

# 2013 Cost Index Report

N.J. Election Law Enforcement Commission

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*State of New Jersey*

**ELECTION LAW ENFORCEMENT COMMISSION**

RONALD DEFILIPPIS  
Chairman

WALTER F. TIMPONE  
Vice Chairman

AMOS C. SAUNDERS  
Commissioner

Respond to:  
P.O. Box 185  
Trenton, New Jersey 08625-0185

(609) 292-8700 or Toll Free Within NJ 1-888-313-ELEC (3532)

Website: <http://www.elec.state.nj.us/>

JEFFREY M. BRINDLE  
Executive Director

JOSEPH W. DONOHUE  
Deputy Director

CAROL L. HOEKJE  
Legal Director

AMY F. DAVIS  
Compliance Director

JAMES P. WYSE  
Legal Counsel

July 1, 2012

Dear Members of the Legislature:

This 2013 "Cost Index Report" is presented to you in fulfillment of the Commission's statutory responsibility to adjust for inflation the thresholds and limits pertaining to the Gubernatorial Public Financing Program and the thresholds applying to non-gubernatorial candidates and committees. Moreover, the Report is presented in fulfillment of the statutory requirement that the Commission recommend to the Legislature adjustments to the contribution limits pertaining to non-gubernatorial candidates and committees.

The Commission believes that the quadrennial campaign cost adjustment process fulfilled pursuant to the New Jersey Campaign Contributions and Expenditures Reporting Act, N.J.S.A. 19:44A-1 et seq., is essential to ensure the continued viability of New Jersey's Gubernatorial Public Financing Program and the ability of non-gubernatorial candidates and committees to participate effectively in elections.

On behalf of the members of the Election Law Enforcement Commission, I am proud to present this report to the Legislature as part of the Commission's continuous effort to serve the citizens of New Jersey.

Respectfully,

  
Ronald DeFilippis, Chairman

## ACKNOWLEDGEMENT

The Commission would like to thank Deputy Director Joseph W. Donohue for the preparation of this report. He wrote the first draft and coordinated the efforts of the other staff members who worked on it. The “Cost Index Report 2013” is the seventh such analysis in a series that dates back to 1988.

Legal Director Carol L. Hoekje and Compliance Director Amy F. Davis did a thorough review of the text and legal citations in it. Director of Finance and Administration Steven M. Dodson checked the accuracy of the report’s data. Executive Director Jeffrey M. Brindle served as a general editor and Administrative Assistant Elbia L. Zeppetelli added her usual creative touch to the cover, word processing, and graphics.

ELEC would like to extend its special gratitude to Vincent Letang, Executive Vice President and Director of Global Forecasting for Magnaglobal, for the invaluable economic data he graciously provided for this report. ELEC would like to offer additional thanks to Robert Coen, Senior Vice President and Director of Forecasting for Universal-McCann Inc., for arranging for Mr. Letang’s assistance and for providing data for several past reports.



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## INTRODUCTION

New Jersey was the first state in the nation to provide public funds to candidates for governor. Its Gubernatorial Public Financing Program remains a national model.

The program was enacted in 1974 as an amendment to “The New Jersey Campaign Contributions and Expenditures Reporting Act.” It provided public matching funds to qualifying candidates starting with the 1977 general election for governor. In 1980, the program was extended to gubernatorial primary elections.

Among the goals of the program are to allow candidates of limited means to run for governor and to eliminate undue influence from the process. From both standpoints, the program has been a success.

Since its inception, 67 candidates have received \$105.2 million in public matching funds. That amounts to just \$4.98 per vote cast in those elections. In exchange, voters have been rewarded with publicly-financed elections that have been issue-oriented and scandal-free.

The program has allowed qualified candidates to mount competitive campaigns and has protected the integrity of the gubernatorial electoral process. The program has enabled three Republicans and three Democrats to win the office of Governor, and, in some cases, helped them win reelection.

One of the reasons for the program’s continued success is the fact that contribution limits and other thresholds are adjusted regularly to offset inflation.

Table 1 Maximum Contribution to Candidates for Governor Per Election	
Year	Limit
1977	\$ 600
1981	\$ 800
1985	\$ 800
1989	\$ 1,500
1993	\$ 1,800
1997	\$ 2,100
2001	\$ 2,600
2005	\$ 3,000
2009	\$ 3,400
<b>2013</b>	<b>\$ 3,800</b>



## INTRODUCTION

### Cont'd.

New Jersey's adjustments of its gubernatorial contribution limits and thresholds have helped insulate the program from constitutional challenges.

While courts both nationally and within New Jersey generally have upheld contribution limits, they have struck down limits deemed unreasonably low. "Contribution limits that are too low . . . can harm the electoral process by preventing challengers from mounting effective campaigns against incumbent officeholders, thereby reducing democratic accountability," stated the majority opinion in *Randall et al. vs. Sorrell et al.*, which was decided by the U.S. Supreme Court on June 26, 2006.<sup>1</sup>

At the recommendation of the New Jersey Election Law Enforcement Commission (ELEC), which oversees the program, the Legislature in 1989 enabled the Commission to make quadrennial (every four years) adjustments to its gubernatorial contribution limits and thresholds.

The move again was ground-breaking. "Pursuant to a 1989 revision to the Act, New Jersey, once again a pioneer, was the first state in the nation to create a campaign cost index to ensure the sufficiency of, among other things, the contribution limits, public funds caps, qualification threshold and expenditure limits."<sup>2</sup>

Amendments to the Campaign Act called for the quadrennial adjustment of thresholds and limits pertaining to the gubernatorial primary and general elections. Specifically, ELEC was directed to "adjust the limits" and to "establish an index reflecting the changes occurring in the general level of prices of particular goods and services . . . directly affecting the overall costs of election campaigning in this State."<sup>3</sup>

This automatic adjustment of gubernatorial thresholds and limits was to begin with the 1993 primary and general elections using 1989 as a base.

Also in 1993, the Legislature mandated that the thresholds and contribution limits that apply to non-gubernatorial candidates and committees be automatically adjusted at the same time as gubernatorial thresholds and limits. For the first time, the cost index calculation used for the Gubernatorial Public Financing Program would be applied to the thresholds and contribution limits pertaining to non-gubernatorial candidates, joint candidates committees, continuing political committees, political party committees, legislative leadership committees, and other entities. While the Legislature authorized the change in 1993, it didn't schedule the adjustments until the 1997 elections.



## INTRODUCTION

### Cont'd.

Another change occurred prior to the 2005 elections. In December 2004, the Legislature passed and Governor Richard J. Codey signed into law P.L.2004, c.174. This law froze non-gubernatorial contribution limits at the then- current levels. The limits have not been increased since that time.

Further, it required that by July 1<sup>st</sup> of each year preceding a gubernatorial election, ELEC must make public a report recommending to the Legislature any future adjustment of the contribution limits applicable to non-gubernatorial candidates and committees.<sup>4</sup> The report must be transmitted to the Legislature by July 15<sup>th</sup>.

The law further states that “The Legislature shall have the option of adopting all or part of the recommended adjustments by the passage of appropriate legislation.”<sup>5</sup> In other words, Legislative approval is necessary before higher limits can take effect.

Table 2 Key Milestones in New Jersey Gubernatorial Public Financing Program	
Year	Milestone
1974	Public Financing Program Created for General Election Candidates for Governor
1980	Public Matching Funds Extended to Gubernatorial Primary Elections
1986	ELEC Recommends Inflation Adjustments for Thresholds and Contribution Limits
1989	Legislature Authorizes Inflation Adjustments for Thresholds and Contribution Limits Imposed on Gubernatorial Candidates
1993	Legislature Authorizes Extension of Inflation Adjustments to Non-Gubernatorial Thresholds and Contribution Limits
1997	Automatic Inflation Adjustments for Thresholds and Contribution Limits Take Effect for First Time
2005	Legislature Freezes Several Non-Gubernatorial Thresholds and Contribution Limits and Authorizes ELEC to Recommend Changes

The Legislature did not change the law involving gubernatorial thresholds and limits and non-gubernatorial thresholds. These thresholds and limits continue to be automatically adjusted every four years.<sup>6</sup> The exception is the contribution disclosure threshold of \$300, which is frozen.



## INTRODUCTION

### Cont'd.

Similarly, thresholds pertaining to non-gubernatorial candidates and committees would be quadrennially adjusted except that the threshold for disclosing the identity of contributors to gubernatorial and non-gubernatorial committees was frozen at more than \$300 by P.L. 2004, c.28. Non-gubernatorial thresholds must be adjusted by the same percentage as the one applied to gubernatorial thresholds.

No later than December 1<sup>st</sup> of the year preceding the gubernatorial election, the Commission is required to determine a cost index and make necessary adjustments to gubernatorial limits and thresholds. By December 15<sup>th</sup> of the same year, the Commission must report to the Legislature and make public its final adjustments of gubernatorial and non-gubernatorial limits and thresholds.<sup>7</sup>

The two-part report that follows fulfills the mandates set forth regarding the automatic and recommended adjustments in the “Campaign Act.” In Part One, the adjustments to the thresholds and limits pertaining to the Gubernatorial Public Financing Program are presented. In the second part, the adjustments to the thresholds pertaining to non-gubernatorial candidates and committees are presented along with recommendations to the Legislature for adjusting contribution limits applicable to non-gubernatorial candidates and committees.

The Commission is pleased to present this report to the Legislature and looks forward to its deliberations upon the recommended non-gubernatorial contribution limit adjustments.





## PART ONE

### GUBERNATORIAL PUBLIC FINANCING PROGRAM

#### Review of Gubernatorial Expenditures

The 2009 gubernatorial election was historically important in at least one respect: it was the first time a publicly-financed candidate in New Jersey has ever defeated a self-financed candidate in a general election (a self-financed candidate did lose in the 1981 Republican primary).

Governor Chris Christie, a Republican who spent \$11.9 million during the general election as a publicly-financed candidate, ousted former Democratic Governor Jon Corzine.

Corzine, who previously had self-financed victorious elections for U.S. Senate (2000) and Governor (2005), spent \$27.4 million, most of it from his personal wealth. While he did not seek public funding, he did receive a small amount of funds from private contributors.

Independent Chris Daggett, who spent \$1.8 million on his general election quest and did participate in the public funding program, finished third.

The election offered validation of one of the original purposes of the public financing program. To wit: “so that persons of limited financial means may seek election to the State’s highest office.”<sup>8</sup>

In the most recent gubernatorial campaign, a pattern that continued is that mass media expenditures continue to be dominant. Since 1985, gubernatorial spending on mass communications has consistently hovered around 80 percent. The 2009 campaign was no exception.

Table 3 Amount Spent by Publicly-Financed Candidates on Mass Communications										
	1973	1977	1981	1985	1989	1993	1997	2001	2005	2009
Mass Communication	53.1%	62.3%	76.0%	83.9%	81.9%	81.7%	82.5%	82.7%	83.7%	80%

Source: New Jersey Election Law Enforcement Commission

Corzine, who unlike his publicly-financed opponents was not subject to expenditure limits, spent the largest share of his campaign funds on communications- \$22.2 million or 81 percent. Christie spent \$9.4 million, or 79 percent. Daggett spent \$1.3 million, or 70 percent.



## PART ONE

### GOVERNATORIAL PUBLIC FINANCING PROGRAM

Historically, administrative costs have been the second largest expense for publicly-financed gubernatorial candidates in New Jersey. The 2009 total was the highest since the 1981 elections, reaching 20 percent.

Table 4 Amount Spent by Publicly-Financed Candidates on Administrative Costs										
	1973	1977	1981	1985	1989	1993	1997	2001	2005	2009
Administration	46.9%	37.0%	24.3%	15.8%	18.0%	18.3%	17.5%	17.3%	16.3%	20%

Source: New Jersey Election Law Enforcement Commission

### Review of Campaign Expenditures

Table 5 below provides a breakdown of how much candidates spent on mass communication and administration. The table compares spending in the 2005 gubernatorial general election with spending in the 2009 general election for governor.

The \$58.2 million spent on the 2005 general election campaign shattered all records for gubernatorial candidates. The 223 percent jump in spending over the 2001 total occurred because the two major candidates in the general election- Republican Doug Forrester and Democrat Jon Corzine- financed their campaigns without public funds. As a result, they were not subject to expenditure limits.

By contrast, spending was down \$17 million, or 29 percent, in 2009 when only Corzine paid for his campaign. Governor Chris Christie and Independent Candidate Chris Daggett both accepted public funds and agreed to abide by spending limits.

The major categories of spending followed past trends. Mass communications in 2009 comprised 80 percent of all campaign spending- down slightly from 2005 but still higher than the 77 percent average since 1973.

Administrative costs were the highest they have been since 1981 on a percentage basis- 20 percent. But they still were below the 23 percent average since 1973.



# PART ONE

## GUBERNATORIAL PUBLIC FINANCING PROGRAM

<b>Table 5</b> <b>Comparison of Expenditures by Type:</b> <b>2005 and 2009 Gubernatorial General Elections</b>				
	2005 Election		2009 Election	
Expenditures	Amount	Percent	Amount	Percent
<b>Administration</b>				
Candidate Travel	\$ 2,536,101	4%	\$ 289,008	1%
Food and Beverage/Fundraising	\$ 436,345	1%	\$ 334,746	1%
Election Night Activities	\$ 596,884	1%	\$ 94,462	0.2%
Compliance Legal/Accounting	\$ 277,048	0.5%	\$ 994,103	2%
Telephone	\$ 201,502	0.3%	\$ 197,886	0.5%
Personnel/Taxes	\$ 1,893,741	3%	\$ 1,731,915	4%
Research and Polling	\$ 2,746,827	5%	\$ 1,279,461	3%
Other	\$ 784,275	1%	\$ 3,399,456	8%
<b>Subtotal - Administration</b>	<b>\$ 9,472,724</b>	<b>16.3%</b>	<b>\$ 8,321,037</b>	<b>20%</b>
<b>Mass Communication</b>				
<b>Media Time</b>				
Television	na		\$17,321,667	42%
Unidentified	na		\$ 8,892,814	22%
Cable/Internet	na		\$ 1,032,766	3%
Radio	na		\$ 719,998	2%
<b>Subtotal - All Media Time</b>	<b>\$40,783,625</b>	<b>70%</b>	<b>\$27,967,245</b>	<b>68%</b>
Advertising Production	\$ 1,680,484	3%	\$ 2,205,106	5%
Newspaper Advertising	\$ 17,292	0.03%	\$ 21,186	0.1%
Printing Literature	\$ 654,641	1%	\$ 1,098,260	3%
Mailing Literature	\$ 5,574,213	10%	\$ 1,213,508	3%
Billboards	\$ 9,978	0.02%	\$ 332,511	1%
<b>Subtotal - Mass Communications</b>	<b>\$48,720,233</b>	<b>83.7%</b>	<b>\$32,837,817</b>	<b>80%</b>
<b>Total Expenditures</b>	<b>\$58,192,957</b>		<b>\$41,158,854</b>	

As shown in table 5, the spending percentages for major subcategories were similar and should not be radically different in the 2013 gubernatorial general election for governor. The Commission, therefore, will use as the basis for calculating the 2013 New Jersey Campaign Cost Index (NJCCI) the following mix of mass communication and administration expenditures:

Mass Communication Expenditures: 80 %

Administration Expenses: 20 %



## **PART ONE**

### **GUBERNATORIAL PUBLIC FINANCING PROGRAM**

#### **Measuring Mass Communication Cost Inflation**

Traditionally in statewide elections, mass communications represent the biggest single area of expense for candidates. The 2009 gubernatorial general election campaign was no exception with the total for all candidates reaching nearly \$33 million, or 80 percent of all expenditures.

Within that category, broadcast media has been dominant. The two publicly-financed candidates, and one self-financed candidate, together spent \$30.2 million on broadcast media. This category includes network television, radio and cable television or the Internet, as well as related production costs. This represents 92 percent of all mass communications expenses, and nearly 73 percent of total spending.

Print advertising, including direct mail, newspaper advertising and billboards, represented 7 percent of mass communications spending, and 6 percent of total spending.

The Commission has adjusted gubernatorial thresholds and limits since 1993. Since then, the proportion of expenditures used for mass communications has been a component of the formula used to calculate campaign cost inflation. It is believed that New Jersey is the only state that places such emphasis on mass communications, meaning that its adjustments hopefully are a better reflection of real world cost pressures.

In the past, the Commission has relied upon media cost data compiled by Universal-McCann, Inc., New York City. This year, ELEC obtained data from MagnaGlobal of New York City, a McCann affiliate, for this analysis.



## PART ONE

### GOVERNMENTAL PUBLIC FINANCING PROGRAM

Table 6 Cost-Per-Thousand Mass Communication Percentage Increases		
Media Type	2004-2008 Percentage Increase	2008-2012 Percentage Increase
<b>Broadcast</b>		
Network Television	5.1%	21.3%
Cable Television	8.2%	21.6%
Radio	7.7%	3%
<b>Print</b>		
Newspapers	2.3%	7%
Magazines	1.5%	-3%
Online	Na	7%
Outdoor	Na	9%
<b>All-Media Composite*</b>	<b>13%</b>	<b>12.37%</b>

\*Not a simple average of above numbers. Includes weighting adjustments

Source: 2004-2008- Universal-McCann with 2008 projected; 2008-2012 Magna Global with 2012 projected

Table 6 measures the inflationary impact on the various types of media buys applicable to campaigns for governor. The percentage increases displayed are derived from the cost-per-thousand indexes. These indexes measure the change in the cost of advertising targeted to reach 1,000 individuals in the New York and Philadelphia media markets. The chart compares the estimate for the current four-year period to the estimate used in the previous cost index report.

Previous charts prepared by Universal-McCann included estimates for spot television, spot radio and direct mail. Magna Global estimates did not include those categories, but added estimates for online and outdoor advertising.

The media cost-per-thousand composite for the period 2008 to 2012 is expected to rise by 12.37 percent. That number is just slightly under the composite for the previous four-year period.



## **PART ONE**

### **GUBERNATORIAL PUBLIC FINANCING PROGRAM**

#### **Measuring the Change in Administration Costs**

The Commission traditionally has used the Consumer Price Index (CPI) to measure inflationary increases in costs related to campaign expenditures that were made for purposes other than mass communications.

For purposes of this report, the following expenses are categorized as administration: candidate travel, food and beverage, fundraising, election night activities and compliance. In addition, this category includes costs for telephone, personnel and miscellaneous.

The CPI is maintained by the United States Bureau of Labor Statistics (BLS). It measures the average change in prices of goods and services affecting all urban consumers. CPI data relevant to New Jersey is being included as part of the formula used to calculate the adjustments pursuant to thresholds and limits. Statistics from the BLS for the purposes of this analysis involve data compiled for two geographical regions, New York/New Jersey (NY/NJ) and Pennsylvania/New Jersey (PA/NJ).

To develop its estimates, the Commission combined CPI data from the base year 2009 through December 2011 with a mathematically projected increase for 2012.

In order to determine the percentage increase in the CPI to be used in calculating the Campaign Cost Index for 2013, the percentage change in the two regional numbers was then weighted at a ratio of two-to-one to reflect the larger population in the NY/NJ region. Thus, the NY/NJ 2009 through 2012 inflationary number of 8.7 percent was multiplied by two yielding a percentage increase of 17.3 percent. This number was then added to the four-year percentage increase of 9.4 percent for the PA/NJ region, yielding a total of 26.7 percent.

Finally, the 26.7 percent number was divided by three to yield a weighted CPI of 8.9 percent. This number is being used to calculate the 2013 Campaign Cost Index.



## PART ONE

### GUBERNATORIAL PUBLIC FINANCING PROGRAM

Table 7 Consumer Price Index for All Urban Consumers Monthly Index Number for December		
Date	New York/ New Jersey	Pennsylvania/ New Jersey
December, 2008	233.0	218.2
December 2009	238.4	224.8
December 2010	241.9	228.0
December 2011	248.3	234.3
December 2012	253.2	238.7
Index Change 2009-2012	20.2	20.5
<b>Percentage Change 2009-2012</b>	<b>8.7%</b>	<b>9.4%</b>

Source: United States Bureau of Labor Statistics, Monthly Index Numbers- All Urban Consumers through April 2012

The Commission computed the 2013 Campaign Cost Index by applying the formula first contained in the 1993 Gubernatorial Cost Index Report. The formula is as follows:

- Step 1. The 12.37 percent increase in mass communication costs was applied to the proportion of all 2009 general election spending on media advertising, or 80 percent. The result: a mass communications cost component of 9.9 percent ( $12.37 \times .80 = 9.9$ ).
- Step 2. The 8.9 percent increase in the CPI was applied to the proportion of all 2009 general election administrative expenses or 20 percent to yield a component for non-communication spending of 1.8 percent ( $8.9 \times .20 = 1.8$ ).
- Step 3. The mass communication and administration components were then added together to yield a Campaign Cost Index for New Jersey of 11.7 percent ( $9.9 + 1.8 = 11.7$ ).



# PART ONE

## GUBERNATORIAL PUBLIC FINANCING PROGRAM

Table 8 2013 New Jersey Campaign Cost Index (NJCCI) Calculation			
Expense Category	Percent of 2009 General Election	Four-Year Increase	Component of Campaign Index*
Mass Communication Costs	80%	12.37	9.9
Administration Costs	20%	8.9	1.8
<b>Campaign Cost Increase</b>			<b>11.7</b>

\*Percent of 2009 general election spending multiplied by four-year change in costs.

Based on the above calculations, the Commission has determined that the cost index multiplier for the limits and thresholds application to publicly-financed gubernatorial campaigns is 1.117.

Applying the 1.117 index to the various public financing thresholds and caps, and rounding as required by the formula contained in N.J.S.A. 19:44A-7.1b, produces the following statutorily required adjustments for 2013 as displayed in table 9.

Table 9 2013 Gubernatorial Cost Index Adjustments				
Limit/Threshold	2009 Amount	Cost Index Multiplier	Unrounded	2013 Rounded Amount
Contribution Limit	\$ 3,400	1.117	\$ 3,797	\$ 3,800
Qualification Threshold	\$ 340,000	1.117	\$ 379,705	\$ 380,000
Amount Not Matched	\$ 109,000	1.117	\$ 121,729	\$ 122,000
Primary Public Fund Cap	\$ 3,100,000	1.117	\$ 3,462,018	\$ 3,500,000
Primary Expenditure Limit	\$ 5,000,000	1.117	\$ 5,583,900	\$ 5,600,000
General Public Fund Cap	\$ 7,300,000	1.117	\$ 8,152,494	\$ 8,200,000
<b>General Expenditure Limit</b>	<b>\$10,900,000</b>	<b>1.117</b>	<b>\$12,172,902</b>	<b>\$12,200,000</b>





## PART TWO

### **NON-GUBERNATORIAL CANDIDATES AND COMMITTEES**

In 1993, the Governor and Legislature enacted legislation that directed the Commission to adjust the limits and thresholds pertaining to non-gubernatorial candidates, committees, and political party entities in the same manner as it adjusts the gubernatorial limits and thresholds. In other words, the same campaign cost index used to calculate the limits and thresholds pertaining to the gubernatorial public financing program would now be applied to non-gubernatorial thresholds and limits. The 1993 amendment would apply for the first time to the 1997 primary and general elections.<sup>9</sup>

Additional amendments to the Campaign Act relating to the automatic adjustment of non-gubernatorial contribution limits were enacted in December, 2004. The amendments left in place the automatic adjustment of thresholds and limits pursuant to the Gubernatorial Public Financing Program and the thresholds applicable to non-gubernatorial candidates and committees.

But the Legislature directed the Commission only to recommend changes for the contribution limits that apply to non-gubernatorial candidates, political committees, continuing political committees, political party committees, and legislative leadership committees.<sup>10</sup>

A report containing these recommendations must be issued by July 1<sup>st</sup> in the year preceding a gubernatorial election.

In furtherance of the statutory directives, the Commission used the same campaign cost index as developed for adjusting the thresholds and limits applicable to the gubernatorial elections. Using the cost index multiplier of 1.117, which was developed from the formula described on pages 11 and 12, the Commission presents tables 10, 11, and 12 containing the adjustments for non-gubernatorial thresholds and the recommended adjustments for contribution limits pertaining to non-gubernatorial candidates and committees.

It should be noted that the contribution threshold remains frozen at \$300 pursuant to P.L.2004, c.28, while the pro rata return of contributions remains frozen at \$300 pursuant to a Commission regulation; see N.J.A.C. 19:25-6.5(a)5.

Table 10 shows the adjustments to the various thresholds pertaining to non-gubernatorial candidates and committees. The cost index multiplier developed in Part One of this report was applied to the 2009 threshold amounts to obtain the 2013 amounts as rounded by virtue of N.J.S.A. 19:44A-7.1b and N.J.S.A. 19:44A-7.2 and 7.3.



## PART TWO

### NON-GUBERNATORIAL CANDIDATES AND COMMITTEES

Table 10 2013 Adjustments for Non-Gubernatorial Candidates and Committees				
Threshold	2009 Amount	Cost Index Multiplier	Unrounded	2013 Rounded Amount
Political Committee Reporting Threshold	\$ 2,100	1.117	\$ 2,345	\$ 2,400
CPC Reporting Threshold	\$ 4,900	1.117	\$ 5,472	\$ 5,500
Contribution Reporting Threshold (P.L. 2004, c.28)*	\$ 300	1.117	\$ 300	\$ 300
48-hr Notice Contribution Threshold	\$ 1,200	1.117	\$ 1,340	\$ 1,400
48-hr Notice Expenditure Threshold	\$ 1,200	1.117	\$ 1,340	\$ 1,400
JCC Thresholds - 2 candidates	\$ 7,600	1.117	\$ 8,488	\$ 8,500
JCC - 3 or more candidates	\$ 11,000	1.117	\$ 12,285	\$ 12,300
Form A-3 Threshold	\$ 4,900	1.117	\$ 5,472	\$ 5,500
Form A-1 & School Board/Write-in Threshold	\$ 4,000	1.117	\$ 4,467	\$ 4,500
Independent Expenditure Threshold	\$ 1,200	1.117	\$ 1,340	\$ 1,400
Section 20.1 Penalties (P.L. 2004, c. 32)				
<b>First Time</b>	\$ 6,800	1.117	\$ 7,594	\$ 7,600
<b>Subsequent</b>	\$ 13,600	1.117	\$ 15,188	\$ 15,200
Section 22 Penalties (P.L. 2004, c. 32)				
<b>First Time</b>	\$ 6,800	1.117	\$ 7,594	\$ 7,600
<b>Subsequent</b>	\$ 13,600	1.117	\$ 15,188	\$ 15,200
<b>Pro Rata Return of Contributions**</b>	<b>\$ 300</b>	<b>1.117</b>	<b>\$ 300</b>	<b>\$ 300</b>

\*Frozen at \$300 pursuant to P.L. 2004, c.28

\*\*Frozen by regulation to conform to contribution reporting threshold pursuant to P.L. 2004, c.28

In table 11 below, the recommended 2013 non-gubernatorial contribution amount adjustments are displayed. The Commission derived the 2013 recommended amounts by applying the cost multiplier of 1.117 to the contribution levels from 2005, the last year when adjustments were made. The recommended amounts for 2013 are rounded pursuant to N.J.S.A. 19:44-7.1b.

Table 11 Recommended 2013 Non-Gubernatorial Contribution Amount Adjustments			
2005 Contribution Amount	Cost Index Multiplier	Unrounded	2013 Rounded Amount
\$ 2,600	1.117	\$ 2,904	\$ 3,000
\$ 7,200	1.117	\$ 8,041	\$ 8,100
\$ 8,200	1.117	\$ 9,158	\$ 9,200
\$ 25,000	1.117	\$ 27,919	\$ 28,000
\$ 37,000	1.117	\$ 41,321	\$ 42,000
\$ 72,000	1.117	\$ 80,408	\$ 81,000



## PART TWO

### NON-GUBERNATORIAL CANDIDATES AND COMMITTEES

Finally, in Table 12, a chart is provided showing the recommended contribution limits for non-gubernatorial candidates and committees. This chart contains those limits that would apply to contributions to and from candidates, committees and political party entities if the Legislature adopts the Commission's recommendations.

Table 12 Recommended Contribution Limits for Non-Gubernatorial Candidates and Committees							
Entities Making Contributions	Candidate Committee	Political Committee	Continuing Political Committee	Legislative Leadership Committee	State Political Party Committee	County Political Party Committee	Municipal Political Party Committee
<b>Individual to:</b>	\$3,000 per election	\$8,100 per election	\$8,100 per year	\$28,000 per year	\$28,000 per year	\$42,000 per year	\$8,100 per year
<b>Corporation or Union to:</b>	\$3,000 per election	\$8,100 per election	\$8,100 per year	\$28,000 per year	\$28,000 per year	\$42,000 per year	\$8,100 per year
<b>Association or Group to:</b>	\$3,000 per election	\$8,100 per election	\$8,100 per year	\$28,000 per year	\$28,000 per year	\$42,000 per year	\$8,100 per year
<b>Candidate Committee to:</b>	\$9,200 per election	\$8,100 per election	\$8,100 per year	\$28,000 per year	\$28,000 per year	\$42,000 per year	\$8,100 per year
<b>Political Committee to:</b>	\$9,200 per election	\$8,100 per election	\$8,100 per year	\$28,000 per year	\$28,000 per year	\$42,000 per year	\$8,100 per year
<b>Continuing Political Committee to:</b>	\$9,200 per election	\$8,100 per election	\$8,100 per year	\$28,000 per year	\$28,000 per year	\$42,000 per year	\$8,100 per year
<b>Legislative Leadership Committee to:</b>				NO LIMITS			
<b>State Political Party Committee to:</b>				NO LIMITS			
<b>County Political Party to:</b>	NO LIMITS, EXCEPT THOSE SET FORTH IN <u>N.J.A.C. 19:25-11.7</u> FOR A COUNTY POLITICAL PARTY COMMITTEE						
<b>Municipal Political Party to:</b>				NO LIMITS			
<b>National Political Party to:</b>	\$9,200 per election	\$8,100 per election	\$8,100 per year	\$28,000 per year	\$81,000 per year	\$42,000 per year	\$8,100 per year

Pursuant to N.J.S.A. 19:44A-7.3



## FOOTNOTES

1. *Randall et al vs. Sorrell et al. p. 3.*
2. “Public Campaign Financing: New Jersey Governor, weeding out big money in the garden state” p. 11.
3. See N.J.S.A. 19:44A-7.1b.
4. See N.J.S.A. 19:44A-7.3.
5. Ibid.
6. See N.J.S.A. 19:44A-7.1.
7. See N.J.S.A. 19:44A-7.1 and N.J.S.A. 19:44A-7.2.
8. See N.J.S.A. 19:44A-27
9. See N.J.S.A. 19:44A-7.2
10. See N.J.S.A. 19:44A-7.3



## PREVIOUS COST INDEX REPORTS

- Cost Index Report (2009)
- 2005 Cost Index Report
- 2001 Cost Index Report
- 1997 Cost Index Report
- 1993 Gubernatorial Cost Index Report
- Gubernatorial Cost Analysis Report (1988)

