

NEWS RELEASE

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FOR RELEASE:

March 6, 2014 † Revised March 7, 2014 ttRevised March 31,2014

Total lobbying expenditures in New Jersey rose by \$4.3 million^{††} in 2013, a 7.4 percent^{††} increase compared to the previous year, according to an analysis of annual lobbying reports released today by the New Jersey Election Law Enforcement Commission.

Total Spending by Lobbyists in New Jersey 2009-2013				
YEAR	EXPENDITURES	CHANGE-\$	CHANGE-%	
2013*	\$ 62,304,752††	\$ 4,266,952††	7.4%††	
2012	\$ 58,037,800	\$(16,111,884)	-21.7%	
2011	\$ 74,149,684	\$ 8,253,562	12.5%	
2010	\$ 65,896,122	\$ 8,331,079	14.5%	
2009	\$ 57,565,043	\$ 1,903,766	3.4%	
*Preliminary	7			

Table 1

Preliminary

Jeff Brindle, ELEC's Executive Director, said several controversial bills were considered last year by the Legislature that may have caused an uptick in spending.

"The primary purpose of lobbying is to represent the views of the wide range of interest groups that have a stake in our democracy," said Brindle. "Lobbying helps crystallize issues for our elected officials and the public, and helps decision-makers weigh the pros and cons of legislative action or inaction."

Major issues last year included a proposal to put a minimum wage increase on the fall ballot, a proposed new tax on hospitals, a bill requiring instant background checks for gun purchases and expansion of the state's Medicaid program to cover more uninsured residents.

Brindle said the health care issues may help explain why hospitals spent the most among special interest lobbyists in 2013 at \$4.6 million^{††}, according to an ELEC analysis. Their spending jumped nearly 25 percent from \$3.6 million in 2012.

The New Jersey Education Association (NJEA), a union that represents 195,501 active and retired school employees, spent \$3.3 million last year, the most among specific organizations. NJEA was the top lobbyist three of the past five years.

Table 3Top 10 Special Interest Groups by Total Spending in 2013		
GROUP	2013 SPENDING	
New Jersey Education Association	\$3,316,893	
Americans for Prosperity	\$ 951,233	
Honeywell International Inc.	\$ 822,575	
AARP NJ	\$ 717,148	
Verizon NJ	\$ 674,269	
Public Service Enterprise Group	\$ 635,589	
Prudential Financial Inc.	\$ 629,208	
New Jersey Hospital Association	\$ 628,337	
Hackensack University Medical Center	\$ 508,500	
NJ State League of Municipalities	\$ 489,416	

A new entry on the top ten list in 2013 is Americans for Prosperity, which spent \$951,233- the most ever by the group in New Jersey- on issues and legislative campaigns. It describes itself as "an organization of grassroots leaders who engage citizens in the name of limited government and free markets on the local, state, and federal levels."

Hackensack University Medical Center also made the list in 2013, spending \$508,500. Moving out of the top 10 are Barnabas Health, CSC Holdings LLC (Cablevision) and NJ Business and Industry Association.

Spending on communications in 2013 rose 207 percent[†] to \$6.8 million[†][†] after a steep drop a year earlier.

Spending on Lobbying Communications - 2009-2013				
YEAR	AMOUNT	CHANGE-\$	CHANGE-%	
2013	\$ 6,777,633††	\$ 4,570,017††	207%††	
2012	\$ 2,207,616	\$ (12,979,720)	-85%	
2011	\$15,187,336	\$ 4,844,019	47%	
2010	\$10,343,317	\$ 4,215,953	69%	
2009	\$ 6,127,364	\$ 2,156,848	54%	

Table 4

"The growing use of mass communication by lobbyists is a sign of a changing industry. Traditional one-on-one lobbying still is very important. But interest groups increasingly are turning to issue advocacy as a way to promote their interests," Brindle said. Lobbyists spent more than twice as much on communications- \$40.6 million- between 2009 and 2013 as they did the previous five years (\$17.2 million), he noted.

NJEA led the top five communications spenders.

Table 5			
Spending on Lobbying Communications in 2013			
GROUP	AMOUNT		
New Jersey Education Association	\$3,017,112		
Americans for Prosperity	\$ 951,233		
AARP NJ	\$ 396,412		
NJ State AFL-CIO	\$ 281,702		
Humane Society of the United States	\$ 186,600		

Increased spending on communications was offset by a decline in other major lobbying expenses, including inhouse salaries, compensation paid to outside agents, support personnel and travel and lodging.

Table 6

Lobbying Expenses by Category††				
EXPENSE CATEGORY	2013	2012	CHANGE \$	CHANGE %
In House Salaries	\$ 35,234,769	\$35,857,511	\$ (622,742)	-2%
Compensation to Outside Agents	\$ 15,540,167	\$15,597,857	\$ (57,690)	0%
Communications	\$ 6,777,633	\$ 2,207,616	\$ 4,570,017	207%
Support Personnel	\$ 2,312,960	\$ 2,411,230	\$ (98,270)	-4%
Travel and Lodging	\$ 497,987	\$ 596,236	\$ (98,249)	-16%

The amount spent by lobbyists on "benefit passing"- gifts like meals, trips or other things of value- fell to a record low of \$4,168. The figure has steadily dwindled since peaking at \$163,375 in 1992.

al Spending on Benefit Passing Unadjusted for Reimbursem				
	YEAR	TOTAL SPENT ON BENEFIT PASSING	CHANGE IN %	
	2013	\$ 4,168	-26%	
	2012	\$ 5,652	-1%	
	2011	\$ 5,687	-24%	
	2010	\$ 7,476	-22%	
	2009	\$ 9,642	-57%	

 Table 7

 Total Spending on Benefit Passing Unadjusted for Reimbursements

Lobbyists reported serving on 174 appointed seats with public authorities, boards and commission- a 1.8 percent increase. Some lobbyists sit on multiple boards.

The average number of lobbyists fell by 2 percent from 929 to 910 in 2013. It was the lowest since 2005. The number peaked at 1,043 in 2008. The number of clients fell 1 percent from 2,077 to 2,065- still the second highest number ever.

For the eleventh[†] straight year, Princeton Public Affairs Group Inc. reported the highest receipts among multiclient firms. While rankings could change once all reports are filed with ELEC, nine of ten firms in 2013 also were among the top ten fee recipients in 2012. MWW Group ^{††} and Cammarano Layton and Bombardieri Partners LLC joined the list, while Wolff & Samson Public Affairs LLC moved down in the rankings.

Table 8

Top Ten Multi-Client Firms Ranked by 2013 Fees				
FIRM	2013 RECEIPTS			
Princeton Public Affairs Group Inc	\$ 9,447,602			
Public Strategies Impact LLC	\$ 6,333,715			
MBI Gluckshaw	\$ 4,386,517			
Kaufman Zita Group LLC	\$ 2,205,376			
Gibbons PC	\$ 1,977,798			
MWW Group††	\$ 1,651,245††			
Cammarano Layton and Bombardieri Partners LLC	\$ 1,650,895			
Optimus Partners LLC	\$ 1,512,550			
Riker Danzig Scherer Hyland & Perretti LLP	\$ 1,282,345			
Capital Impact Group	\$ 1,011,924			

At the federal level, spending by lobbyists fell for the third straight year, according to the Center for Responsive Politics. Federal lobbying expenditures dropped 2.9 percent to \$3.21 billion.

However, an analysis by the Sunlight Foundation in November, which used a broader definition of lobbying than current federal law mandates, estimated the true total at \$6.7 billion using 2012 data.

Lobbyists were active in other states as well as New Jersey in 2013. They spent \$280 million in California, \$32 million in Maryland, and \$33 million in Oregon.

Summary data provided above should be considered preliminary and incomplete.

This analysis reflects reports received as of 5 p.m. on March 25, 2013^{††}. In New Jersey, lobbyists who raise or spend more than \$2,500 were required to file a report on February 18th that reflects activity from the prior calendar year.

Summary information about lobbyist activities in 2013 can be obtained at the following website: <u>http://www.elec.state.nj.us/publicinformation/gaa_annual.htm</u>. <u>Copies of annual reports also are available on ELEC's website.</u>

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