

# Appendix 5

## CONCLUSIONS & RECOMMENDATIONS ON NEW JERSEY'S "CLEAN ELECTION" EXPERIMENT

*A special report prepared for the New Jersey State Legislature*



Prepared by  
**CENTER for  
COMPETITIVE  
POLITICS**

*Congress shall make no law...*



# APPENDIX 5

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New Jersey State Capital Spire

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## INTRODUCTION

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On March 28, 2008, the New Jersey Election Law Enforcement Commission (NJ ELEC) released the *2007 Fair and Clean Elections Report*, nearly 100 pages in length and including 4 appendices. The report presented data gathered from the taxpayer funded political campaigns of candidates running for General Assembly and Senate seats in the 14th, 24th and 37th districts in 2007. The report also provided additional materials such as notes from a public hearing on the pilot project and tracking surveys conducted during early summer and fall of 2007.

Due to statutory limitations, the Fair and Clean Elections Report does not make any recommendations to the New Jersey Legislature. It also does not provide any conclusions on the success or lack thereof of the pilot project, or compare the observed outcomes with the stated goals of the program. While the report offers valuable information, the absence of such conclusions or comparisons in the report limits its usefulness to elected officials and the public.

As the New Jersey Legislature considers whether to create either a third pilot project or implement a statewide program, the Center for Competitive Politics (CCP) would like to “fill the gap” left by *2007 Fair and Clean Elections Report* by presenting a Policy Briefing prepared specifically for the New Jersey Legislature, *Appendix 5: Conclusions & Recommendations on New Jersey’s “Clean Election” Experiment*. This Policy Briefing will directly compare the program’s outcomes with its stated goals where possible. The experience of Arizona and Maine, two states that served as the model for New Jersey’s program<sup>1</sup>, will also be drawn upon when it is not possible to draw conclusions based on New Jersey’s limited experience.

Without such explicit comparisons of goals and results, it is impossible for the people of New Jersey to judge whether the program was a success, and whether any further pilot projects or expansions of the program are justified. The Center for Competitive Politics is pleased to be able to provide this critical information to the citizens and elected officials of the State of New Jersey.

Sean Parnell  
President

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1 “The 2007 New Jersey Fair and Clean Elections Pilot Project Act” (P.L. 2007, c.60), pg 1



## SUMMARY OF POLICY GOALS

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According to the 2007 Fair and Clean Elections Report, the stated goals of the program were as follows<sup>2</sup>:

- To end undue influence of special interest money;
- To improve unfavorable opinion of the political process held by many citizens; and,
- To “level the playing field” by allowing ordinary citizens (especially women, minorities, and persons of modest means) to run for office, share a message, be competitive, and win election.

In addition to those stated goals, other goals of the program identified in 2007 Fair and Clean Elections Report were<sup>3</sup>:

- To reduce campaign spending;
- To provide more time for candidates to communicate with voters by reducing private fundraising;
- To increase voter turnout;
- To stimulate voter involvement by encouraging small contributions from individuals;
- To reduce the number of uncontested elections;
- To end negative campaigning; and,
- To prevent out-of-state money from affecting New Jersey elections.

The success or failure of the pilot project to achieve these goals is addressed, to the extent possible, in the following sections.

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<sup>2</sup> New Jersey Election Law Enforcement Commission *2007 Fair and Clean Elections Report*, March 2008, pp i-ii

<sup>3</sup> *See Id.*



## Goal 1: To end undue influence of special interest money

**Result:** It is far too soon to judge whether any influence from “special interest money” has ended or even been reduced. It should be noted, however, that the substantial majority of academic research on the subject has shown that there is little connection between contributions and legislative votes or actions.

A 2002 study by professors at the Massachusetts Institute of Technology found that “Legislators votes depend almost entirely on their own beliefs and the preferences of their voters and their party,” and concluded that “contributions have no detectable effects on legislative behavior.”<sup>4</sup>

Political scientists Stephen Bronars and John Lott also found that campaign contributions are driven by ideology, and that legislators vote according to their own beliefs, their party loyalty, and the views of their constituents – not

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4 Stephen Ansolabehere, John de Figueiredo, James M. Snyder Jr., MIT Departments of Political Science and Economics and the Sloan School of Management, *Why Is There So Little Money in U.S. Politics?* June 2002 pp 5 and 20

contributions<sup>5</sup>.

A study of Arizona legislators elected with taxpayer dollars concluded that legislators funded with taxpayer dollars “voted no differently from legislators who accepted private contributions,”<sup>6</sup> while another study noted that “The large majority of studies find no significant effects of hard money contributions on public policy...”<sup>7</sup> and concluded that soft money contributions by corporations had no noticeable impact on public policy.

Given this research, it is unlikely that taxpayer-funded political campaigns will

eliminate or reduce any perceived influence by “special interests.”

**Most research has found little connection between contributions and legislative votes or actions. Instead, legislators vote according to their beliefs, party, and constituent interests.**

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5 Stephen G. Bronars and John R. Lott, *Do Campaign Donations Alter How a Politician Votes? Or, Do Donors Support Candidates Who Value the Same Things That They Do?*, 40 J. LAW & ECON. 317, 346-47 (1997).

6 Robert J. Francosi, *Is Cleanliness Political Godliness?* p. 16, November 2001, Goldwater Institute

7 Stephen Ansolabehere, James M. Snyder, Jr., Michiko Ueda, MIT Departments of Political Science and Economics, *Did Firms Profit from Soft Money?* January, 2004 (later in: *Election Law Journal*, spring, 2004)

## **Goal 2: To improve unfavorable opinion of the political process held by many citizens**

**Result:** A survey commissioned by the New Jersey Election Law Enforcement Commission in June and September of 2007 included 375 residents in the three pilot districts<sup>8</sup>.

This poll primarily asked respondents their attitudes regarding

campaigns, their knowledge of the “clean elections” process, and their opinion on the program. Results were generally favorable, with between 58% and 69% of those surveyed being very or somewhat likely to agree that the program would “Reduce corruption...,”

“Make a positive difference...” or “Cause positive change in how New Jersey elects politicians.”<sup>9</sup>

However, Fairleigh Dickinson University’s PublicMind Poll conducted two statewide

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<sup>8</sup> New Jersey Election Law Enforcement Commission *2007 Fair and Clean Elections Report*, March 2008, Appendix-1, page 3.

<sup>9</sup> *Id* at page 15

surveys of likely voters each year in 2007 and 2005, showing far less confidence in the program. Their results show that attitudes toward state government in New Jersey had not improved since the implementation of these pilot programs – in 2005, 75% of respondents said they trust the state legislature to do what is right “only some or none of the time,” and in 2007 that had increased to 80%<sup>10</sup>.

**Surveys found little difference between voters in “clean election” districts and other voters regarding trust in the legislature and confidence that taxpayer-funded campaigns will reduce the influence of large donors**

More importantly, they found little difference between voters in “clean election” districts and other voters when they asked about trust in the legislature and confidence that taxpayer-funded campaigns will reduce the influence of large donors<sup>11</sup>. The PublicMind Poll concluded that “To the extent... Clean

Elections [are] designed to foster confidence in elections and governance... much more work remains.<sup>12”</sup>

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<sup>10</sup> Rutgers Eagleton Institute of Politics, “Public Attitudes Toward the Clean Elections Initiative,” Nov. 2007, page 2, *available at* [http://eagletonpoll.rutgers.edu/polls/CE\\_FinalReport\\_11\\_07.pdf](http://eagletonpoll.rutgers.edu/polls/CE_FinalReport_11_07.pdf)

<sup>11</sup> *Id* at page 7

<sup>12</sup> *Id* at page 8

As yet, there is little to support a firm conclusion either way that taxpayer-funded elections can improve public perception of their government and political processes.

### **Goal 3: “Level the playing field” by allowing ordinary citizens to run for office, be competitive, and win election**

**Result:** The small number of campaigns run under the pilot program allows only limited conclusions to be drawn as to whether this experiment removed barriers and allowed “ordinary citizens” to run, be competitive, and win election. On the issue of competitiveness, though, it is clear that races did not become more closely contested as a result of this experiment. All incumbents running for re-election won, and victory margins actually increased in 6 of the 9 races<sup>13</sup>.

When comparing the competitiveness of the three districts in 2003 – under traditional financing – and 2007<sup>14</sup>, it should be noted that these districts differ in political makeup and party dominance, and some districts saw more competitive races than others. In highly competitive District 14, the margin of victory for the Republican in the Senate race increased

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13 Tables 5-7 are found on pages 32-34 of the New Jersey Election Law Enforcement Commission *2007 Fair and Clean Elections Report*, March 2008.

14 Table 5 found on page 32 of the New Jersey Election Law Enforcement Commission *2007 Fair and Clean Elections Report*, March 2008.

from 20% in 2003 to 24% in 2007. Incumbent Linda Greenstein increased her winning margin by 4% over 2003 in her winning campaign while the open Assembly seat in District 14 switched parties<sup>15</sup>

In both District 24, dominated by Republicans, and District 37, dominated by Democrats, elections in 2007 were less competitive than in 2003. The Republican Senate candidate’s victory margin in District 24 increased from 36% to 38% under taxpayer-funding while the Democratic Senate candidate in District 37 increased their victory margin from 24% to 50%<sup>16</sup>.

On the question of allowing “ordinary citizens”



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15 *See Id.*

16 *Id* at pages 33-34

to run for office and win, analysis of the four election cycles since taxpayer-funded political campaigns were implemented in Maine and Arizona revealed no reason to believe that candidates from “non-traditional” backgrounds benefit from these programs<sup>17</sup>. Law and business are often considered traditional legislator backgrounds, in part because most citizens require full-time incomes and few occupations allow the flexibility needed in order to fulfill the time commitment that elected office requires<sup>18</sup>. Neither Maine nor Arizona saw a decrease in the number of legislators from these “traditional” backgrounds.

Another analysis looked at female legislators in Maine and Arizona to see if the number of women being elected to office had increased<sup>19</sup>. Both

states have in fact seen very slight declines in the number of women serving in their state legislatures.

Based on the above evidence, it can be concluded that New Jersey’s pilot project failed to improve the competitiveness of elections and is unlikely to improve the ability of “ordinary citizens” and women to be elected.

**Races did not become more closely contested. All incumbents running for re-election won, and victory margins actually increased in 6 of the 9 races.**

#### **Goal 4: To reduce campaign spending**

**Result:** This program did not decrease the expense of campaigns. District 14 ranked as the fourth most expensive district in all of New Jersey in 2007, with spending climbing from \$3 million in 2003 to \$3.37 million in 2007<sup>20</sup>. District 24

also saw a substantial increase in campaign expenditures, climbing from \$212,000 in 2003 to \$519,000 in 2007<sup>21</sup>. District 37 saw a substantial reduction in campaign spending,

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17 Center for Competitive Politics, “Legislator Occupations – Change or Status Quo after Clean Elections?” May 2008, available at <http://www.campaignfreedom.org/research/>

18 “The Impact of Ethics Laws on Legislative Recruitment and the Occupational Composition of State Legislatures,” p. 623, published by Political Research Quarterly, Vol. 59 No. 4 by Beth A. Rosenson, University of Florida, 2006, available at <http://prq.sagepub.com/cgi/reprint/59/4/619>

19 Center for Competitive Politics, “Do ‘Clean Election’ Laws Increase the Number of Women In State Legis-

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latures?” May 2008, available May 2008 at <http://www.campaignfreedom.org/research/>

20 Tables 13-14 are found on pages 41-42 of the New Jersey Election Law Enforcement Commission 2007 *Fair and Clean Elections Report*, March 2008.

21 *See Id*

## Growth of Independent Expenditures in Maine

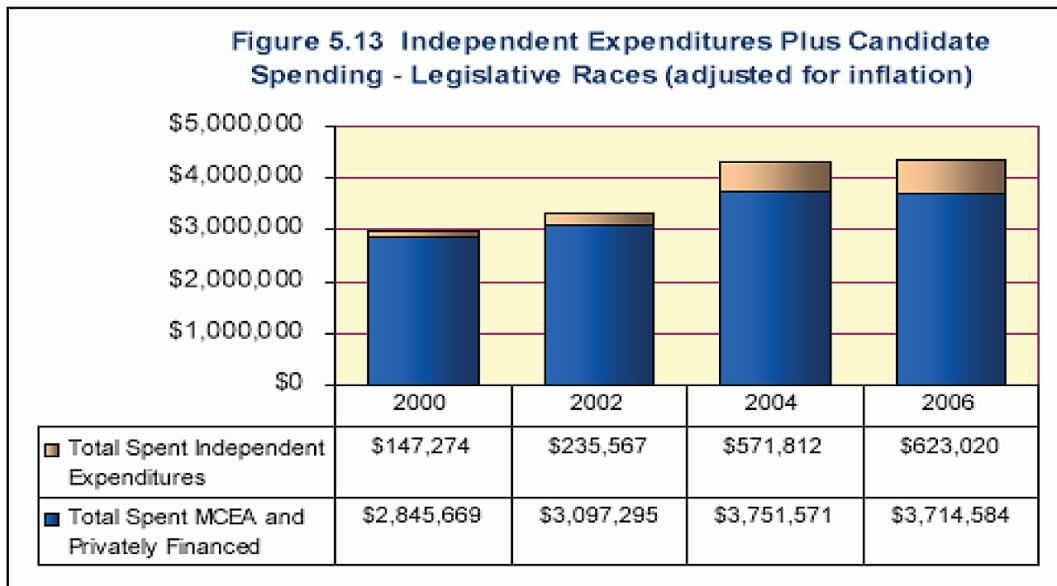


Figure 5.13 is found on page 40 of the 2007 Report on the Maine Clean Election Act, available at [http://mainegov-images.informe.org/ethics/pdf/publications/2007\\_study\\_report.pdf](http://mainegov-images.informe.org/ethics/pdf/publications/2007_study_report.pdf)

quite likely because the 3 challengers running in that district failed to qualify for taxpayer funds. Total spending in District 37 was still higher than in 2001, however<sup>22</sup>.

Despite the hopes of some that rescue funds would discourage independent citizen groups from speaking out, the experience in Maine suggests that independent spending actually increases under systems of taxpayer-funded campaigns. This trend should be an important consideration when projecting the long term cost of a statewide program. As the nearby chart shows, each subsequent election after the implementation of clean elections in Maine in 2000 has seen an increase in independent expenditures.

Candidate Linda Greenstein received \$100,000, the maximum amount of rescue money, as a result of independent expenditures made against her. If New Jersey's program were expanded statewide, total spending on independent expenditures is likely to increase, meaning many more candidates would qualify for rescue funds as independent expenditures grew. This would mean an overall increase in spending on campaigns, contrary to the goals of the program.

### **Goal 5: Provide more time for candidates to communicate with voters by reducing private fundraising**

**Result:** There is little other than anecdotal evidence on whether the program achieved this goal. Even if this pilot program is expanded it will still be impossible to conclude with any measure of certainty whether candidates are

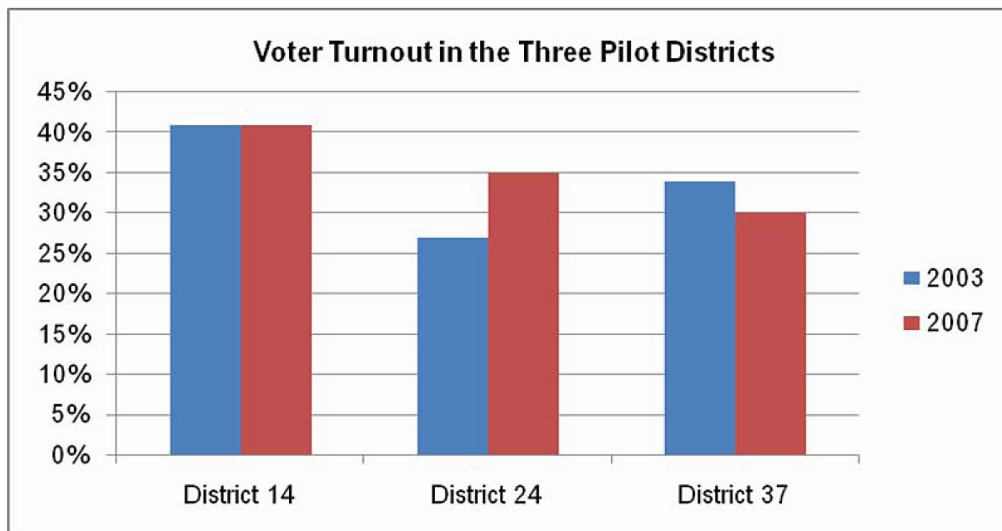
<sup>22</sup> See *Id*

indeed spending more time with voters than in traditionally funded campaigns, unless New Jersey undertakes a comprehensive study of participating and non-participating candidates and measures objectively how their time on the campaign trail is spent.

Additionally, a majority of the donors to a candidate in a traditionally funded campaign are typically district residents and voters, and the venues and meetings in which many of these donations are made feature significant interaction between voters and the candidate. Most importantly, the increased burden of paperwork participating candidates are required to file with the state under this pilot program would undoubtedly cut into some of the available time participating candidates may have.

### Goal 6: To increase voter turnout

**Result:** Voter turnout in the three pilot districts showed mixed results between 2003 and 2007<sup>23</sup>. Two of the three districts showed decreases, and one district experienced an increase. In comparing voter turnout in the three pilot districts with statewide totals, District 37's numbers exactly mirror the statewide numbers, and District 24's were modestly higher. District 14 also showed a higher voter turnout, however competitive races can typically be counted on to increase turnout at the polls regardless of the campaign funding source<sup>24</sup>. Voter turnout is strongly influenced by a number of factors, however it does not appear that the way a candidate's campaign is funded is among them<sup>25</sup>.



23 Tables 8a-8c found on page 35 of the New Jersey Election Law Enforcement Commission 2007 Fair and Clean Elections Report, March 2008.

24 Table 10 is found on page 38 of the New Jersey Election Law Enforcement Commission 2007 Fair and Clean Elections Report, March 2008.

25 *Id* at note 22

## Goal 7: Stimulate voter involvement by encouraging small contributions from individuals

**Result:** If the premise was that an increased number of small donors would lead to increased voter turnout, the goal was not met as turnout did not appear to increase in connection with taxpayer-funded political campaigns. If the goal was to increase voter involvement in some other fashion, there is insufficient information to determine if the goal was met.

It is unclear that small contributions can stimulate greater voter involvement, however defined. This is because there is little reason to believe that a donor who gives \$100, or even \$1,000, is somehow less involved than a donor giving \$10 to a candidate. Similarly, if the goal is simply to increase the total number of contributors to a candidate by forcing them to solicit more people than they otherwise might, this program effectively caps voter involvement by limiting the total number of small contributors a candidate will obtain.

## Goal 8: To reduce the number of uncontested elections

**Result:** Every race was contested in 2007. With only 9 races to look at, however, it is premature to make any conclusions based on New Jersey's experience with taxpayer-funded political

campaigns<sup>26</sup>. It is worth noting that in 2003 the Democrats did not run a candidate for one of the two Assembly seats in Republican-dominated District 24, but they did run two candidates in 2005 so it is not reasonable to suggest their “full slate” for District 24 in 2007 was related to taxpayer-funded political campaigns.

The record nationally is mixed. A 2003 study by the U.S. General Accounting Office examined whether taxpayer-funded political campaigns had reduced the number of uncontested elections, focusing on primary elections. The report did find that the number of contested primaries increased in Arizona while contested primaries remained unaffected in Maine. More recent studies, and studies using different methodologies, seem to indicate a reduction in the number of uncontested races in both primary and general elections<sup>27</sup>. Overall, the weight of the information suggests that taxpayer-funded political campaigns may indeed reduce uncontested elections.

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26 *Campaign Finance Reform: Early Experiences of Two States That Offer Full Public Funding for Political Candidates*; General Accounting Office, May 2003. Figures 6-7 found on pages 33-34.

27 Mayer, Kenneth R., Werner, Timothy and Amanda Williams, *Do Public Funding Programs Enhance Electoral Competition?* April 2004. Department of Political Science University of Wisconsin-Madison, available at <http://library.publiccampaign.org/sites/default/files/Do%20Public%20Funding%20Programs%20Enhance%20Electoral%20Competiton%20Maye.pdf>

## Goal 9: To end negative campaigning

**Result:** There was substantial coverage of the negative attack ads run by Common Sense America, a 501(c)4 incorporated in Virginia, against District 14 candidate Linda Greenstein. Common Sense America’s radio ads targeting Greenstein’s fiscal and social policies triggered the maximum amount of “rescue funds” allowed under the pilot program. The ads were deemed so negative and inaccurate, in fact, that the Greenstein campaign is pursuing legal avenues challenging the legality of the ad content<sup>28</sup>.

This result is no surprise considering the negative attack ads waged during presidential campaigns despite both candidates accepting public funding. In 2004, called by some one of the most negative campaign years in recent history, negative advertising shattered previous records and drew comparisons to the “daisy ad” of 1964<sup>29</sup>. A number of political

analysts and historians noted that in the final weeks before the election, both campaigns and a record high number of outside groups took an “unusually intense and confrontational advertising war into grim new territory, with some of the most vivid and evocative images and messages seen in presidential commercials in a generation.”<sup>30</sup>

Taxpayer-funded political campaigns failed to prevent negative campaigning against Assemblywoman Greenstein and in presidential campaigns as well.

**Taxpayer funding in New Jersey failed to prevent negative campaigning in District 14, and has also failed in presidential races funded by U.S. taxpayers.**

## Goal 10: To prevent out-of-state money from affecting New Jersey elections

**Result:** Over \$100,000 was spent in 2007 by an outside organization

on negative ads against two participating candidates, demonstrating the failure of this pilot program to eliminate out-of-state money

28 “Decision Rendered on Clean Elections Attack Ads,” 17 October 2007, PolitickerNJ.com, *available at* <http://politickernj.com/decision-rendered-clean-elections-attack-ads-12898>

29 Rutenberg, Jim. “Scary Ads Take Campaign to a

Grim New Level.” 17 October 2004, New York Times, *available at* <http://www.nytimes.com/2004/10/17/politics/campaign/17ads.html?position=&fta=y&pagewanted=all&position=>

30 *See Id.*



from influencing New Jersey elections<sup>31</sup>. Additionally, these ads raised the overall cost of these two campaigns in particular for New Jersey voters as these candidates received “rescue funds” in order to respond to the attack ads. There is little reason to believe that out-of-state money will not continue to flow into independent expenditures in future elections, regardless of whether New Jersey continues or expands its experiment with taxpayer-funded political campaigns.

## FINAL CONCLUSIONS & RECOMMENDATIONS

Comparing the goals of New Jersey’s “clean elections” experiment to the actual outcomes is essential in determining whether the program can be judged a success or failure. Where information directly from New Jersey’s pilot project is not available, the experience of similar programs or relevant academic research is appropriate to use.

The table on page 14 summarizes CCP’s conclusions. New Jersey’s pilot project either failed to achieve or could not demonstrate success with most of its goals. Only two goals appear to even have the possibility of success: reducing the number of uncompetitive elections and improving public perception of the political process.

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31 Table 11 found on page 39 of the New Jersey Election Law Enforcement Commission 2007 *Fair and Clean Elections Report*, March 2008.

Reducing the number of uncompetitive elections through taxpayer-funded political campaigns is likely to be a sustainable success. The same cannot be said for improved public opinion. As has been demonstrated here, taxpayer-funding is unlikely to deliver on most of its stated goals. Any positive boost to public confidence is likely to wither in the face of continued negative campaigns, failure to “level the playing field,” no rise in voter turnout, legislators who continue to vote the same as before, and other failures of the program.

Based on this, it is the recommendation of the Center for Competitive Politics that the State of New Jersey not continue to fund political campaigns of candidates for state legislature, either on an experimental or expanded basis. While improving citizens’ perceptions of the political process and improving the accountability of elected officials to their constituents is an important and worthy goal, the evidence clearly demonstrates that forcing taxpayers to provide funds for political campaigns is not an effective means to accomplish this goal.



## SUMMARY OF CONCLUSIONS

Goal		Conclusion
End undue influence of special interest money		<b>Likely to fail</b> (based on available research)
Improve unfavorable opinion of the political process		Mixed results
“Level the playing field” (especially for women, minorities, and persons of modest means)		<b>Failed</b>
Reduce campaign spending		<b>Failed</b>
Provide more time for candidates to communicate with voters		Unknown
Increase voter turnout		<b>Failed</b>
Stimulate voter involvement by encouraging small contributions from individuals		Unknown
Reduce the number of uncontested elections		Possibility of success, based on available research
End negative campaigning		<b>Failed</b>
Prevent out-of-state money from affecting New Jersey elections		<b>Failed</b>



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