



## 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 annual lobbying financial reports show lobbyists and legislative agents spending \$12,699,067 on lobbying activity in 1993.

According to Herrmann, this figure amounts to a seven percent increase over 1992, when money spent on lobbying by lobbyists and legislative agents was reported to be \$11,853,945.

"The increase in spending," said Herrmann, "is consistent with the historical pattern of lobbying expenditures moving in an upward direction. Moreover, it is reflective of the new law, which has required more extensive reporting of lobbying activity now that executive branch lobbying on regulatory activity has been added to lobbying the Legislature."

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Herrmann noted that benefits passed to legislators, legislative staff, and members of the executive branch decreased from the year before.

According to the reports submitted by the lobbying entities, the "benefits passed" category equalled \$112,177 in 1993, a decrease of 31 percent from 1992, when the "benefits passed" total amounted to \$163,375.

"The amount of money reported as being spent on benefit passing has historically amounted to a small percentage of overall lobbying expenditures," said Herrmann, "the decline in 1993 of these expenditures from 1992 does not alter that fact." Moreover, the decrease in benefit passing might be reflective of misreporting in 1992, when the law first took effect. In some instances, there was incorrect reporting of campaign contributions as benefit passing, public officials who did not receive benefits, and expenditures benefiting lobbyists as benefiting public officials.

Herrmann added that the total cost of communicating on legislation and regulatory activity by lobbyists and legislative agents in 1993 was reported to be \$1,368,690. In 1992, these lobbying entities reported \$859,166 spent on communicating with lawmakers and executive branch officials, representing an increase of 59 percent in this category over 1992.

"The communication category is a very important category at which to look," said Herrmann. "The 59 percent increase in these costs demonstrates that substantial lobbying activity occurred in 1993 and that lobbyists undertook significant efforts communicating with public officials."

All but one of the other categories also showed an increase over 1992, according to Herrmann. Lobbyists and legislative agents in 1993 reported expenditures on salary and compensation at \$9,527,489; on support personnel at \$1,164,796; on travel and lodging at \$243,000; and on assessments, membership fees, or dues at \$282,915. In 1992, salary and compensation were at \$9,085,595; support personnel expenses at \$1,145,496; and travel and lodging at \$283,603. Assessments, membership fees, or dues were higher in 1992 at \$316,710.

"The new lobbying law, which closed the 'expressly loophole' that greatly reduced the reporting of benefit passing, transferred sole jurisdiction over lobbying to ELEC by moving some responsibilities to the Commission from the Attorney General, and covered executive branch lobbying is working well," said Herrmann. "The Commission believes that the public is now the beneficiary of a law that has definitely resulted in more complete disclosure of lobbying activity."

Herrmann did point out, however, one loophole in the law that needs to be closed.

"There is no provision for the reporting of 'grassroots lobbying' in the new law," said Herrmann, adding that this type of lobbying, in which lobbyists spend large amounts of money on direct appeals to the public via radio, television, and direct mail lobbying efforts, is "becoming increasingly popular." In such appeals, the public is encouraged to contact public officials for the purpose of influencing them on the issues promoted by a lobbyist.

"Because there is a provision in the law which specifically exempts direct appeals to the public from coverage, there is the potential for large amounts of lobbyist expenditures to go unreported," he said.

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Annual Lobbying Financial Report Expenditure Summary

	<u>1992</u>	<u>1993</u>	<u>Percentage Change</u>
Salary	\$ 9,085,595	\$ 9,527,489	+ 5
Support	1,145,496	1,164,796	+ 2
Membership Fees	316,710	282,915	- 11
Communication Costs	859,166	1,368,690	+ 59
Travel	283,603	243,000	- 14
<u>Benefit Passing</u>	<u>163,375</u>	<u>112,177</u>	<u>- 31</u>
Total	\$11,853,945	\$12,699,067	+ 7