

NEWS RELEASE

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CONTACT: JEFF BRINDLE EXECUTIVE DIRECTOR

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New Jersey-only contributions by special interest political action committees (PACs) fell to \$11.1 million in 2014, a 50 percent slump after a major state election year in 2013, according to a new analysis by the Election Law Enforcement Commission (ELEC).

2009-2014							
YEAR	2009	2010	2011	2012	2013	2014	
PAC Contributions to State and Local candidates and parties in NJ* Change (%)	NA NA	NA NA	\$18,014,998 NA	\$ 8,929,281 -50%	\$22,140,110 148%	\$11,130,655 -50%	
Total PAC Contributions	\$35,445,360	\$28,198,556	\$34,313,085	\$28,444,172	\$61,351,258	\$35,779,962	
Change (%)	39.4%	-20%	22%	-17%	116%	-42%	
State Elections	Governor and Assembly	None	Senate and Assembly	None	Governor, Senate and Assembly	None	

TABLE 1 PAC CONTRIBUTION TRENDS 2009-2014

*Excludes contributions to out-of-state and New Jersey federal candidates.

Jeff Brindle, ELEC's Executive Director, said trends show PAC spending dips between statewide elections. "Special interest groups typically spend more when there is a state election at stake," he said.

For instance, PACs contributed \$22.1 million to state and local candidates in New Jersey in 2013. That was the first time since 2001 that the governor's seat and all 120 legislative seats were up for reelection during the same year. With no state election last year, PAC contributions were half that total.

Likewise, in 2011, when both the Senate and Assembly ran for reelection, PACs spent \$18 million in New Jersey. In 2012, the total was less than \$9 million- also half.

"What is interesting about 2014 is that total contributions were 25 percent higher than in 2012, another year without state elections. One possible explanation is that some of the same PACs that take part in state elections were involved with local elections last year in Newark, Jersey City, Trenton and Bayonne," Brindle said.

ELEC began separating out non-federal, New Jersey-only spending in 2011 because many PAC reports filed by national groups include contributions made to out-of-of-state and New Jersey federal candidates. The smaller number gives a more accurate picture of PAC activity within the state.

Among the 268 PACs that spent funds in 2014, the top 25 were dominant. They made 68 percent of all PAC contributions to county parties, 59 percent to state parties, 54 percent to local committees or other PACs and 48 percent of PAC contributions to legislators. They also made 54 percent of all PAC contributions in 2014.

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TABLE 2TOP 25 PAC CONTRIBUTORS IN 2014TO NEW JERSEY CANDIDATES AND COMMITTEES*

1	O NEW JERSEY C	ANDIDATES A				
NAME	GUBERNATORIAL (INAUGURAL)	LEGISLATIVE	STATE PARTIES	COUNTY PARTIES	LOCAL/OTHER PACS	TOTAL
NJ State Laborers PAC		\$ 90,350	\$ 40,000	\$ 221,400	\$ 464,925	\$ 816,675
Northeast Regional Council of Carpenters NJ Political Education Committee		\$ 101,575	\$ 25,000	\$ 344,940	\$ 292,063	\$ 763,578
International Union of Operating Engineering Local 825		\$ 106,225	\$ 40,000	\$ 174,000	\$ 187,033	\$ 507,258
NJ Education Association PAC		\$ 197,885	\$ 25,000	\$ 78,360	\$ 174,250	\$ 475,495
Growing Economic Opportunities PAC (Laborers Independent Committee)					\$ 340,511	\$ 340,511
IBEW Local #351		\$ 34,750		\$ 116,000	\$ 178,626	\$ 329,376
Local Union 164 IBEW Cope Fund		\$ 67,650	\$ 5,000	\$ 27,200	\$ 148,857	\$ 248,707
Plumbers & Pipefitters Local 9		\$ 101,150		\$ 26,875	\$ 117,745	\$ 245,770
Local 102 IBEW PAC		\$ 71,150	\$ 26,000	\$ 17,860	\$ 74,525	\$ 189,535
NJ Dental PAC		\$ 155,200	\$ 5,000		\$ 4,000	\$ 164,200
Local 322 Committee For Political Education Plumbers And Pipefitters		\$ 60,100		\$ 48,500	\$ 79,937	\$ 188,537
Realtors PAC		\$ 105,900	\$ 10,000	\$ 500	\$ 41,200	\$ 157,600
1199/SEIU NY State Political Action Fund		\$ 21,700	\$ 20,000		\$ 108,900	\$ 150,600
Developers PAC		\$ 131,825	\$ 14,000		\$ 2,500	\$ 148,325
NJ Association For Justice PAC	\$ 500	\$ 112,200	\$ 26,000			\$ 138,700
IUPAT District Council 711 PAC Fund		\$ 41,200		\$ 20,990	\$ 75,721	\$ 137,911
Laborers Local 472 PAC	\$ 500	\$ 36,600		\$ 3,600	\$ 89,605	\$ 130,305
CWA NJ Political Education Committee		\$ 76,700		\$ 2,400	\$ 47,777	\$ 126,877
Car PAC	\$ 500	\$ 119,400				\$ 119,900
Plumbers Local 24 PAC		\$ 28,000		\$ 10,900	\$ 74,830	\$ 113,730
NJ Apartment Association PAC		\$ 96,775	\$ 12,000		\$ 1,400	\$ 110,175
IBEW- (Trenton)		\$ 34,000		\$ 2,500	\$ 68,170	\$ 104,670
Constructors For Good Government		\$ 58,650	\$ 18,000	\$ 11,300	\$ 15,750	\$ 103,700
NJ Optometric PAC		\$ 95,800	\$ 7,000		\$ 500	\$ 103,300
IBEW LU 456 Cope Fund		\$ 19,000	\$ 1,750	\$ 20,000	\$ 62,340	\$ 103,090
Totals- Top 25 PACs	\$ 1,500	\$1,963,785	\$274,750	\$1,127,325	\$2,651,164	\$ 6,018,524
Totals- All PACS Registered						
with ELEC	\$13,300	\$4,061,322	\$468,028	\$1,668,550	\$4,919,455	\$11,130,655
Top 25 as % of Total PAC Spending IBEW= International Brotherhood of	11%	48%	59%	68%	54%	54%

IBEW= International Brotherhood of Electrical Workers;

SEIU=Service Employees International Union;

CWA=Communications Workers of America;

IUPAT=International Union of Painters and Allied Trades.

*PACs registered with ELEC

In a year without a legislative election, contributions to legislative candidates plummeted in 2014. Legislative candidates received \$13.7 million from PACs in 2013- nearly 62 percent of all PAC contributions. In 2014, the total dropped to \$4 million, or just 36 percent. With major local elections in 2014, local candidates received the lion's share of PAC contributions- \$4.9 million, or 44 percent.

TABLE 3

TOTAL CONTRIBUTIONS BY PACS IN 2014 TO NEW JERSEY CANDIDATES AND COMMITTEES*						
RECIPIENT	AMOUNT	PERCENT				
Local/Other PACs	\$ 4,919,455	44%				
Legislative	\$ 4,061,322	36%				
County Parties	\$ 1,668,550	15%				
State Parties	\$ 468,028	4%				
Gubernatorial (Inaugural)	\$ 13,300	0.1%				
TOTAL	\$ 11,130,655	100%				

*Excludes federal candidates.

Extending a trend that has lasted at least a decade, unions again were the major PAC contributors in 2014. They gave \$7.1 million to state and local candidates and committees- about 64 percent of all PAC contributions.

TABLE 4 2014 SPENDING IN NEW JERSEY BY PAC TYPE					
ТҮРЕ		AMOUNT	PERCENT		
Union	\$	7,149,272	64%		
Professional	\$	1,415,056	13%		
Trade Association	\$	897,213	8%		
Ideological	\$	722,679	6%		
Regulated Industries	\$	342,887	3%		
Business	\$	325,084	3%		
Other Ongoing	\$	278,462	3%		
TOTAL	\$	11,130,655	100%		

While PAC spending is a traditional way for special interest groups to exert their influence, it isn't the only way. Some groups rely heavily on lobbying.

For instance, state-regulated industries including gas and electric utilities, insurance, water and cable companies are barred by law from making direct campaign contributions and do minimal spending through employee PACs. But they spend considerable amounts on direct lobbying of state officials.

A more recent trend began emerging in New Jersey in 2009 as special interest groups began spending more of their campaign funds independent of candidates and parties. "Independent spending has quickly become a key part of the repertoire for influencing public officials," said Brindle. "Some groups even use all options-PAC contributions, lobbying and independent spending."

INCLUDING GROUPS WITHOUT PAC SPENDING							
RANK	GROUP	PAC CONTRIBUTIONS	LOBBYING	INDEPENDENT SPENDING	TOTAL		
1	AARP NJ	None	\$1,645,217	None	\$1,645,217		
2	NJ State Laborers PAC	\$816,675	\$ 65,385	\$496,191	\$1,378,251		
3	Northeast Regional Council of Carpenters NJ Political Education Committee	\$763,578	None	\$350,000	\$1,113,578		
4	NJ Education Association PAC	\$475,495	\$ 351,600	\$195,207	\$1,022,302		
5	Realtors PAC	\$157,600	\$ 546,409	\$122,637	\$ 826,646		
6	Verizon Good Government Club of New Jersey	\$ 73,100	\$ 719,986	None	\$ 793,086		
7	Prudential Financial Inc.	None	\$ 716,340	None	\$ 716,340		
8	PS Exec PAC (Public Service Electric and Gas)	\$ 37,337	\$ 530,177	None	\$ 567,515		
9	NJ Hospital Association Health PAC	\$ 69,190	\$ 489,804	None	\$ 558,994		
10	NJ State League of Municipalities	None	\$ 513,407	None	\$ 513,407		

TABLE 5 TOP SPECIAL INTEREST SPENDING IN 2014 NCLUDING GROUPS WITHOUT PAC SPENDING

Technically known in New Jersey as continuing political committees, PACs generally are required to file detailed reports with ELEC when, during a calendar year, they contribute in excess of \$5,500 to state and/or local candidates. They must file reports with ELEC each quarter that list their contributions and expenditures.

For purposes of this analysis, special interest PACs are defined as those that identified themselves as a business, labor union, professional association, ideological group, civic association, trade association, or other ongoing. The list also includes PACs formed by employees of regulated industries such as banks and insurance companies, which cannot use corporate funds for campaign contributions.

This press release is a compilation of figures reported to the Commission, and is not intended to express any opinion concerning the accuracy or completeness of any filed report. Although the Commission has taken all reasonable precautions to prevent mathematical or typographical errors, they may occur.

Copies of PAC, lobbying and independent spending reports are available on ELEC's website at <u>www.elec.state.nj.us</u>.