



NEWS RELEASE

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REVISED

Record spending on television and radio advertising campaigns caused a large increase in spending by lobbyists during 2010, Jeff Brindle, Executive Director of the New Jersey Election Law Enforcement Commission (ELEC), announced today.

In a year when lobbying expenditures were down nationally, overall spending in New Jersey jumped to \$65.6 million- also a record high. The figure represents a 13.9 percent increase over the \$57.6 million spent a year earlier. It was the biggest year-to-year increase since 2006.

By contrast, total federal lobbying expenditures fell \$104 million- or 2.9 percent- to \$3.5 billion, according to Roll Call.

The following chart shows the five-year trend in New Jersey:

| YEAR | TOTAL SPENDING ON LOBBYING | CHANGE IN % |
|------|----------------------------|-------------|
| 2010 | \$ 65,587,994* | 13.9* |
| 2009 | \$ 57,565,043 | 3.4 |
| 2008 | \$ 55,661,277 | 1.4 |
| 2007 | \$ 54,891,382 | -0.8 |
| 2006 | \$ 55,321,166 | 91.3 |

*Revised

Brindle said the surge in spending is not too surprising given that the governor's seat switched parties for the first time in a decade. The election of Gov. Chris Christie led to major budget cuts and many dramatic new policy initiatives.

“There were many hot button issues last year, and it obviously caused a sharp reaction,” he said. The slowly improving economy could be another factor in the higher spending, he added, noting that “during the previous four years, overall lobbying spending hovered around \$55 million.”

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Spending on communications- primarily television, radio broadcasts and printed mailers- jumped to \$10.3 million. The previous high occurred in 2006, when a legislative showdown between the telecommunications and cable industries prompted \$6.6 million in spending on communications. Last year's total- a 69 percent increase from the year before- was three times the \$3.2 million average of the previous ten years.

The New Jersey Education Association, a union that represents nearly 204,000 active and retired school employees in the State, alone spent \$6.6 million. Another union, the New Jersey State Policemen's Benevolent Association, spent another \$121,750 on communications.

Two non-profit groups also spent significant sums on communications. Excellent Education for Everyone Inc., an advocate of charter schools, spent \$458,928. A second non-profit group, Reform Jersey Now, Inc., disclosed \$402,932 in spending.

The top ten outlays for communications were as follows:

| GROUP | 2010 SPENDING |
|---|----------------------|
| NJ Education Association | \$ 6,611,499 |
| Excellent Education For Everyone Inc | \$ 458,928 |
| Exelon Corp/ Exelon Generation Co LLC | \$ 446,456 |
| Reform Jersey Now Inc | \$ 402,932 |
| Competitive Suppliers Coalition | \$ 348,179 |
| NJ Credit Union League | \$ 177,048 |
| NJ Hospital Association | \$ 136,748 |
| NJ State Policemen's Benevolent Association Inc | \$ 121,750 |
| AARP NJ | \$ 100,733 |
| Health Care Institute Of NJ | \$ 99,581 |

Brindle said the increasingly heavy spending on communications reflects the changing nature of lobbying from an industry that once exerted its influence primarily through face-to-face meetings to one that emphasizes mass media campaigns.

“The center of lobbying activity seems to be shifting away from more traditional personal lobbying to grassroots lobbying, or issue advocacy,” he said. “Those in the lobbying community know that to win policy battles, it helps to have public opinion on your side.”

“The increased magnitude of spending on communications, or grassroots lobbying, suggests that the advocacy explosion that began at the national level is coming to New Jersey,” Brindle added.

More evidence of this shift: the practice known as “benefit passing” has become almost non-existent in the State. Last year, lobbyists spent a total of just \$7,715 on food and other gifts, and were reimbursed \$1,748 by some recipients.

The \$7,715 in benefits received is the lowest since ELEC began keeping records in 1982. The activity peaked at \$163,375 in 1992 and has steadily declined ever since. Seventy-three specific benefits were distributed by lobbyists last year at an average value of about \$79.

| YEAR | TOTAL SPENDING ON BENEFIT PASSING | CHANGE IN % |
|-------------|--|--------------------|
| 2010 | \$ 7,715 | -20 |
| 2009 | \$ 9,642 | -57 |
| 2008 | \$ 22,360 | -29 |
| 2007 | \$ 31,630 | -30 |
| 2006 | \$ 45,508 | 4 |

The one-time tradition of lobbyist benefit passing has all but vanished due to stricter gift restrictions enacted in 2004, annual disclosure by ELEC, and a steady stream of news accounts that has brought a public focus to the issue.

“Most public officials, to their credit are hard working, honest individuals who want to avoid even the appearance of being influenced.” Moreover, our strong disclosure laws, in addition to the changing nature of lobbying, have worked to discourage lobbyists from passing benefits.

The number of lobbyist clients grew from 1,820 to 1,998- up 178, or 9.8 percent. That contrasted sharply with the loss of 181 clients between 2007 and 2009- the largest such loss of clients over a two-year period since ELEC began keeping statistics.

Despite the upsurge in business, the average number of lobbyists fell for the third straight year. The total dropped from 1,001 in 2009 to 965- a 3.6 percent reduction. The highest average ever was 1,043 in 2008.

Registered lobbyists hold about 227 appointed seats on public authorities, boards and commissions. While lobbyists are required to disclose such appointments, they are not required to reveal if their firms earn fees representing any public authorities, boards or commissions. Some do disclose this information voluntarily.

The Election Law Enforcement Commission has recommended that disclosure of lobbying by public entities become law. It also has recommended that lobbyists disclose their efforts to influence local governmental officials. Currently, only lobbying of state officials is subject to disclosure.

Towns, counties and other public agencies spent about \$900,000 on lobbyists last year, according to the annual reports of lobbyists. With the practice attracting increasing attention last year, the figure represented a 51 percent decrease from 2009, when an estimated \$1.9 million was spent by public entities to hire lobbyists.

As usual, in-house salaries remain the biggest expense, accounting for \$34.5 million, or 52 percent of all outlays.

Communications expenses showed the largest increase, rising 69 percent.

| EXPENSE CATEGORY | 2009 | 2010 | CHANGE IN % |
|--------------------------------|---------------|----------------|--------------------|
| In-house salaries | \$ 33,222,881 | \$ 34,472,234* | 3.76* |
| Compensation to outside agents | \$ 13,188,592 | \$ 15,613,132 | 18.4 |
| Communications | \$ 6,127,364 | \$ 10,335,782* | 69* |
| Support personnel | \$ 2,908,242 | \$ 2,753,534* | -5.32* |
| Travel and lodging | \$ 673,248 | \$ 667,110* | -0.91* |

*Revised

The following 10 special interest groups reported the largest total spending last year:

| GROUP | 2010 SPENDING |
|--|----------------------|
| NJ Education Association | \$ 6,869,256 |
| Verizon NJ | \$ 935,252 |
| Exelon Corp, Exelon Generation Co LLC | \$ 860,882 |
| NJ Hospital Association | \$ 756,393 |
| AARP NJ | \$ 723,730 |
| Public Service Enterprise Group (PSE&G/PSE&G Power/PSE&G Service Corp) | \$ 640,272 |
| Prudential Financial Inc | \$ 567,976 |
| NJ Builders Association | \$ 566,325 |
| FirstEnergy/Jersey Central Power & Light | \$ 548,586 |
| Honeywell International Inc | \$ 512,285 |

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The top ten multi-client lobbying firms ranked by fees included the following firms:

| FIRM | 2010 RECEIPTS |
|---|----------------------|
| Princeton Public Affairs Group Inc | \$ 7,775,454 |
| Public Strategies Impact LLC | \$ 5,836,059 |
| Martin-Bontempo-Matacera-Bartlett-Gluckshaw | \$ 3,751,419 |
| Kaufman Zita Group LLC | \$ 1,820,503 |
| Gibbons PC | \$ 1,744,087 |
| Capital Public Affairs Inc | \$ 1,682,101 |
| Riker Danzig Scherer Hyland & Perretti LLP* | \$ 1,485,478* |
| Impact NJ LLC | \$ 1,358,717 |
| Capital Impact Group | \$ 1,218,728 |
| Porzio Governmental Affairs LLC | \$ 1,209,871 |

*Revised

Summary data provided above should be considered preliminary. It reflects reports received as of 5 pm on March 2, 2011. In New Jersey, lobbyists who raise or spend more than \$2,500 are required to file a report on February 15th that reflects activity from the prior calendar year.

Full details about lobbyist activities in 2010 are available at the following website: http://www.elec.state.nj.us/publicinformation/gaa_annual.htm. Paper copies of annual reports are available upon request at ELEC, and will be available on the Commission's website later this year.