wood, Kim Vandegrift, Anthony Giancarli, and Director of Administration Barbra Fasanella as the master planner.

Executive Director Herrmann announced that the fall 2000 issue of the Public Integrity has the first half of his symposium of articles on campaign financing in it. He noted that one of the three articles is by Deputy Director Jeffrey Brindle and is about the structure and funding of ELEC. Executive Director Herrmann said that the other two articles are about the Federal Election Commission and the city of Seattle Ethics and Elections Commission. According to the Executive Director, the second half of the symposium will be published in the winter 2001 issue and will contain articles about the Council on Governmental Ethics Law (COGEL) model law, computerization of ethics agencies, recent regulatory innovations across the country, and a case law summary by Legal Director Nagy and Associate Legal Director Gail Shanker.

Executive Director Herrmann reported that Director of Compliance and Information Evelyn Ford has completely revised the candidate compliance manual to reflect the Sunset regulations and new thresholds and limits. Executive Director Herrmann said that she did a great job and worked on it all summer.

The following new staff were introduced to the Commission by Executive Director Herrmann.

- Peter Palaitis – Help Desk Technician
- Lou Solimeo – Public Finance Computer Assistant
- Helen Staton – Assistant Public Financing Analyst
- Mitali Dutta – Assistant Public Financing Analyst
- Titus Kamal – Assistant Compliance Officer
- Joe Sargenti - Messenger

C. Late Fall Meeting Schedule

November 21, 2000 at 11:00 a.m. in Trenton
December 19, 2000 at 11:00 a.m. in Trenton

4. Adoption of Amendments to Implement Campaign Cost Index Adjustments

At its July 18, 2000 meeting, the Commission approved proposal of amendments to its regulations to implement the statutory quadrennial campaign cost adjustment process for gubernatorial and non-gubernatorial candidates and committees. The amendments were published in the New Jersey Register on August 21, 2000. The Commission conducted a public hearing at its September 19th meeting. Staci A. Berger testified at the public hearing on behalf of New Jersey Citizen Action. A copy of Ms. Berger's testimony was provided to the Commission and is available to the public. Notices to the press and interested members of the public were circulated, and the full text of the proposal was posted on the Commission's website. The legislative review and written comment periods expired and the proposed amendments were ready for adoption.

Staff recommended that the campaign cost index amendments be adopted as proposed by the Commission. A Notice of Adoption, including a summary of the comment received and the Commission's response, will be filed by staff with the Office of Administrative Law (OAL) by October 26, 2000. The amendments applicable to gubernatorial candidates will become effective upon publication on November 20, 2000, in the New Jersey Register. Staff recommended that amendments concerning non-gubernatorial candidates and committees have an operative date of January 1, 2001.

On a motion by Commissioner Lederman, seconded by Commissioner Ware and passed by a vote of 4-0, the Commission adopted the Cost Index amendments as proposed and directed staff to file the Notice of Adoption at the OAL.

5. Resolution to go into Executive Session

On a motion by Commissioner Ware, seconded by Commissioner Lederman and passed by a vote of 4-0, the Commission resolved to go into Executive Session to discuss the following matters which will become public as follows:

- A. Final Decision Recommendations in violation proceedings which will not become public. However, the Final Decisions resulting from those recommendations will become public no later than 35 days after mailing.
- B. Investigative Reports of possible violations, which reports will not become public. However, any complaint generated as the result of an Investigative Report will become public no later than 50 days after mailing.
- C. A report on written requests for investigations of possible violations, which report will not become public. However, any complaint which may be generated as a result of a request for an investigation will become public no later than 50 days after mailing.

6. Return to Public Session

On a motion by Vice Chair Franzese, seconded by Commissioner Ware and passed by a vote of 4-0, the Commission voted to return to Public Session.

7. Adjournment

On a motion by Commissioner Lederman, seconded by Commissioner Ware and passed by a vote of 4-0, the Commission voted to adjourn at 1:00 p.m.

Respectfully submitted,

Frederick M. Herrmann, Ph.D.
Executive Director

FMH/elz