

Spending for Lobbying Increases Amidst Calls for More Transparency



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When lobbyists filed annual reports with the Election Law Enforcement Commission (ELEC) last February, they reported \$57.6 million in 2009 expenditures.

Spending on lobbying in New Jersey increased by 3.4 percent over amounts reported in 2008 after financial activity by lobbyists had hovered around \$55 million during each of the previous three years.

Nevertheless, \$57.6 million spent by professionals attempting to influence the process of government is worthy of note. And, what's more, spending by lobbyists in the Garden State is much greater than the millions of dollars reported on their annual filings.

Why? Because a substantial amount of lobbying activity is not reported, and, under law, needn't be. New Jersey's statutory law requires that lobbying activity undertaken only at the state level be disclosed. Any lobbying at the local level of government is not required to be reported by registered lobbyists, though several legislative agents voluntarily do so.

Current law requires any person holding themselves out as a lobbyist and who receives over \$100 in a three month period to register with ELEC.

The law includes reporting requirements for attempting to influence the passage or defeat of legislation, attempting to influence executive rulemaking, and lobbying on governmental processes. Governmental processes involve contracts, permits, ratemaking and the like.

Registered lobbyists report their lobbying activity on a quarterly basis. In other words they disclose what legislation, regulations, and contracts they lobby on during a three month period as well as who is the target of the lobbying effort. In addition, lobbyists disclose their financial activity on an annual basis in reports due February 15.

There are about 1,000 registered lobbyists in New Jersey. While opening their wallets to over \$57 million in expenditures, they reported spending just \$9,649 on public officials for trips, dinners and entertainment, etc. This goodwill lobbying, otherwise called benefit passing, is significantly down from the past.



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Conversely, spending on communications, largely grassroots lobbying, increased by 53 percent over 2008, reaching \$6.1 million. Grassroots lobbying involves television and radio advertising and direct mail. Increasingly, new media techniques are being employed.

Grassroots lobbying has grown and will probably expand even more when reports are filed next year. During this past budgetary process in the state, the New Jersey Education Association (NJEA) took to the airways. Issue advertising was also undertaken by Reform New Jersey Now, a 501(c) 4 committee.

million lobbying Washington in 2009 according to the Center for Responsive Politics. Miami-Dade County, Florida spent \$195,000; Phoenix, Arizona spent \$140,000; and Anchorage, Alaska spent \$90,000. In Illinois, public agencies spent more than \$6 million on lobbyists last year according to the Illinois Campaign for Political Reform. Jacksonville spent \$430,000 to lobby the State of Florida since 2008, but recently ended the practice, according to the Times Union.

Based on information voluntarily reported in New Jersey and available from other states, it is clear that lobby-

Given the extent of local government expenditures, it is reasonable to assume that considerable lobbying is taking place at this level on behalf of clients.

On the other hand, municipal and county governments regularly apply for millions of dollars in state and federal grants. Contract lobbying on behalf of local entities that are seeking state and federal money is not infrequent and constitutes an expenditure made by municipal and county governments.

Therefore, as the second part of its lobbying reform proposal, the Commission is pushing for a law that would require lobbyists to report this activity as well.

Taxpayers and local officials must decide whether it is worth it for municipalities and counties to hire lobbyists to work on their behalf. Without disclosure, it is impossible for them to make this judgment.

Armed with the facts, citizens and officials can weigh the cost/benefit ratio of local governments hiring professional lobbyists.

For instance, if a municipality spends \$10,000 of taxpayer dollars to receive a federal or state grant of \$100,000, maybe the investment is worthwhile. On the other hand, citizens would rightfully be wary if the municipal outlay comes up empty. In any event, at least the public will know what is happening if there is disclosure.

The Commission believes that extending the Legislative Activities Disclosure Act, or the lobbying law, to include local activity and spending would further the common good and enable municipal and county officials to demonstrate to their constituencies that they are beyond reproach and responsibly managing taxpayer dollars.

In one of ELEC's new initiatives, annual reports in which lobbyists list fees from clients are now scanned onto the Commission's website. Any citizen can access the ELEC's website www.elec.state.nj.us and view or print reports in full.

It is the goal of the Commission that soon these reports will contain information about local lobbying activity as well. ▲

The opinions presented here are those of Jeff Brindle and not necessarily those of the Commission.

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Certainly, disclosure of this type should not be underestimated. It is very important to the cause of transparency in government. But openness in government, something very much in the public interest, would be amplified significantly if there was a requirement to disclose lobbying activity at the local level of government.

There are indications that lobbying at the municipal and county levels of government is substantial. Citing reports of lobbying firms that have voluntarily disclosed their local government clients, the Star-Ledger earlier this year was able to glean \$2.1 million in lobbying expenditures for 2009.

The newspaper found that three public agencies spent more than \$100,000 each lobbying the state last year: Newark (\$188,000), Passaic Valley Sewerage Commission (\$182,000) and County of Passaic (\$110,000).

Information from other states also suggests that the practice of local governmental entities hiring lobbyists occurs across the nation.

For instance, governments and government agencies spent more than \$83

ing on behalf of local government entities is a widespread practice. There is a vast reservoir of information not being made public that local taxpayers and officials should have available to them.

ELEC further believes that lobbyists in New Jersey should annually disclose whether they are hired by contractors and others to lobby local governments. Such disclosure will help ensure public accountability.

Two of seven priorities for legislative reform issued by the Commission in January would require greater disclosure of lobbying activities, and one addresses this issue. The Commission is calling for legislative action that would require registered lobbyists to disclose their lobbying of municipal and county governments on behalf of clients seeking public work and/or permits involving development rights.

Legislation of this nature is needed because local government outlays are substantial: in 2009, nearly \$43 billion was appropriated for county, municipal and school operations in New Jersey, according to the Department of Community Affairs.