



NEWS RELEASE

CONTACT: **FREDERICK M. HERRMANN, Ph.D.**
EXECUTIVE DIRECTOR
(609) 292-8700

FOR RELEASE:
April 3, 1996

PRESS RELEASE

Annual financial reports filed by lobbyists for 1995 show their total expenditures continuing to rise.

Frederick M. Herrmann, the Executive Director of the New Jersey Election Law Enforcement Commission (ELEC), announced today that total spending during 1995 rose approximately 5 percent over 1994 figures (\$13,385,353 in 1995 versus \$12,765,549 in 1994).

"The major cause for this increase in spending," stated Herrmann, "can be found in the salaries received by lobbyists. Salaries during 1995 rose by 10 percent over the 1994 figures (\$10,137,573 in 1995 to \$9,198,578 in 1994)."

Salary amounts reported by lobbyists hovered at approximately \$9 million from 1992 to 1995. The figure jumped to over \$10 million during 1995.

When looking at the amounts spent on salaries as a part of the total amount spent in 1995, salaries account for approximately 76 percent of the lobbying dollars. In 1994, that amount was 72 percent; in 1993, 75 percent; and in 1992, 77 percent.

"Lobbyist salaries continue to be the largest percentage of the total amount spent on lobbying and appear to be on the rise," said Herrmann.

-more-

Increases in 1995 were also reported for the following other operational costs of lobbying: support personnel costs rose approximately 7 percent, communication costs rose .28 percent, and travel costs rose by 23 percent. The cost of membership fees paid to trade associations, however, dropped to the lowest level in four years (\$195,286).

A decrease in spending was found in the "benefit passing" category. "The amount of money reported as being spent on benefit passing declined from \$100,167 in 1994 to \$76,083 in 1995. This decline represents a decrease of approximately 24 percent," stated Herrmann.

The amount of money spent on benefits passed to legislators, legislative staff, and members of the executive staff remains a very small amount of the total amount of money spent on lobbying activity. Each year, this amount grows smaller. In 1995, benefit passing equalled one-half of one percent of the total spent on lobbying; in 1994 and 1993, that amount was about one percent; and, in 1992, that amount was just over one percent.

"Accordingly, the amount of dollars spent on benefit passing over the last four years has remained minuscule compared to the amount spent on salaries," stated Herrmann.

Lobbyists are required to report receipts and expenditures for the purpose of communicating with, or providing benefits to any members of the Legislature, legislative staff, the Governor, the Governor's staff, or certain officers or staff members of the Executive Branch. Receipts or expenditures must exceed \$2,500 to trigger a filing requirement.

Annual filing is required of lobbyists exceeding the \$2,500 threshold. As of March 15, 1996, 262 detailed reports were filed with ELEC.

"Grassroots lobbying" activity, however, is not required to be reported. Herrmann stated, "Grassroots lobbying activity continues to be a major disclosure loophole." There is no provision in the law for the reporting of this type of lobbying, in which lobbyists ask the public to contact governmental officials to support or oppose their clients' positions on issues.

"It is time that grassroots lobbying expenditures be disclosed by lobbyists who spend large amounts of money influencing State officials using this communication's tool," said Herrmann.

-more-

Annual Lobbying Financial Report Expenditure Summary

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
<u>Operational Costs</u>	\$11,690,570	\$12,586,890	\$12,665,382	\$13,309,270
Salary	9,085,595	9,527,489	9,198,578	10,137,573
Support Personnel	1,145,496	1,164,796	1,468,729	1,570,284
Membership Fees	316,710	282,915	653,011	195,286
Communication Costs ¹	859,166	1,368,690	1,096,424	1,099,554
Travel	283,603	243,000	248,640	306,573
<u>Benefit Passing²</u>	<u>163,375</u>	<u>112,177</u>	<u>100,167</u>	<u>76,083</u>
Total	\$11,853,945	\$12,699,067	\$12,765,549	\$13,385,353

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

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

###