



NEWS RELEASE

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PRESS RELEASE

Frederick M. Herrmann, Executive Director of the New Jersey Election Law Enforcement Commission (ELEC), announced today that spending by lobbyists during the 1996 calendar year increased 11 percent over 1995 figures. "The total amount of expenditures by lobbyists," said Herrmann, "has continued to rise every year since 1992," the year the lobbying law was most recently amended."

Year	Overall Spending
1992	\$11.9 million
1993	12.7 million
1994	12.8 million
1995	13.4 million
1996	14.9 million

"Salaries of lobbyists continue to constitute the lion's share of the spending," said Herrmann. In 1996, salaries of lobbyists (\$11,463,394) accounted for 77 percent of the total amount spent on lobbying (\$14,862,279). The amount spent on salaries in 1996 increased 13 percent over 1995 figures. In calendar year 1995, the salary figure (\$10,137,573) constituted 76 percent of the total amount spent (\$13,385,353).

Operational costs, as a whole, increased 11 percent in 1996. In 1995, operational costs (which include salary, support personnel, membership fees, communication costs, and travel) totaled \$13,309,270. In 1996, the operational costs figure rose to \$14,792,955. Within the category of operational costs, support personnel costs rose

almost 4 percent and membership fees rose 61 percent. Communication costs (which include printed materials, postage, telephone, fax, and receptions) saw a decline of one percent, and travel expenses declined two percent.

“Benefit passing,” or the money spent by lobbyists for such things as meals, lodging, gifts, and entertainment for State officials covered by the Act declined again in 1996, following a pattern of continuous decline since 1992. “The amount of benefit passing went down almost 9 percent from the 1995 figures (\$76,083 in 1995 to \$69,324 in 1996),” said Herrmann, “and continues to comprise a very small percentage of the total amount spent on lobbying.” In 1996, benefit passing comprised less than one-half of one percent of the total amount spent on lobbying (.46); in 1995, that amount was one-half of one percent (.56); in 1994 and 1993, the amount was one percent; and, in 1992, the amount was a little over one percent.

The amount of lobbying dollars spent on benefit passing are as follows:

Year	Amount Spent
1992	\$163,375
1993	112,177
1994	100,167
1995	76,083
1996	69,324

Herrmann renewed the Commission’s call for the reporting of “grassroots lobbying” activity, which is currently not reportable. “This type of lobbying,” said Herrmann, “in which lobbyists spend large amounts of money on direct appeals to the public via television, radio, and direct mail to contact the Governor and the Legislature on behalf of special interest issues, is fast becoming a significant way of influencing public officials.” Therefore, potentially large amounts of lobbying expenditures are not disclosed.

“Until grassroots lobbying expenditures are fully disclosed, only part of the spending picture is revealed,” said Herrmann.

In 1992, the “Legislative Activities Disclosure Act” (the “Act”) was reformed to significantly change the scope of lobbying events which were required to be reported. All monies spent on behalf of a State official covered by the Act (including the Governor, the Governor’s staff, and certain other Executive Branch officials, along with members of the Legislature, and legislative staff) were deemed to be reportable whether or not a specific piece of legislation or a regulation was discussed while providing a benefit, such

as a meal or a trip. Under the old law, no reporting was required if legislation was not discussed at the time of the lobbying expenditure.

On February 15th of each year, lobbyists are required to file annual reports of their financial activities for the prior calendar year. The annual report requires the disclosure of receipts and expenditures for the purpose of communicating with, or providing benefits to, State officials covered by the Act. Annual detailed reports are required of those lobbyists who have either receipts or expenditures which exceed \$2,500 during the relevant calendar year. During 1996, 573 individuals were registered as lobbyists in New Jersey.

Annual Lobbying Financial Report Expenditure Summary

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1995-1996 % increase/decrease</u>
<u>Operational Costs</u>	\$11,690,570	\$12,586,890	\$12,665,382	\$13,309,270	\$14,792,955	11%
Salary	9,085,595	9,527,489	9,198,578	10,137,573	11,463,394	13%
Support Personnel	1,145,496	1,164,796	1,468,729	1,570,284	1,629,406	4%
Membership Fees	316,710	282,915	653,011	195,286	314,719	61%
Communication Costs ¹	859,166	1,368,690	1,096,424	1,099,554	1,085,747	-1%
Travel	283,603	243,000	248,640	306,573	299,689	-2%
<u>Benefit Passing²</u>	<u>163,375</u>	<u>112,177</u>	<u>100,167</u>	<u>76,083</u>	<u>69,324</u>	<u>-9%</u>
Total	\$11,853,945	\$12,699,067	\$12,765,549	\$13,385,353	\$14,862,279	11%

1. Communication costs include: printed materials, postage, telephone, fax, and receptions.

2. Benefit passing includes: meals, entertainment, gifts, and travel and lodging.