Even with a Recent Lag, Special Interest PACs Enjoy Big Fundraising Edge Over Parties

JEFF BRINDLE | September 21, 2020, 10:42 am | in **Columnist**

More evidence of the decline of the political party system in New Jersey comes from statistics published recently by the Election Law Enforcement Commission (ELEC) that compared fundraising by parties and special interest PACs[1] during the first six months of 2010.

The first six months of 2020 witnessed the big six party entities, which include the two state parties and four legislative leadership committees, raising $1.3 million. While the pandemic undoubtedly took its toll, nevertheless this amount continued the downward trend in party financial activity and is the least raised since 2007.

County party organizations continued their downward slide as well, raising $1.955 million during the first two quarters of 2020, their lowest fundraising total in 20 years.

Compare their combined total of $3.3 million to the fundraising haul reported by 235 union, business, regulated industry, trade association, and professional association PACs for the first half of 2020.

The special interest PACs raised $22.3 million during this period of time, though their financial activity did slow during the second quarter, most likely due to COVID-19.

The $3.3 million combined fundraising total reported by the state and county party entities amounted to 15 percent of the money raised by the special interest PACs during the same period of time.

Looking back a decade ago to 2010, parties also were at a disadvantage even then. But the gap wasn't nearly as large.

The Big Six and county parties raised $4.2 million during the first six months of 2010 versus $12.2 million by special interest PACs. Party fundraising represented 35 percent of the PAC fundraising.

Party Versus PAC Fundraising First Six Months- 2010 versus 2010

Year	**Parties**	**PACs**	**Parties/PACs ratio**
2010	$4,246,323	$12,226,241	35%
2020	$3,297,511	$22,322,674	15%
Difference-$	$(948,812)	$10,096,433	
Difference- %	-22%	83%	

It is important to note as well that this ratio of PAC fundraising to party fundraising does not even factor in financial activity of independent spending by special interest groups, which has dwarfed party activity during the last decade.

Unlike traditional political action committees, which are subject to contribution limits and are required to disclose all their contributions and spending, independent spending committees face no such limits and often avoid public disclosure rules.

Independent groups, for instance, spent $48 million during the 2017 Assembly and State Senate contest and about $50 million in the 2018 congressional election in New Jersey. During the 12-year period, 2005-2017, their spending increased exponentially by 11,458 percent just in state elections.

The undeniable message to voters of these statistics, repeatedly chronicled in columns, white papers and analytical reports released by ELEC, is that the driving force in New Jersey elections is no longer political parties, or even the candidates themselves.

Instead, it is conventional PACs and independent groups run by special interests.

While the First Amendment protects participation by interest groups, which is welcome, the current situation by which special interests are the dominant influence in elections does not bode well for democracy.

Some would say, perhaps rightly, that the genie is out of the bottle, and that trying to return parties and candidates to their preeminence is a futile goal.

But the history of campaign finance law suggests otherwise. Changes to campaign finance laws have redirected the flow of money before in New Jersey and transformed its politics. It can do so again.

A recent column in Insidernj.com entitled, “NJ Political Parties Have Been Down Before. They Can Come Back Again,” traced reform in New Jersey and its connection to transforming electoral politics in the State.

The most recent example was the 2006 pay-to-play reforms. These reforms undermined a robust party system that was brought about by the 1993 Campaign Finance Reforms. The 2006 reforms helped usher in the current period of weak parties and special interest independent group dominance.

Bipartisan proposals put forth by ELEC would try to restore balance within the electoral system by strengthening political parties and offsetting the influence of special interest independent groups.

Commission recommendations include: election-related disclosure by independent groups, including disclosure of donations; including PACs under pay-to-play law and excluding parties from the law; allowing parties to participate in gubernatorial elections; raising general contribution limits for parties; and, mandating that contractors annually disclose their contributions to PACs and independent groups.

Though not a commission proposal, tax credits for contributions to parties and candidates may help as well.

Political parties have always been an integral part of politics in America and restoring their strength and vitality would not only bring them back into the flow of money but also into the flow of politics and elections in New Jersey.

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The opinions presented here are his own and not necessarily those of the Commission.