



NEWS RELEASE

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FOR RELEASE:
March 9, 2020

Special Interest Trifecta Helps Propel Lobbying Expenditures to All-Time Peak *Marijuana Industry Spending Also Sets Record*

A flourish of spending in 2019 by the state's largest teacher union, an issue advocacy group and a health insurance firm helped pump lobbying expenses above \$100 million for the first time ever, according to annual reports filed with the New Jersey Election Law Enforcement Commission (ELEC).

Overall lobbying expenditures jumped nearly \$8.4 million, or 9.1 percent, said Jeff Brindle, ELEC's Executive Director. It was the biggest one-year jump since 2015, when total expenditures rose \$8 million, or 9.6 percent. The number is preliminary because it excludes late-arriving reports and amendments.

"After four years during which annual lobbying outlays hovered around \$91 million, industry spending now has hit a new, all-time milestone," said Brindle. "Spikes in grassroots lobbying and the number of new clients appear to be key factors."

The surge in lobbying activity occurred as the three top-spending groups - New Jersey Education Association, New Direction NJ Corporation and Horizon Blue Cross Blue Shield of NJ- together spent \$10.2 million more in 2019 than they did a year earlier.

New Jersey Education Association (NJEA), the state's oldest registered lobbying group that represents about 200,000 teachers and other school workers, increased its spending 1,187 percent in 2019 to \$6.2 million. It was the group's largest lobbying expenditure since 2015, when it spent \$10 million.

**Table 1
Top Ten Special Interest Lobbyists Total
Spending 2019 vs 2018 Plus Total Lobbying Expenditures**

ENTITY	2019	2018	CHANGE-\$	CHANGE-%
New Jersey Education Association	\$ 6,240,028	\$ 484,740	\$5,755,288	1,187%
New Direction NJ Corporation	\$ 3,911,200	\$ 503,750	\$3,407,450	676%
Horizon Blue Cross Blue Shield Of NJ	\$ 1,437,314	\$ 429,841	\$1,007,473	234%
Move Health Care Forward NJ Inc (Horizon)	\$ 849,866			
Public Service Enterprise Group	\$ 769,883	\$ 1,475,770	\$ (705,887)	-48%
AARP NJ	\$ 739,153	\$ 722,562	\$ 16,591	2%
Hackensack Meridian Health	\$ 724,056	\$ 845,527	\$ (121,471)	-14%
Engineers Labor Employer Cooperative	\$ 682,697	\$ 970,528	\$ (287,831)	-30%
NJ State League Of Municipalities	\$ 600,439	\$ 527,139	\$ 73,300	14%
Prudential Financial Inc	\$ 588,735	\$ 565,532	\$ 23,203	4%
Total Lobbying Expenditures	\$100,093,332	\$91,720,129	\$8,373,203	9.1%

NJEA has 15 registered lobbyists and showed an interest in 350 different bills during the last legislative session. Some of its legislative priorities included school funding, pension and health benefits, arbitration, school meals, sick leave and programs to help deaf students.

NJEA also provided funds to New Direction NJ, a 501(c) 4 social welfare group that has run a series of issue advertisements touting the policies of Governor Phil Murphy since its formation in November 2017 shortly after his election. New Direction is run by Murphy's former campaign manager. It also ramped up its spending from the previous year, jumping to \$3.9 million- a 676 percent change.

Reports filed by Horizon Blue Cross Blue Shield of NJ showed the third largest increase in spending dollar-wise. It sank \$1.4 million into its lobbying efforts last year, a 234 percent jump. Part of its funds went to Move Health Care Forward NJ Inc., the fourth top spender last year. That group ran an advertising campaign seeking support for legislation that would let the state's largest health insurer modernize its corporate structure.

Another factor fueling the 2019 increase in lobbying activity was more spending by members of the marijuana industry, which didn't even exist in New Jersey until a few years ago.

With the several marijuana issues pending before the Legislature last year, lobbying expenses by industry representatives shot up 32 percent from \$1.4 million to \$1.9 million. During the past three years, marijuana interests have spent about \$3.8 million (See Table 2) on issues that included medical marijuana expansion, decriminalization of marijuana use and legalization of recreational marijuana use.

After being unable to get enough votes in the Legislature to legalize recreational use for those 21 years or older, lawmakers have decided to ask voters to decide the issue this fall.

Brindle said spending on the ballot question is likely to eclipse the amount spent so far.

"The spending we've seen so far on lobbying, while substantial, may just be a warmup act to this year's star event- the referendum," Brindle said.

"Since 2004, voters in 17 states have decided initiatives on marijuana legalization. Eight were defeated, while nine won approval," said Brindle.

He noted that that \$141 million has been spent on those ballot questions, according to followthemoney.org. That's an average of more than \$8 million. The 2016 California referendum cost \$39.2 million. A 2014 election in Ohio drew \$23.4 million in spending. A 2016 Arizona measure cost \$15.2 million.

"Given the big numbers from other states and the fact that the creation of a lucrative new industry hangs in the balance, it isn't inconceivable that the fall ballot contest could cost upwards of \$10 million," Brindle said.

Even a local ballot question in Jersey City in 2019 about short-term rental rules drew \$5.5 million in spending, he noted. "The New Jersey advertising market is expensive. So, when controversial issues like marijuana get on the ballot, the paid media bills can quickly add up" Brindle said.

Table 2
Lobbying Spending by Marijuana Interests

GROUP	2019	2017-2019
Abira Medical Laboratories LLC D/B/A Genesis Diagnostics		\$ 70,000
Acreage Holdings	\$ 245,000	\$ 365,000
Aria Mello LLC		\$ 12,000
Altus NJ LLC	\$ 32,500	\$ 32,500
Beyond Green	\$ 5,000	\$ 5,000
Biotrack THC	\$ 4,000	\$ 16,000
Cedar Creek Plus One	\$ 5,000	\$ 5,000
Cherry Hill Skinny Investors	\$ 59,000	\$ 126,419
Community Greenhouse	\$ 25,000	\$ 25,000
Compassionate Care Centers Of America Foundation/Garden State Dispensary	\$ 55,000	\$ 55,000
Compassionate Care Foundation	\$ 48,204	\$ 108,204
Compassionate Care Research Institute Inc.	\$ 10,000	\$ 202,500
Compassionate Sciences		\$ 75,000
Cresco Labs	\$ 30,000	\$ 30,000
Curaleaf NJ	\$ 89,500	\$ 161,000
Drug Policy Alliance	\$ 35,000	\$ 195,666
Eaze Solutions Inc	\$ 99,255	\$ 229,566
Eliasof, Steven And Holub, Michael		\$ 7,500
Euphoria Wellness NJ	\$ 40,000	\$ 40,000
Formula Two Realty LLC		\$ 22,714
Galenas New Jersey LLC	\$ 3,000	\$ 21,061
Garden State Of Mind	\$ 37,000	\$ 74,500
Garden State Relaf	\$ 28,500	\$ 36,000
Glt Cannabis C/O Masterpiece Advertising	\$ 31,000	\$ 31,000
Green Check Verified	\$ 20,000	\$ 20,000
Green Medicine NJ	\$ 15,702	\$ 45,710
Greenwich Biosciences Inc		\$ 84,000
GW Pharmaceuticals	\$ 46,500	\$ 130,500
Holistic Industries	\$ 96,276	\$ 96,276
Hope Holistic Healthcare LLC	\$ 40,445	\$ 40,445
Ianthus Capital Management		\$ 43,565
IMX Medical Management Services Inc		\$ 1,750
Jushi Holdings Inc	\$ 30,000	\$ 30,000
Kusbotanix	\$ 10,000	\$ 10,000
Mainline Investment Partners	\$ 120,000	\$ 150,000
Marijuana Policy Project	\$ 7,500	\$ 7,500
Modern Remedies LLC		\$ 20,000
MTRAC Tech Corp	\$ 8,000	\$ 10,000
New Jersey Cannabusiness Association	\$ 34,000	\$ 154,000
NJ Buds LLC	\$ 60,000	\$ 60,000
Nuka Enterprises LLC	\$ 95,133	\$ 95,133
Panacea Inc		\$ 66,334
Parallel (Formerly Surterra Holdings)	\$ 52,500	\$ 52,500
Pharmacann LLC		\$ 28,000
Pure NJ LLC/ Moxie		\$ 16,417
Remedy NJ; Remedy Columbia		\$ 52,562
Responsible Approaches To Marijuana Policy (Ramp)		\$ 24,000
Restore NJ	\$ 40,000	\$ 40,000
Ruby Farms USA LLC	\$ 60,000	\$ 120,000
Sanctuary Medicinals		\$ 10,000
Standard Farms LLC	\$ 52,000	\$ 52,000
Superior Grow Labs	\$ 75,000	\$ 75,000
Telebrands Corp	\$ 25,000	\$ 49,000
Terra Tech/ Sament Capital/ So Cal Eats	\$ 55,000	\$ 131,935
Theory Wellness Of NJ LLC	\$ 2,320	\$ 2,320
Trulieve Cannabis Corp	\$ 23,000	\$ 23,000
Vinedrea		\$ 10,000
Weedmaps	\$ 60,000	\$ 135,000
Totals	\$ 1,910,335	\$ 3,833,577

One reason overall expenditures rose so much in 2019 was a \$13.6 million spurt in communication spending. It was the third biggest total ever for that category. The highest spending on communications was \$15.2 million in 2011. In 2018, the total was just \$6.5 million- the smallest since 2014.

Given the growing sophistication of the industry, lobbyists are relying more frequently on the airwaves and Internet to build pressure for or against legislation.

“The days when lobbyists depended mostly on buttonholing legislators in the statehouse hallways are long over. They now are often inclined to seek to mobilize grassroots support for or against bills using television, radio, digital, billboards and other advertising methods,” Brindle said. “This strategy can be effective, but it costs money.”

Table 3
Top Ten Expenditures on Communications
And Total Communication Expenditures

GROUP	AMOUNT
New Jersey Education Association	\$ 5,894,718
New Direction NJ Corporation	\$ 3,911,200
Move Health Care Forward NJ Inc (Horizon)	\$ 849,866
Engineers Labor Employer Cooperative	\$ 487,597
AARP NJ	\$ 389,008
Insurance Council Of NJ Inc	\$ 382,744
Public Service Enterprise Group	\$ 326,984
Altria Client Services Inc & Affiliates	\$ 96,915
RAI Services Co	\$ 91,260
NJ Association For Justice	\$ 76,688
Total Communications Expenditures	\$13,620,399

The amount spent on “benefit passing”- gifts like meals, trips or other things of value- dispensed by lobbyists more than doubled. But the total remained small compared to previous years- \$5,180. The \$2,331 handed out in 2018 was an all-time low, and both totals are dwarfed by the all-time high of \$163,375 in gifts sprinkled around by lobbyists in 1992.

After peaking at 1,043 in 2008, the number of lobbyists gradually declined to 900 in 2017- the lowest number since 2005. However, the total has risen over the past two years to 945 in 2019.

The number of clients rose to 2,222- the largest total ever and a 16 percent increase. It is likely one reason overall lobbying expenses reached a new high.

Reports filed by 72 governmental affairs agents (lobbyists) shows that it pays to be big in the New Jersey lobbying world. The top ten multi-client firms received \$38.2 million in receipts- 64 percent of the total of nearly \$59.7 million

Table 4
Top Ten Multi-Client Lobbying
Firms Ranked by 2019 Receipts

FIRM	RECEIPTS	2019 RANK	2018 RANK
Princeton Public Affairs Group Inc	\$10,577,074	1	1
Public Strategies Impact LLC	\$ 7,411,886	2	2
CLB Partners Inc	\$ 4,025,750	3	3
MBI Gluckshaw	\$ 3,095,101	4	5
Kaufman Zita Group LLC	\$ 2,954,575	5	4
Gibbons PC	\$ 2,828,065	6	6
Optimus Partners LLC	\$ 2,270,500	7	7
Capital Impact Group	\$ 1,810,933	8	8
Advocacy & Management Group	\$ 1,700,274	9	9
Tonio Burgos & Associates Of NJ LLC	\$ 1,544,000	10	13
Total Top Ten	\$38,218,158		
Total Lobbying Receipts	\$59,699,378		
Percent Top Ten	64 %		

Of the 846 represented entities who reported expenses in 2019, the top 25, who represent just three percent of all filers, alone accounted for \$23 million- nearly 23 percent- of total lobbying expenditures.

Table 5
Top 25 Represented Entities by Spending in 2019

GROUP	2019 SPENT	2019 RANK	2018 RANK
NJ Education Association	\$6,240,028	1	13
New Direction NJ Corporation	\$3,911,200	2	12
Horizon Blue Cross Blue Shield Of NJ	\$1,437,314	3	19
Move Health Care Forward NJ Inc	\$ 849,866	4	NA
Public Service Enterprise Group	\$ 769,883	5	1
AARP NJ	\$ 739,153	6	4
Hackensack Meridian Health	\$ 724,056	7	3
Engineers Labor Employer Cooperative	\$ 682,697	8	2
NJ State League Of Municipalities	\$ 600,439	9	9
Prudential Financial Inc	\$ 588,735	10	8
Insurance Council Of NJ Inc	\$ 546,547	11	80
NJ Business & Industry Association	\$ 516,425	12	17
NJ Hospital Association	\$ 487,802	13	15
Comcast Corp	\$ 467,194	14	23
RWJBarnabas Health	\$ 458,223	15	11
Williams Companies	\$ 455,000	16	10
Atlantic Health System	\$ 440,919	17	21
Firstenergy/Jersey Central Power & Light	\$ 424,000	18	18
Carepoint Health Management Association	\$ 421,662	19	22
NJ Realtors	\$ 402,219	20	37
NJ Society Of CPAs	\$ 397,043	21	25
Verizon	\$ 386,000	22	7
Balloon Council	\$ 365,593	23	NA
Chemistry Council Of NJ / State Street Associates	\$ 357,913	24	NA*
American Property Casualty Insurance Association	\$ 357,556	25	NA

*Not combined in 2018. Would have ranked 24.

In terms of rankings, Insurance Council of NJ Inc. jumped the most, ranking 80 in 2018 and 11 in 2019. Except for travel, lobbying expenses by category in 2019 were up across-the-board.

Table 6
Lobbying Expenses by Category

CATEGORY	2015	2016	2017	2018	2019	2018-2019 % + OR -
Salary ¹	\$49,833,613	\$52,479,413	\$51,886,231	\$54,931,497	\$ 55,163,767	0.4%
Support Personnel	\$ 2,604,048	\$ 2,498,862	\$ 2,395,907	\$ 2,463,181	\$ 2,635,804	7.0%
Fees ²	\$ 2,297,495	\$ 2,313,953	\$ 4,603,279	\$ 2,261,072	\$ 2,801,598	23.9%
Communication Costs	\$14,779,709	\$10,574,948	\$ 8,510,409	\$ 6,929,935	\$ 13,620,399	96.5%
Travel	\$ 522,622	\$ 439,326	\$ 449,989	\$ 541,575	\$ 474,264	-12.4%
Benefit Passing ³	\$ 2,439	\$ 3,501	\$ 6,042	\$ 2,331	\$ 5,180	122.2%
Total	\$70,039,926	\$68,310,003	\$67,851,858	\$67,129,591	\$ 74,701,012	11.3%
Compensation to Governmental Affairs Agent Not Included on Annual Reports	\$21,464,784	\$22,052,126	\$23,866,952	\$24,590,538	\$ 25,392,321	3.3%
Adjusted Total*	\$91,504,710	\$90,362,129	\$91,718,809	\$91,720,129	\$100,093,332	9.1%

- 1- Salary includes in-house salaries and payments to outside agents.
- 2- Fees include assessments, membership fees and dues.
- 3- Benefit passing includes meals, entertainment, gifts, travel and lodging.

Annual reports filed by lobbyists showed 111 served on 147 different boards, commissions or authorities, including 28 who served on multiple boards.

Lobbying summary data shown for 2019 should be considered preliminary.

The analysis reflects a review of reports received as of noon March 6, 2020. 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 2019 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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