



NEWS RELEASE

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Lobbying expenditures totaled \$68.3 million in 2016, a 2.5 percent decline from the previous year but still the third highest total ever, according to an analysis of annual lobbying reports released today by the New Jersey Election Law Enforcement Commission (ELEC).

Table 1
Total Spending by Lobbyists in New Jersey 2011-2016

YEAR	EXPENDITURES	CHANGE-\$	CHANGE-%
2016*	\$ 68,310,002	\$ (1,729,924)	-2.5%
2015	\$ 70,039,926	\$ 11,165,981	19.0%
2014	\$ 58,873,945	\$ (4,504,869)	-7.1%
2013	\$ 63,378,814	\$ 5,341,014	9.2%
2012	\$ 58,037,800	\$ (16,111,882)	-21.7%
2011	\$ 74,149,682	\$ 8,253,560	12.5%

*Preliminary

“Lobbying activity in the New Jersey Statehouse tends to vary each year. Even in the down years, efforts to influence state officials remains a multi-million-dollar enterprise,” said Jeff Brindle, ELEC’s Executive Director. He noted that a surge in spending to promote more funding for state transportation improvement kept lobbying expenditures relatively high.

Table 2
Top 10 Special Interest Organizations
Total Spending 2016 vs 2015

ORGANIZATION	2016	2015	CHANGE-\$	CHANGE-%
Engineers Labor Employer Cooperative	\$4,392,830	\$ 748,611	\$ 3,644,219	487%
NJ Education Association	\$2,996,028	\$10,348,911	\$(7,352,883)	-71%
Prudential Financial Inc	\$ 801,786	\$ 807,855	\$ (6,069)	-1%
Horizon Blue Cross Blue Shield Of NJ	\$ 778,403	\$ 621,029	\$ 157,374	25%
Verizon NJ	\$ 770,769	\$ 710,490	\$ 60,279	8%
AARP NJ	\$ 734,931	\$ 1,723,847	\$ (988,916)	-57%
NJ Hospital Association	\$ 710,322	\$ 519,556	\$ 190,766	37%
Hackensack Meridian Health	\$ 611,140	\$ 576,123	\$ 35,017	6%
First Energy/Jersey Central Power & Light	\$ 559,599	\$ 545,008	\$ 14,591	3%
Forward NJ	\$ 545,692	\$ 934,798	\$ (389,106)	-42%

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Two groups- New Jersey Hospital Association and Hackensack Meridian Health- joined the top ten list in 2016. Two others- Virtua Health Inc. and Honeywell International Inc.- moved off it.

“The issues affecting the state capitol are like a kaleidoscope. The mix of issues changes every year. As a result, the amounts spent by various interest groups and their rankings fluctuates,” Brindle said.

Special interest spending in 2016 was driven by two labor-business coalitions, Engineers Labor Employer Cooperative and Forward NJ, that supported a new plan to finance the state’s transportation infrastructure. Their combined spending grew from less than \$300,000 in 2014 to \$1.7 million in 2015 to \$4.9 million in 2016. As a result, transportation interests, which ranked ninth in 2015, jumped to second in 2016 behind miscellaneous businesses.

With health care issues like out-of-network insurance, paid sick leave and telemedicine all among the most lobbied issues in 2016, according to a September 28, 2016 ELEC analysis, health care groups and hospitals also ranked high on the list of spenders. Unions dropped because of the big reduction in spending by New Jersey Education Association.

Table 3
Top 10 Special Interest Categories
by Total Spending in 2016*

SPECIAL INTEREST GROUP	2016	2015	CHANGE-\$	CHANGE-%
Business- Miscellaneous	\$ 9,517,782	\$ 9,678,256	\$ (160,474)	-2%
Transportation	\$ 6,885,435	\$ 2,955,858	\$ 3,929,577	133%
Health Care	\$ 6,082,511	\$ 4,925,441	\$ 1,157,070	23%
Hospital	\$ 5,269,388	\$ 5,312,319	\$ (42,930)	-1%
Energy	\$ 5,101,023	\$ 4,100,922	\$ 1,000,101	24%
Insurance	\$ 4,400,836	\$ 5,164,224	\$ (763,388)	-15%
Union	\$ 4,384,076	\$11,697,229	\$ (7,313,154)	-63%
Real Estate	\$ 4,274,554	\$ 3,492,941	\$ 781,613	22%
Drugs	\$ 3,003,070	\$ 3,451,921	\$ (448,852)	-13%
Education	\$ 2,130,086	\$ 1,774,267	\$ 355,818	20%

*Numbers in this year’s analysis are higher than reported in previous press releases because ELEC’s analysis included more spending data

Despite a 28 percent drop from 2015, spending on communications still reached its fourth highest total ever at \$10.6 million. Included in this category are direct appeals to the public to create pressure for or against legislation or other public issues. “They have become a big part of the lobbying arsenal during the past decade,” said Brindle.

Table 4
Total Annual Spending on Lobbying Communications - 2011-2016

YEAR	AMOUNT	CHANGE-\$	CHANGE-%
2016	\$10,574,948	\$ (4,204,761)	-28%
2015	\$14,779,709	\$ 11,044,746	296%
2014	\$ 3,734,963	\$ (3,081,016)	-45%
2013	\$ 6,815,979	\$ 4,608,363	209%
2012	\$ 2,207,616	\$ (12,979,720)	-85%
2011	\$15,187,336	\$ 4,844,019	47%

Nearly half of the communications spending- \$4.7 million- was done by Engineers Labor Employer Cooperative and Forward NJ. Those groups supported Public Question II, which won voter approval in November. The ballot question dedicated all revenue from the state motor fuels tax and petroleum products gross receipts tax to the Transportation Trust Fund.

Table 5
Top Five Expenditures on
Lobbying Communications in 2016

GROUP	AMOUNT
Engineers Labor Employer Cooperative	\$4,165,830
NJ Education Association	\$2,648,784
Forward NJ	\$ 545,692
New Way For NJ	\$ 539,818
AARP NJ	\$ 398,241

Most of the decline in lobbying expenditures in 2016 came from the \$4.2 million drop in communications outlays. The decline was offset in part by a combined increase of \$2.8 million on in-house salaries and compensation to outside agents.

Table 6
Lobbying Expenses by Category

EXPENSE CATEGORY	2016	2015	CHANGE-\$	CHANGE-%
In-House Salaries	\$35,533,514	\$33,872,055	\$ 1,661,459	5%
Compensation to Outside Agents	\$16,945,899	\$15,961,558	\$ 984,341	6%
Communications	\$10,574,948	\$14,779,709	\$(4,204,761)	-28%
Support Personnel	\$ 2,498,862	\$ 2,604,048	\$ (105,186)	-4%
Travel and Lodging	\$ 439,326	\$ 522,622	\$ (83,296)	-16%

For the first time in a decade, the amount spent by lobbyists on “benefit passing”- gifts like meals, trips or other things of value- rose from \$2,439 to \$3,501. “While this represents a 44 percent increase, keep in mind that the 2015 figure was a historic low,” said Brindle. “The 2016 total is miniscule compared to the 1992 spending peak of \$163,375.”

Table 7
Total Spending on Benefit Passing
Unadjusted for Reimbursements

YEAR	TOTAL SPENT ON BENEFIT PASSING	CHANGE IN %
2016	\$ 3,501	44%
2015	\$ 2,439	-26%
2014	\$ 3,283	-18%
2013	\$ 4,022	-29%
2012	\$ 5,652	-1%
2011	\$ 5,687	-24%

Lobbyists in 2016 reported holding 147 appointed seats on public authorities, boards and commissions- 13 less than in 2015. Some lobbyists sit on multiple boards.

The average number of lobbyists dropped slightly to 935 in 2016 from 937 in 2015. The total remains well below the peak of 1,043 in 2008. The number of clients fell from 2,010 to 1,950- a 3 percent decline.

For the fourteenth straight year, Princeton Public Affairs Group Inc. reported the highest receipts among multi-client contract lobbying firms. While some rankings changed, eight of 10 firms on the 2015 list remained on it in 2016.

Table 8
Top Ten Multi-Client Firms Ranked by 2016 Fees

FIRM	2016 RECEIPTS
Princeton Public Affairs Group Inc.	\$ 9,017,109
Public Strategies Impact LLC	\$ 6,374,331
MBI Gluckshaw	\$ 3,295,678
Kaufman Zita Group LLC	\$ 2,732,215
Cammarano Layton & Bombardieri Partners LLC	\$ 2,480,200
Gibbons PC	\$ 2,320,272
1868 Public Affairs LLC	\$ 1,815,579
Optimus Partners LLC	\$ 1,812,050
Archer Public Affairs LLC	\$ 1,427,284
Capital Impact Group	\$ 1,306,291

At the federal level, spending by lobbyists fell for the sixth straight year to \$3.1 billion in 2016, according to the Center for Responsive Politics. Federal lobbying expenditures peaked at \$3.52 billion in 2010, the group says. The number of federal lobbyists also continued to decline, dipping to 11,143- 25 percent below the peak of 14,829 in 2007.

Lobbyists have been active in other states as well as New Jersey. In Pennsylvania, lobbyists in 2015 spent more than \$500 million lobbying the nation’s largest full-time legislature (253 seats compared to 120 in New Jersey), according to the Pittsburgh Tribune-Review. In 2016, lobbyists spent \$309 million in California, according to the Los Angeles Times. Spending in Kentucky in 2016 reached a new high at \$20.8 million, says Northern Kentucky Tribune.

Summary data provided above should be considered preliminary and incomplete.

This analysis reflects reports received as of 5 pm February 28, 2017. In New Jersey, lobbyists who raise or spend more than \$2,500 were required to file a report on February 15th that reflects activity from the prior calendar year.

Summary information about lobbyist activities in 2016 can be obtained at the following website: http://www.elec.state.nj.us/publicinformation/gaa_annual.htm. Copies of annual reports also are available on ELEC’s website.

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