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**New Jersey's Gubernatorial Public Campaign Financing Program
Must Combat New Threats from Independent Expenditures, Issue
Advertising and Wealthy Candidates**

**New Jersey's Successful Legislative Public Financing Trials
Should Be Expanded to All Legislative Districts**

The Center for Governmental Studies (CGS) today issued two reports analyzing New Jersey's public campaign financing laws. The first, *Public Campaign Financing in New Jersey -- Governor: Weeding Out Big Money in the Garden State*, analyzes the nation's first public campaign financing program for gubernatorial elections, enacted by New Jersey over 30 years ago, and recommends upgrades to improve that program. The second, *Public Campaign Financing in New Jersey—Legislature: A Pilot Project Takes Flight*, acknowledges the successes of New Jersey's new clean elections program for select legislative elections and recommends that the program be expanded to all state legislative races.

Successful for decades, New Jersey's gubernatorial public financing program must now be upgraded to meet new challenges, concludes the new CGS report. New Jersey created its public campaign financing system for governor in the wake of corruption cases in the 1970s. In



the 1980s, the legislature increased the program’s expenditure limits and added a debate requirement—but that decade also saw the first signs of a depleted public financing fund.

The program is now threatened by a recent rise in large independent expenditures and wealthy, self-financed candidates. In 2005, both general election candidates opted out of the program for the first time since the program’s enactment in 1973.

Weeding Out Big Money in the Garden State recommends that New Jersey:

- Increase the public funding and expenditure limits for gubernatorial candidates facing wealthy or high-spending, non-participating opponents and/or independent expenditures.
- Track independent expenditures more accurately and use that information to provide matching funds for participating candidates facing negative independent expenditures and issue ads.
- Expand the program to cover the new office of lieutenant governor.
- Change the tax check-off from an “opt-in” to an “opt-out” program and/or identify other sources of funding to maintain the program’s viability.
- Expand the debate requirement to give voters more information about candidates in an era when privately funded issue ads are taking over the airwaves.

New Jersey’s clean elections program for select legislative offices is now a success and should be expanded to all candidates for the state legislature, concludes the second report, *Public Campaign Financing in New Jersey—Legislature: A Pilot Project Takes Flight*.

In 2004, thirty years after establishing the gubernatorial public campaign financing program, New Jersey created an innovative pilot project that offered full public campaign financing to candidates for legislative elections in selected test districts. Initially unsuccessful, the pilot program’s high and restrictive qualification thresholds for the 2005 election prevented even major party candidates from participating. In 2007, New Jersey revised, simplified and



expanded this pilot project, and 16 of 20 candidates in the three legislative districts participating in the pilot project qualified for public funding.

Bob Stern, President of the Center for Governmental Studies, said, “New Jersey has done what no other state has attempted: used testing of pilot projects to launch successfully a new system of legislative campaign financing. The creation of a clean election program for all legislative elections would be a significant step towards increasing competition in legislative races and restricting the influence of large contributions on the political process.”

A Pilot Project Takes Flight recommends that, among other things, New Jersey:

- Make public financing available in all legislative districts, or at least in selected competitive districts throughout the state, and provide public funding in primary elections.
- Create a process to determine whether “issue ads” support or oppose specific candidates, and, when they do, provide those candidates with additional funding to counter them.
- Consider providing some public funding to third-party candidates.

Jessica Levinson, Director of Political Reform at CGS, said, “New Jersey led the nation in public financing by establishing the first program for gubernatorial elections 30 years ago. With additional improvements, the state’s admirable efforts to expand public financing to legislative elections could once again lead the nation in the public campaign financing arena.”

Weeding Out Big Money in the Garden State and *A Pilot Project Takes Flight*, as well as other CGS reports, are available on the CGS website, www.cgs.org. The JEHT Foundation provided generous funding for this report, but it is not responsible for the statements or views expressed in the report.

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