

WHITE PAPER NO. 29

LEGISLATIVE ELECTION 2019
SHAKE-UP IN THE 1ST

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ELECTION LAW ENFORCEMENT COMMISSION
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“Legislative Election 2019- Shakeup in the 1st” is the 29th white paper released by the New Jersey Election Law Enforcement Commission (ELEC) since 1988.

This series has been cited in media reports, the political science literatures, and in studies prepared by sister agencies and advocacy groups.

The documents serve as reference works and provide valuable background and guidance for the Governor’s Office, legislators and other policy makers. Some recommendations have helped spur legislative proposals and even new laws.

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All 29 white papers are available on ELEC’s website at www.elec.nj.gov.

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SUMMARY

Almost any legislative election would have been overshadowed by the record-crushing campaign of 2017.

The 2017 legislative election was the costliest in New Jersey history and featured the most spending ever by independent committees. Even more significantly, it produced the most expensive legislative district race in United States history.

Not surprisingly, campaign finance activity in 2017 made the 2019 election seem unremarkable.

There were no major records set in fund-raising or spending. Independent spending fell sharply after steadily rising in four previous legislative elections. None of the legislative district races were costly enough to vault into the top ten.

There was one notable campaign finance milestone.

The \$1.4 million spent by NJ United (Table 20) is thought to have been the most ever spent by a 501c4 social welfare group on a New Jersey legislative election. While this group disclosed its donors voluntarily, most do not. If more such groups get involved in New Jersey elections and refuse to be as transparent about their donors as NJ United, it will become much harder if not impossible to determine what special interests are trying to influence elections and why they may be giving.

While spending in the 2019 election was a dud, the 2019 campaign in retrospect was a quiet harbinger of a much bigger political shift that rocked the Legislature in 2021.

The 2019 election was the first time Republicans added seats since 2009. They did so by winning back the First Legislative District.

The district historically leaned Republican until a Democratic slate led by popular Dennis Township dentist Jeff Van Drew swept all three seats in November 2007. Van Drew was the first Democrat to hold the district's Senate seat in 70 years.

Democrats kept control until the 2019 wipeout. The district had become politically vulnerable when Van Drew, who had served either as a state Senator or Assembly member since 2002, won election to Congress (most likely sensing the shifting mood among his constituents, he later switched parties).

In the 2019 legislative election, Republican Mike Testa, a Vineland attorney whose family was well known in the district, led a slate that recaptured all three seats. Testa was elected state senator in a special election while two running mates won assembly seats.

Despite the Republican gains, Democrats retained large majorities in both the Senate (25-15) and Assembly (52-28). However, those margins were eroded more sharply in 2021 when Republicans picked up another Senate seat and six Assembly seats.

SUMMARY

Spending in the 1st Legislative District totaled \$3.1 million. It topped the 2019 battleground list (Table 16) though it wasn't nearly enough to make the top ten all-time list.

District clashes in the 21st and 8th Legislative Districts did make the top ten all-time most expensive elections with just assembly members on the ballot (Table 17).

Candidates received the most money (Table 10) from other candidates (\$3.3 million) followed by unions (\$3.2 million), legislative leadership committees (\$1.6 million), uncategorized businesses (\$884,451), state political parties (\$809,931) and county political parties (\$575,324).

Thirty committees each gave more than \$100,000 to legislative candidates (Table 11). The list includes nine candidate committees, nine unions, the four legislative leadership committees, two county parties and one each from six other sources.

The top 30 sources alone gave \$7.8 million- nearly a third of the \$24.1 million raised by legislative candidates for the general election.

Overall independent spending for the general election (Table 1) was just \$9.3 million- about a third of the \$26.6 million spent in 2017.

The top three independent spenders- General Majority PAC, Garden State Forward and NJ United- combined spent \$6.1 million, nearly two-third of all independent spending.

In four state elections including 2019, General Majority PAC spent about \$27.5 million (Table 21) while Garden State Forward invested \$38.9 million into four elections plus a state issue advocacy organization (Table 22).

One tiny trend that surfaced during the campaign was the use of texting (page 26) by legislative candidates. While the amount was small (less than \$23,000), it could signal a new strategy in legislative elections. Texting has become more prominent in recent gubernatorial and congressional races in New Jersey.

KEY FUNDRAISING TRENDS

| Table 1 Fundraising and Spending in Legislative General Elections 2001-2019 | | | | | | |
|---|--------------------------|-------------------------|--------------------|-------------------------|---------------------|--------------------------|
| Year | Raised By Legislators | Spent by Legislators | Houses Running? | Independent Spending | Total Spending | Total In 2021 Dollars |
| 2001 | \$34,825,851 | \$32,550,394 | S, A | \$ 3,166,463 | \$35,716,857 | \$55,089,317 |
| 2003 | \$47,911,008 | \$44,990,255 | S, A | \$ 4,857 | \$44,995,112 | \$66,759,786 |
| 2005 | \$25,081,696 | \$23,713,193 | A | \$ 3,476 | \$23,716,669 | \$33,152,697 |
| 2007 | \$50,797,317 | \$47,231,847 | S, A | \$ 165,000 | \$47,396,847 | \$62,406,466 |
| 2009 | \$20,457,342 | \$18,584,098 | A | \$ 15,999 | \$18,600,097 | \$23,669,028 |
| 2011 | \$45,656,674 | \$44,024,272 | S, A | \$ 1,835,500 | \$45,859,772 | \$55,658,891 |
| 2013 | \$46,691,108 | \$43,446,977 | S, A | \$15,375,071 | \$58,822,048 | \$69,076,144 |
| 2015 | \$22,883,719 | \$22,632,814 | A | \$10,908,983 | \$33,541,797 | \$38,634,407 |
| 2017 | \$44,117,517 | \$44,164,473 | S, A | \$26,562,428 | \$70,726,901 | \$78,934,996 |
| 2019 | \$24,097,296 | \$21,626,895 | A* | \$ 9,283,402 | \$30,910,297 | \$33,075,712 |

*Also special state Senate election in 1st District.

| Table 2 Average Spent Per Legislative Seat And District (Inflation Adjusted) | | | | |
|--|-----------------------------------|--------------------|---------------------|-------------------------|
| Year | Total Spending In 2021 Dollars | Contested Seats | Average Per Seat | Average Per District |
| 2001 | \$55,089,317 | 120 | \$459,078 | \$1,377,233 |
| 2003 | \$66,759,786 | 120 | \$556,332 | \$1,668,995 |
| 2005 | \$33,152,697 | 80 | \$414,409 | \$ 828,817 |
| 2007 | \$62,406,466 | 120 | \$520,054 | \$1,560,162 |
| 2009 | \$23,669,028 | 80 | \$295,863 | \$ 591,726 |
| 2011 | \$55,658,891 | 120 | \$463,824 | \$1,391,472 |
| 2013 | \$69,076,144 | 120 | \$575,635 | \$1,726,904 |
| 2015 | \$38,634,407 | 80 | \$482,930 | \$ 965,860 |
| 2017 | \$78,934,996 | 120 | \$657,792 | \$1,973,375 |
| 2019 | \$33,075,712 | 81* | \$408,342 | \$ 826,893 |

*80 Assembly seats and one Senate seat.

KEY FUNDRAISING TRENDS

Table 3
Legislative Fundraising and Spending by Party*

| Year | Democrats Raised | Democrats Spent | Republicans Raised | Republicans Spent** |
|-------------|-------------------------|------------------------|---------------------------|----------------------------|
| 2001 | \$19,344,839 | \$18,350,917 | \$15,433,716 | \$14,144,262 |
| 2003 | \$29,159,958 | \$28,528,080 | \$18,649,276 | \$16,366,548 |
| 2005 | \$17,560,153 | \$16,522,626 | \$ 7,514,067 | \$ 7,176,582 |
| 2007 | \$35,617,962 | \$33,394,029 | \$14,844,892 | \$13,532,754 |
| 2009 | \$14,674,311 | \$13,188,346 | \$ 5,682,968 | \$ 5,267,534 |
| 2011 | \$31,838,968 | \$31,055,091 | \$13,740,008 | \$12,909,239 |
| 2013 | \$31,023,841 | \$28,724,119 | \$15,579,153 | \$14,635,432 |
| 2015 | \$16,343,437 | \$15,918,780 | \$ 6,538,259 | \$ 6,712,224 |
| 2017 | \$32,755,854 | \$31,613,363 | \$11,342,193 | \$12,531,796 |
| 2019 | \$18,461,817 | \$15,926,740 | \$ 5,596,956 | \$ 4,973,048 |

*Independent candidates in 2019 also raised \$38,523 and spent \$37,222.

**Spending may be larger than fundraising due to use of cash reserves.

KEY FUNDRAISING TRENDS

| Year | Incumbents Spent | Challengers Spent | Incumbent Percent | Challenger Percent |
|-------------|-------------------------|--------------------------|--------------------------|---------------------------|
| 2001 | \$14,326,038 | \$13,670,769 | 51% | 49% |
| 2003 | \$25,376,630 | \$15,069,233 | 63% | 37% |
| 2005 | \$14,279,965 | \$ 8,219,657 | 63% | 37% |
| 2007 | \$22,242,726 | \$21,160,907 | 51% | 49% |
| 2009 | \$12,761,309 | \$ 3,230,602 | 80% | 20% |
| 2011 | \$32,174,797 | \$11,849,475 | 73% | 27% |
| 2013 | \$33,525,856 | \$ 9,921,121 | 77% | 23% |
| 2015 | \$17,331,766 | \$ 5,301,048 | 77% | 23% |
| 2017 | \$26,737,008 | \$12,153,041 | 69% | 31% |
| 2019 | \$15,557,546 | \$ 5,379,464 | 74% | 26% |

Since 2001, an average of 97 percent of Assembly incumbents have won reelection. The reelection rate for 2019 was exactly that average- 97 percent.

| Year | Total | Won | Lost | Percent Won |
|-------------|--------------|------------|-------------|--------------------|
| 2001 | 59 | 56 | 3 | 94.9 |
| 2003 | 72 | 68 | 4 | 94.4 |
| 2005 | 73 | 70 | 3 | 95.9 |
| 2007 | 54 | 53 | 1 | 98.1 |
| 2009 | 71 | 71 | 0 | 100 |
| 2011 | 66 | 65 | 1 | 98 |
| 2013 | 74 | 72 | 2 | 97.3 |
| 2015 | 74 | 70 | 4 | 95 |
| 2017 | 70 | 70 | 0 | 100 |
| 2019 | 73 | 71 | 2 | 97 |

The average contribution was \$1,954 in 2019, the lowest since 2001 except for two years when Clean Elections Programs drove down the average by encouraging small contributions.

KEY FUNDRAISING TRENDS

| Table 6 Average Contributions to Legislative Candidates (Disclosed Contributions Only) | |
|--|----------------------|
| Year | Average Contribution |
| 2001 | \$2,436 |
| 2003 | \$2,803 |
| 2005 | \$1,800* |
| 2007 | \$1,472* |
| 2009 | \$2,147 |
| 2011 | \$2,501 |
| 2013 | \$2,668 |
| 2015 | \$2,093 |
| 2017 | \$2,161 |
| 2019 | \$1,954 |

*Clean Elections Program in effect, which led to a large number of small contributions.

| Table 7 Range of Contributions Received by Legislative Candidates | | | | | |
|---|---------------|------------------|---------------------------------|-------------------|----------------------------|
| Range | Count | Percent Count | Amount | Percent Amount | Averages |
| >\$100,000 | 2 | 0.01% | \$ 420,000 | 3% | \$210,000 |
| \$25,001 to \$100,000 | 43 | 0.3% | \$ 1,773,962 | 11% | \$ 41,255 |
| \$5,001 to \$25,000 | 577 | 4% | \$ 5,457,287 | 34% | \$ 9,458 |
| \$4,001 to \$5,000 | 183 | 1% | \$ 875,713 | 5% | \$ 4,785 |
| \$3,001 to \$4,000 | 86 | 1% | \$ 317,119 | 2% | \$ 3,687 |
| \$2,001 to \$3,000 | 738 | 4% | \$ 1,888,146 | 12% | \$ 2,558 |
| \$1,001 to \$2,000 | 661 | 4% | \$ 1,102,792 | 7% | \$ 1,668 |
| \$301 to \$1,000 | 4,198 | 26% | \$ 2,724,117 | 17% | \$ 649 |
| \$300 or Less (Disclosed) | 1,044 | 6% | \$ 161,294 | 1% | \$ 154 |
| \$300 or Less (Undisclosed) | 8,877* | 54%* | \$ 1,367,039 | 8% | \$ 154 |
| Totals | 16,409 | 100% | \$16,087,469¹ | 100% | \$ 980^{**} |

*Estimates assumes under \$300 contributions disclosed as part of a lump sum are the same average (\$154) as under \$300 contributions disclosed individually.

**Average for disclosed contributions is \$1,954.

¹ Excludes funds carried over from primary elections and adjustments for refunds.

KEY FUNDRAISING TRENDS

In the last white paper (28), a new analysis found that only three percent of all contributors gave more than \$5,000 but this group provided 47 percent of the total contributions. The large donor group includes both party committees and private contributors.

The trend held for the 2019 election with four percent of donors giving 48 percent of the contributions- roughly the same proportions.

| Table 8 | | | | |
|---|---------------|----------------------|---------------------|-----------------------|
| Range of Contributions Received by Legislative Candidates- Small vs. Large | | | | |
| Range | Count | Percent Count | Amount | Percent Amount |
| \$5,000 or less | 15,787 | 96% | \$ 8,436,220 | 52% |
| >\$5,000 | 622 | 4% | \$ 7,651,249 | 48% |
| Totals | 16,409 | 100% | \$16,087,469 | 100% |

LEGISLATIVE SELF-FINANCING

Self-financing by legislative candidates has fallen sharply since peaking at nearly \$2.2 million in 2007.

Candidates in 2019 gave their own campaigns a combined \$58,533 based on inflation-adjusted numbers. That is the second lowest for the 19 legislation elections since 1983 with 1989 being the year of the least legislative self-financing.

| Table 9 Top Five and Bottom Five Totals for Self-Financing in New Jersey Legislative Races 1983-2019 | | |
|---|------------------|---------------------------------|
| Year | Total | Total-Inflation Adjusted |
| Top Five | | |
| 2007 | \$1,668,928 | \$2,197,444 |
| 2003 | \$1,457,693 | \$2,162,797 |
| 1997 | \$ 777,497 | \$1,322,486 |
| 1987 | \$ 563,459 | \$1,354,102 |
| 1993 | \$ 448,300 | \$ 846,971 |
| Bottom Five | | |
| 1999 | \$ 107,764 | \$ 176,590 |
| 1985 | \$ 42,196 | \$ 107,060 |
| 2015 | \$ 84,660 | \$ 97,514 |
| 2019 | \$ 54,814 | \$ 58,533 |
| 1989 | \$ 25,650 | \$ 56,472 |

In 2019, Assembly candidates Martin Marks and Harris Pappas personally contributed a total of \$17,672 to their joint committee- the most self-financing for any candidate committee in the election.

The largest amount of self-financing by a legislative candidate remains the \$167,043 given by Joel Shain to his 1983 state Senate primary campaign- \$457,864 in current dollars.

SOURCES OF CONTRIBUTIONS TO LEGISLATIVE CANDIDATES

In previous white papers about legislative elections, the breakdown of contributions mainly focused on what political action committees gave the most money.

This report later includes that breakdown but it goes further by doing a more detailed look at the occupational sectors that participate in legislative elections along with party and candidate committees.

One trend that continues is the predominance of candidate committees as a source of contributions to other candidates.

Legislative candidates in 2019 received nearly \$3.3 million from other candidates, mostly legislative incumbents.

This generosity is one of the most tangible signs that most incumbents face little serious challenge in their own districts as evidenced by the fact that 97 percent of incumbents won reelection in 2019.

This frees up most incumbents to share their own campaign money with colleagues in the few districts that face real competition- the so-called battleground districts (more details on this appear in the next section).

SOURCES OF CONTRIBUTIONS TO LEGISLATIVE CANDIDATES

| Table 10 General Sources of Contributions to Legislative Candidates | | | |
|---|-------------|----------------------------|---------------------|
| Contribution Source | Total | Contribution Source | Total |
| Candidate Committees (Mostly Legislative) | \$3,272,160 | Lobbyists | \$ 116,875 |
| Unions | \$3,158,780 | Alcoholic Beverages | \$ 107,854 |
| Legislative Leadership Committees | \$1,643,695 | Energy | \$ 99,233 |
| Business- Uncategorized | \$ 884,451 | Retired | \$ 78,358 |
| State Political Party | \$ 809,931 | Local Political Groups | \$ 77,740 |
| County Political Party | \$ 575,324 | Telecom | \$ 74,200 |
| Lawyers | \$ 519,916 | Municipal Party Committees | \$ 71,652 |
| Real Estate | \$ 425,951 | Supermarkets | \$ 58,410 |
| Ideological Groups | \$ 416,421 | Public Workers | \$ 41,437 |
| Health Care | \$ 346,941 | Horse Racing | \$ 40,400 |
| Engineers | \$ 339,197 | Accountants | \$ 35,310 |
| Individuals- Affiliation Uncertain | \$ 310,270 | Unemployed | \$ 34,591 |
| Construction | \$ 269,884 | Water | \$ 32,500 |
| Insurance | \$ 215,148 | Dentists | \$ 30,250 |
| Drugs | \$ 166,320 | Funeral Homes | \$ 27,200 |
| Transportation | \$ 138,673 | Others | \$ 179,682 |
| Financial | \$ 121,675 | Total | \$14,720,430 |

Rounding out the top 10 sources are unions, legislative leadership committees, uncategorized businesses, state political parties, county political parties, lawyers, real estate interests, ideological groups and donors from the health care sector.

Thirty committees each gave more than \$100,000 to legislative candidates. The list includes nine candidate committees, nine unions, the four legislative leadership committees, two county parties and one each from six other sources.

The top 30 sources alone gave \$7.8 million- nearly a third of the \$24.1 million raised by legislative candidates for the general election.

SOURCES OF CONTRIBUTIONS TO LEGISLATIVE CANDIDATES

Table 11
Contributors Giving More than \$100,000

| Source | Category ² | Amount |
|---|-----------------------|--------------------|
| New Jersey Democratic Assembly Campaign Committee* | LLC | \$1,045,916 |
| New Jersey Republican State Committee* | SP | \$ 736,847 |
| International Brotherhood of Electric Worker (IBEW) affiliates* | U | \$ 497,350 |
| Laborers Union affiliates | U | \$ 450,550 |
| Operating Engineers Union affiliates | U | \$ 382,000 |
| Houghtaling For Assembly* | CC | \$ 344,000 |
| Burzichelli For Assembly | CC | \$ 333,020 |
| New Jersey Education Association | U | \$ 298,400 |
| Downey For Assembly | CC | \$ 259,000 |
| NJ Senate Democratic Majority | LLC | \$ 254,000 |
| Senate Republican Majority | LLC | \$ 241,513 |
| Realtors PAC* | RE | \$ 229,400 |
| Freiman For Assembly | CC | \$ 220,000 |
| Communications Workers of America affiliates | U | \$ 205,450 |
| Carpenters Union affiliates | U | \$ 187,400 |
| Zwicker For Assembly | CC | \$ 186,000 |
| Plumbers Union affiliates | U | \$ 184,800 |
| EFO Lisa Mandelblatt For Assembly | CC | \$ 180,122 |
| New Jobs* | IC | \$ 176,400 |
| New Jersey Association For Justice PAC | L | \$ 155,400 |
| Burlington County Republican Committee* | CP | \$ 153,501 |
| Election Fund of Craig J Coughlin For Assembly | CC | \$ 137,700 |
| Ironworkers Union Affiliates | U | \$ 134,200 |
| New Jersey Apartment Association PAC | RE | \$ 130,400 |
| Blue PAC (Horizon Blue Cross Blue Shield employees)* | HC | \$ 122,400 |
| Mazzeo For Assembly | CC | \$ 121,000 |
| NJ Policemen's Benevolent Association and affiliates | U | \$ 117,100 |
| Armato For Assembly | CC | \$ 105,000 |
| Assembly Republican Victory | LLC | \$ 102,266 |
| Gloucester County Democrat Executive Committee | CP | \$ 100,000 |
| Total | | \$7,791,135 |

*Top in category.

Since 2007, legislative candidate committees have received the largest percentage of their contributions from other legislative candidate committees. That trend held in 2019. Barely.

² CC=Candidate Committee; U=Union; SP=State Party; CP=County Party; RE=Real Estate; IC=Ideological Committee; L=Lawyers; HC=Health Care

SOURCES OF CONTRIBUTIONS TO LEGISLATIVE CANDIDATES

Back in 2003, candidates received \$4.1 million from other legislative candidates or 12 percent.

The 2019 legislative election drew just under \$3.3 million of its contributions from campaign funds, mostly legislative candidates- 22 percent of all itemized contributions.

Legislative candidate committees are major sources of money for other legislators because many incumbents represent politically safe districts and don't need a lot of cash, and because legislative candidates still can accept contributions of up to \$2,600 from state contractors.

Except for certain exceptions, state political party committees and legislative leadership committees can accept no more than \$300 from state contractors under pay-to-play laws that began taking effect in 2005.

| Table 12 Contributions by Contributor Type to Legislative Candidates in 2019 (New Highs in Bold) | | | |
|--|---------------------|-------------|------------------|
| Type | Total-\$ | % | Highest Year (%) |
| Campaign Fund (Mostly Legislative) | \$3,271,160 | 22% | 2011 |
| Union PAC | \$3,134,630 | 21% | 2019 |
| Misc. Businesses- Direct | \$2,534,630 | 17% | 2019 |
| Legislative Leadership Committee | \$1,556,695 | 11% | 2005 |
| Political Party Committee | \$1,748,421 | 12% | 2001 |
| Professional/Trade Association PAC | \$1,147,960 | 8% | 2009, 2017 |
| Individual | \$ 481,327 | 3% | 2017 |
| Ideological PAC | \$ 423,521 | 3% | 2001, 2007, 2019 |
| Regulated Industries PAC | \$ 233,050 | 2% | 2017, 2019 |
| Misc. Business PAC | \$ 133,200 | 1% | 2009, 2011 |
| Political Committee | \$ 31,685 | 0.2% | 2001 |
| Union- Direct | \$ 24,150 | 0.2% | 2009 |
| Total | \$14,720,430 | 100% | |

SOURCES OF CONTRIBUTIONS TO LEGISLATIVE CANDIDATES

Another trend is that legislative candidates in recent years have been relying more heavily on PACs. While the \$5.1 million poured into the 2019 was not an all-time high, the 34 percent share of itemized contributions did represent a new high point.

| Year | Total PAC Dollars | % of Total Contributions |
|-------------|--------------------------|---------------------------------|
| 2001 | \$3,558,171 | 14% |
| 2003 | \$4,603,534 | 14% |
| 2005 | \$3,212,830 | 18% |
| 2007 | \$6,123,214 | 16% |
| 2009 | \$3,675,039 | 25% |
| 2011 | \$6,485,603 | 22% |
| 2013 | \$7,141,747 | 23% |
| 2015 | \$4,671,762 | 33% |
| 2017 | \$8,164,821 | 31% |
| 2019 | \$5,072,362 | 34% |

Union PACs since 2005 have been the major source among all PAC donors. That held true in 2019.

| PAC Type | Amount | % of PACs |
|------------------------------------|--------------------|------------------|
| Union PAC | \$3,134,630 | 62% |
| Professional/Trade Association PAC | \$1,147,960 | 23% |
| Ideological PAC | \$ 423,521 | 8% |
| Regulated Industries PAC | \$ 233,050 | 5% |
| Misc. Business PAC | \$ 133,200 | 3% |
| All PAC Total | \$5,072,362 | 100% |

Unions PACs have given more in the past than the \$3.1 million contributed in 2019.

However, the fact that 62 percent of all PAC contributions came from unions in 2019 was a new high.

SOURCES OF CONTRIBUTIONS TO LEGISLATIVE CANDIDATES

| Table 15 | | | |
|--|--------------------------------|---------------------------------|-------------------------------------|
| Union PAC Contributions as a Percentage of Total Contributions to Legislative Candidates and Total Share of PAC Contributions (Highs in Bold) | | | |
| Year | Union PAC Contributions | % of Total Contributions | % of Total PAC Contributions |
| 2001 | \$1,055,100 | 4% | 30% |
| 2003 | \$1,444,337 | 4% | 31% |
| 2005 | \$1,305,840 | 7% | 41% |
| 2007 | \$2,362,245 | 6% | 39% |
| 2009 | \$1,505,830 | 10% | 41% |
| 2011 | \$3,073,812 | 10% | 47% |
| 2013 | \$3,935,864 | 13% | 55% |
| 2015 | \$2,814,260 | 20% | 60% |
| 2017 | \$4,574,763 | 17% | 56% |
| 2019 | \$3,134,630 | 21% | 62% |

BATTLEGROUND DISTRICTS

Compared to most recent statewide elections, spending in key legislative districts in 2019 would be considered modest.

Compared to the 2017 election, which featured the most expensive legislative election in American history, it was downright miniscule.

The record-setting \$24.1 million spent in the Third Legislative District in 2017 was nearly eight times more than the \$3.1 million sunk into the First Legislative District in 2019.

The 2017 race alone cost far more than the \$16.8 million spent on the top ten races in 2019.

Those top races in 2019 did draw 54 percent of all spending.

| Table 16 | | | |
|--|---------------------|--------------------------|---------------------|
| Top 10 Legislative Districts by General Election Spending in 2019 | | | |
| District | Candidates | Independents | Total |
| 1* | \$ 1,935,358 | \$1,140,830 | \$ 3,076,188 |
| 21 | \$ 2,004,850 | \$ 671,138 | \$ 2,675,988 |
| 8 | \$ 1,304,381 | \$ 855,455 | \$ 2,159,836 |
| 11 | \$ 1,544,719 | \$ 273,299 | \$ 1,818,018 |
| 16 | \$ 1,523,076 | \$ 250,225 | \$ 1,773,301 |
| 25 | \$ 1,214,461 | \$ 117,579 | \$ 1,332,040 |
| 2 | \$ 978,897 | \$ 335,310 | \$ 1,314,207 |
| 3 | \$ 1,111,347 | \$ 225 | \$ 1,111,572 |
| 19 | \$ 836,559 | | \$ 836,559 |
| 36 | \$ 732,223 | | \$ 732,223 |
| Top Ten | \$13,185,871 | \$3,644,061 | \$16,829,932 |
| All Districts | \$21,626,895 | \$9,283,402 ³ | \$30,910,297 |
| Top Ten Only | 61% | 39% | 54% |

*Includes special state Senate election; all other 2019 elections involved Assembly candidates only.

While none of the 2019 district contests made the all-time top ten list of most expensive state legislative races, contests in the 21st and Eighth Legislative Districts did crack the top ten Assembly-only list.

³ Most independent spending is not broken out by legislative district, either because it is spending that affects multiple districts such as polling or consulting, or committees weren't required by current disclosure laws from providing such a breakdown.

BATTLEGROUND DISTRICTS

Based on inflation-adjusted numbers, the 21st Legislative District ranked 5th while the Eighth Legislative District race made number 10.

| Year | District | Spending | Inflation-Adjusted Spending | Rank |
|-------------|-----------|--------------------|-----------------------------|-----------|
| 2005 | 2 | \$4,458,631 | \$6,245,439 | 1 |
| 2015 | 2 | \$5,193,557 | \$5,994,447 | 2 |
| 2015 | 1 | \$3,607,734 | \$4,164,077 | 3 |
| 2009 | 1 | \$2,410,257 | \$3,073,441 | 4 |
| 2019 | 21 | \$2,675,988 | \$2,863,454 | 5 |
| 2015 | 38 | \$2,237,460 | \$2,582,495 | 6 |
| 2005 | 12 | \$1,834,857 | \$2,570,181 | 7 |
| 2005 | 14 | \$1,827,804 | \$2,560,301 | 8 |
| 2005 | 11 | \$1,742,488 | \$2,440,795 | 9 |
| 2019 | 8 | \$2,109,998 | \$2,257,813 | 10 |

*Ranked by inflation-adjusted spending.

While the \$3.1 million clash in the first district topped all others in 2019, it was far smaller than the record for the district- a \$5 million contest in 2007 worth \$6.6 million in today's dollars.

The First Legislative District ranks as the third most expensive legislative battleground statewide between 2001 and 2019 at \$26.3 million.

| Legislative District | Total District Spending 2001-2019 | Rank | Costliest Race | Year | Number of Years Top Race | Number of Year Among Top Five Races |
|----------------------|-----------------------------------|------|----------------|------|--------------------------|-------------------------------------|
| 3 | \$44,580,181 | 1 | \$24,102,940* | 2017 | 2 | 5 |
| 2 | \$32,596,271 | 2 | \$ 5,806,467 | 2011 | 3 | 6 |
| 1 | \$26,307,483 | 3 | \$ 4,975,772 | 2007 | 2 | 6 |
| 38 | \$22,855,570 | 4 | \$ 5,910,318 | 2013 | 1 | 4 |
| 14 | \$22,429,654 | 5 | \$ 3,870,063 | 2013 | 1 | 7 |

*The 2017 3rd District race is believed to be the costliest state legislative race in US history.

IMPACT OF INDEPENDENT GROUPS

Two years after the most expensive legislative election in New Jersey history, including a record \$26.6 million spent by independent committees in the general election, independent spending fell sharply in the 2019 legislative general election.

Independent committees, which are not supposed to be directly controlled by parties or candidates, spent about \$9.4 million in the 2019 general election. The amount is about a third of the 2017 total.

After providing about 38 percent of all spending in the general election in 2017, the largest percentage ever in a New Jersey legislative election, the independent spending share sank to about 30 percent.

One reason may have been because only Assembly seats were in play except for a special state Senate election in the 1st Legislative District. Most of the biggest spending in legislative races has involved Senate seats.

Among the assembly seats up for reelection, few were highly competitive. Independent groups tend to be most active in districts likely to shift one way or another.

Another factor that may have toned down spending may have been that one of the biggest spenders in the 2017 election, General Majority PAC, was still paying off loans from that year.

Another major independent spender in 2017, New Jerseyans for a Better Tomorrow, disbanded after the election.

| Year | Spent By Legislators | Independent Spending | Total Spending | % |
|-------------|-----------------------------|-----------------------------|-----------------------|----------|
| 2001 | \$32,550,394 | \$ 3,166,463 | \$35,716,857 | 8.9% |
| 2003 | \$44,990,255 | \$ 4,857 | \$44,995,112 | 0.01% |
| 2005 | \$23,713,193 | \$ 3,476 | \$23,716,669 | 0.01% |
| 2007 | \$47,231,847 | \$ 165,000 | \$47,396,847 | 0.3% |
| 2009 | \$18,584,098 | \$ 15,999 | \$18,600,097 | 0.1% |
| 2011 | \$44,024,272 | \$ 1,835,500 | \$45,859,772 | 4.0% |
| 2012* | \$ 758,612 | \$ 299,049 | \$ 1,057,661 | 28.3% |
| 2013 | \$43,446,977 | \$15,375,071 | \$58,822,048 | 26.1% |
| 2015 | \$22,632,814 | \$10,908,983 | \$33,541,797 | 32.5% |
| 2017 | \$44,164,473 | \$26,562,428 | \$70,726,901 | 37.6% |
| 2019** | \$21,626,895 | \$ 9,283,402 | \$30,910,297 | 30.0% |

*Special election involving just three Assembly seats.

**Special state Senate election in 1st Legislative District.

IMPACT OF INDEPENDENT GROUPS

The biggest independent spender in the 2019 general election was a familiar name- General Majority PAC, which spent about \$3 million. It has been one of the top spenders in New Jersey legislative elections since 2013.

| Table 20 Independent Spending in 2019 New Jersey Legislative General Election | |
|--|--------------------|
| Independent Spender | Total |
| General Majority PAC | \$3,003,710 |
| Garden State Forward (NJEA) | \$1,723,276 |
| NJ United ⁴ | \$1,411,073 |
| Carpenters Action Fund | \$ 687,976 |
| NJ Coalition of Real Estate | \$ 662,569 |
| Working for Working Americans (Carpenters) | \$ 500,000 |
| Stronger Foundations (Operating Engineers) | \$ 488,642 |
| Monday Morning New Jersey | \$ 350,000 |
| Growing Economic Opportunities (Laborers) | \$ 230,313 |
| Just the Facts NJ | \$ 154,171 |
| NJ League of Conservation Voters | \$ 41,485 |
| Citizens for Ice | \$ 25,246 |
| NJ Right to Life | \$ 4,941 |
| Grand Total | \$9,283,402 |

The group first appeared using the name Fund for Jobs Growth and Security during the 2013 election. The media has consistently linked the group to South Jersey Democratic Leader George Norcross, who also has been a major lender. Nearly all of its spending has been earmarked for South Jersey legislative districts.

General Majority PAC is a 527 political organization that files reports voluntarily with ELEC that detail its contributions and expenditures. As a federally constituted independent spending committee, it can accept unlimited contributions and spent unlimited sums.

It has focused exclusively on legislative elections.

The committee funds have dwindled since the 2019 election to a mid-October balance of \$40,765.

⁴ New Jersey United is a 501c4 social welfare committee organized by supporters of Democratic Assembly Speaker Craig Coughlin. It did not disclose its spending until it filed a 990 form with the IRS on May 6, 2020. It reported raising \$3.4 million and spent \$2.9 million during 2019. It certified that about \$1.4 million of its total spending was for “direct and indirect political campaign activities.” NJ United did voluntarily disclose its contributors in December 2019. The largest was NJEA, which gave \$2,750,000 through Garden State Forward, its 527 political organization. Its pro-rated share of the NJ United’s spending was \$1,148,742. Carpenters Action Fund gave \$300,000 to NJ United. Its pro-rated share was \$125,317. Growing Economic Opportunities, an independent group run by the Laborers union, gave \$150,000 to NJ United. Its pro-rated share was \$62,659. Contributions by one independent group to another are considered separate expenditures and are listed as such on ELEC’s summary chart.

IMPACT OF INDEPENDENT GROUPS

Between 2015 and 2018, General Majority also operated an offshoot group named General Growth Fund that raised \$3.9 million, according to form 990 reports filed with the IRS. Now disbanded, it was a 501c4 social welfare group that provided general expense information to the IRS but has never disclosed its donor names.

In its 990 reports, General Growth certified that it spent \$824,344 on “direct and indirect political campaign activities” during its four-year existence. Only \$43,264 was disclosed in reports filed with ELEC.

General Majority and its affiliates spent about \$27.5 million between 2013 and 2019.

| Table 21 Spending by General Majority PAC and Affiliates 2013-2019 | | |
|---|------------------------------------|---------------------|
| Election Year | Group | Amount |
| 2019 | General Majority PAC | \$ 3,003,710 |
| 2017 | General Majority PAC | \$ 9,618,920 |
| 2017, 2016, 2015 | General Growth Fund | \$ 824,344 |
| 2015 | General Majority PAC | \$ 6,050,760 |
| 2013 | Fund for Jobs, Growth and Security | \$ 8,017,190 |
| | Total | \$27,514,924 |

Garden State Forward, which spent an estimated \$1.7 million on the 2019 legislative elections, also is one of the heavyweights in New Jersey elections.

Garden State Forward is a federal 527 political organization formed by the New Jersey Education Association in March 2013. It can accept unlimited contributions and engage in unrestricted expenditures.

Unlike General Majority, Garden State Forward has participated in gubernatorial, legislative and local elections. It has spent an estimated \$28.4 million on state elections in 2013, 2015, 2017 and 2019.

Garden State Forward also has contributed \$10,500,000 to New Direction NJ, a 501c4 non-profit group that promotes Governor Phil Murphy’s policy agenda, since New Direction’s formation in November 2017.

IMPACT OF INDEPENDENT GROUPS

| Table 22 Garden State Forward Spending 2013-2021* | | | |
|--|--|---------------------|---------------------------------------|
| Year | Group | Amount | Purpose |
| 2017-2021 | Garden State Forward to New Direction NJ | \$10,500,000 | State Issue Advocacy |
| 2019 | Garden State Forward | \$ 1,723,276 | Legislative Elections |
| 2017 | Garden State Forward | \$ 8,171,209 | Gubernatorial / Legislative elections |
| 2015 | Garden State Forward | \$ 3,953,545 | Legislative Elections |
| 2013 | Garden State Forward | \$14,598,194 | Gubernatorial / legislative elections |
| | Total | \$38,946,224 | |

*Total excludes spending during years when there were no state elections.

The third biggest independent spender on the 2019 legislative elections was a relative newcomer, NJ United.

NJ United was formed in 2018 by supporters of Democratic Assembly Speaker Craig Coughlin. The group is a 501c4 social welfare non-profit group that does not report to ELEC. It is required to file 990 forms each year with the Internal Revenue Service.

501c4 non-profits generally are exempt from disclosing their contributor names. However, in December 2019, the group voluntarily disclosed nearly \$3.4 million it received from 16 donors. The largest contribution was from Garden State Forward- \$2,750,000 (see footnote 4, page 18).

During the 2019 legislative election, little was known about NJ United’s spending though ELEC was able to verify \$90,000 in television advertising through a media ad tracking company.

In fact, NJ United’s 2019 form 990 indicated it spent a total of \$1,411,073 on “direct and indirect political campaign activities” – about 48 percent of its total fundraising. Social welfare groups are permitted to spend up to half their funds on election-related activities.

While the IRS-mandated report gave no detailed breakdown of expenditures, it did say the group spent \$505,600 on television and digital ad buys, \$376,657 on polling and \$805,383 on direct mail and administrative services.

Newspaper accounts and some videos posted on NJ United’s website indicated the group sent out political mailers and/or did video advertising in legislative districts 16, 25 and 39.

Democrats have controlled the governor’s seat since January 2018, and both legislative houses since January 2002. Most spending by independent committees benefits the majority party.

IMPACT OF INDEPENDENT GROUPS

| Party | Total Independent Spending | Percent of Total |
|---------------|-----------------------------------|-------------------------|
| Democrat | \$7,591,415 | 82% |
| Republican | \$1,167,453 | 13% |
| Party Unknown | \$ 524,534 | 6% |
| Total | \$9,283,402 | 100% |

Non-MEDIA SPENDING

Even though mass media spending was down sharply in 2019 to \$12.4 million, it remains the largest expense of legislative candidates at 40 percent of all outlays.

The share was below the 45 percent average since 2001 and well below the record high of 56 percent in 2001.

| Year | Mass Media Spending | Percent of All Spending |
|-------------|----------------------------|--------------------------------|
| 2001 | \$ 15,894,343 | 56% |
| 2003 | \$ 22,763,046 | 54% |
| 2005 | \$ 11,641,252 | 55% |
| 2007 | \$ 22,284,576 | 53% |
| 2009 | \$ 6,054,152 | 35% |
| 2011 | \$ 14,426,075 | 33% |
| 2013 | \$ 21,607,970 | 41% |
| 2015 | \$ 12,500,784 | 37% |
| 2017 | \$ 34,921,646 | 49% |
| 2019 | \$ 12,456,761 | 40% |
| | Average | 45% |

After mass media spending, the largest categories of spending were contributions to other candidates or committees (\$7.7 million, 25 percent), transfer to next election (\$3.2 million, 10 percent) and administration (\$1.8 million, 6 percent).

Non-MEDIA SPENDING

Table 25
All Spending Categories-
Legislative Candidates and Independent Groups (Sorted By Combined)

| Categories | Candidates | Percent | Independent Groups | Percent | Combined | Percent |
|----------------------------|---------------------|-------------|--------------------|-------------|---------------------|-------------|
| Media | \$8,356,593 | 39% | \$4,100,168 | 44% | \$12,456,761 | 40% |
| Contributions- Political | \$5,084,587 | 24% | \$2,636,718 | 28% | \$ 7,721,305 | 25% |
| Transfer To Next Election | \$3,162,028 | 15% | | | \$ 3,162,028 | 10% |
| Administration | \$1,699,946 | 8% | \$ 159,879 | 2% | \$ 1,859,825 | 6% |
| Unknown | \$ 31,576 | 0.1% | \$1,321,073 | 14% | \$ 1,352,649 | 4% |
| Fundraising/ Entertainment | \$1,144,869 | 5% | \$ 17,300 | 0.2% | \$ 1,162,169 | 4% |
| GOTV | \$ 631,431 | 3% | \$ 504,646 | 5% | \$ 1,136,077 | 4% |
| Research And Polling | \$ 639,926 | 3% | \$ 477,978 | 5% | \$ 1,117,904 | 4% |
| Consulting | \$ 379,887 | 2% | \$ 41,260 | 0.4% | \$ 421,147 | 1% |
| Contributions- Charitable | \$ 301,393 | 1% | | | \$ 301,393 | 1% |
| Multiple Purposes | \$ 123,212 | 1% | | | \$ 123,212 | 0.4% |
| Compliance | \$ 55,982 | 0.3% | \$ 24,205 | 0.3% | \$ 80,187 | 0.3% |
| Refund | \$ 15,466 | 0.1% | \$ 174 | 0.002% | \$ 15,641 | 0.1% |
| Total | \$21,626,896 | 100% | \$9,283,402 | 100% | \$30,910,298 | 100% |

While less traditional forms of media are growing, including digital, television, mainly on network and cable TV stations, remains the mainstay for candidates.

Non-MEDIA SPENDING

Table 26
Mass Media Spending by Legislative Candidates and Independent Groups

| Media Spending | Candidates | Percent | Independent Groups | Percent | Combined | Percent |
|----------------------------|--------------------|-------------|--------------------|-------------|---------------------|-------------|
| Cable TV | \$3,824,374 | 46% | \$ 370,142 | 9% | \$ 4,194,516 | 34% |
| Mail | \$1,935,494 | 23% | \$1,208,730 | 29% | \$ 3,144,224 | 25% |
| TV | \$ 538,225 | 6% | \$1,598,718 | 39% | \$ 2,136,943 | 17% |
| Production | \$ 725,042 | 9% | \$ 305,546 | 7% | \$ 1,030,588 | 8% |
| Digital | \$ 421,122 | 5% | \$ 406,667 | 10% | \$ 827,789 | 7% |
| Mixed | \$ 197,480 | 2% | \$ 195,831 | 5% | \$ 393,311 | 3% |
| Billboards | \$ 234,090 | 3% | | | \$ 234,090 | 2% |
| Uncategorized | \$ 219,279 | 3% | | | \$ 219,279 | 2% |
| Robocalls | \$ 132,627 | 2% | | | \$ 132,627 | 1% |
| Newspapers And Other Print | \$ 70,548 | 1% | | | \$ 70,548 | 1% |
| Printing | \$ 38,947 | 0.5% | \$ 10,034 | 0.2% | \$ 48,981 | 0.4% |
| Radio | \$ 19,365 | 0.2% | | | \$ 19,365 | 0.2% |
| Texting | | | \$ 4,500 | 0.1% | \$ 4,500 | 0.04% |
| Totals | \$8,356,593 | 100% | \$4,100,168 | 100% | \$12,456,761 | 100% |

In recent years, ELEC has estimated television expenditures by assuming 75 percent of uncategorized or mixed media went to television advertising. Adding that figure to known cable and television expenditures brings total television advertising for 2019 to \$6.8 million- about 55 percent of all media spending. That is down from a record 58 percent in 2017.

Table 27
Estimated Television Spending by Year

| | 2005 | 2007 | 2009 | 2011 |
|--------------------------------------|---------------------|---------------------|---------------------|--------------------|
| Known TV | \$ 1,597,313 | \$ 2,356,953 | \$ 619,558 | \$1,577,335 |
| Known Cable TV | \$ 43,113 | NA | \$ 66,637 | NA |
| 75 % of Uncategorized or Media Mixed | \$ 3,982,418 | \$ 9,690,578 | \$ 1,449,159 | \$5,111,141 |
| Estimated TV | \$ 5,622,844 | \$12,047,531 | \$ 2,135,354 | \$6,688,476 |
| % of Total Spending | 48% | 54% | 35% | 46% |
| Total Media Spending | \$11,641,252 | \$22,284,576 | \$ 6,054,152 | \$14,426,075 |
| | 2013 | 2015 | 2017 | 2019 |
| Known TV | \$ 4,636,453 | \$4,186,117 | \$13,643,319 | \$2,136,943 |
| Known Cable TV | \$ 806,842 | \$ 305,842 | \$ 3,777,826 | \$4,194,516 |
| 75 % of Uncategorized or Media Mixed | \$ 5,582,487 | \$2,258,468 | \$ 2,926,643 | \$ 459,443 |
| Estimated TV | \$11,025,782 | \$6,750,427 | \$20,347,787 | \$6,790,902 |
| % of Total Spending | 51% | 54% | 58% | 55% |
| Total Media Spending | \$21,607,970 | \$12,500,786 | \$34,921,646 | \$12,456,761 |

Non-MEDIA SPENDING

Candidates and independent committees are doing a better job of reporting their expenditures with unidentified media expenses falling to just 2 percent. Direct mail remained a mainstay of legislative campaigns at 25 percent of all media expenses.

Radio expenditures dropped sharply to just 0.2 percent. One third less was spent on digital media but it remained 7 percent of all media outlays.

Table 28
Non-Television Media Categories
2001-2019

| | 2001 | 2003 | 2005 | 2007 | 2009 | 2011 | 2013 | 2015 | 2017 | 2019 |
|---------------------|-------------|--------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Unidentified | \$2,447,178 | \$11,181,893 | \$5,309,891 | \$12,920,770 | \$1,932,212 | \$6,814,855 | \$7,443,315 | \$2,550,209 | \$2,660,966 | \$ 219,279 |
| Percent | 15% | 49% | 46% | 58% | 32% | 47% | 34% | 20% | 7% | 2% |
| Direct Mail | \$5,994,869 | \$ 5,962,443 | \$3,507,614 | \$ 5,893,596 | \$2,905,523 | \$3,986,659 | \$6,158,651 | \$3,368,943 | \$7,588,251 | \$3,144,324 |
| Percent | 38% | 26% | 30% | 26% | 48% | 28% | 28% | 27% | 22% | 25% |
| Radio | \$ 792,621 | \$ 671,060 | \$ 277,106 | \$ 658,997 | \$ 179,586 | \$ 224,409 | \$ 715,511 | \$ 589,662 | \$940,246 | \$ 19,365 |
| Percent | 5% | 3% | 2% | 3% | 3% | 2% | 3% | 5% | 3% | 0.2% |
| Newspapers | \$ 449,253 | \$ 648,988 | \$ 309,548 | \$ 143,298 | \$ 89,417 | \$ 132,487 | \$ 105,955 | \$ 102,709 | \$192,453 | \$ 70,548 |
| Percent | 3% | 3% | 3% | 1% | 1% | 1% | 0.50% | 1% | 1% | 0.4% |
| Billboards | \$ 393,899 | \$ 491,143 | \$ 639,779 | \$ 235,307 | \$ 174,194 | \$ 324,226 | \$ 243,133 | \$ 146,976 | \$276,717 | \$ 234,090 |
| Percent | 2% | 2% | 5% | 1% | 3% | 2% | 1% | 1% | 1% | 2% |
| Digital | \$ 40,090 | NA | NA | \$ 75,655 | \$ 150,417 | NA | \$ 269,382 | \$ 144,702 | \$2,422,998 | \$ 827,789 |
| Percent | NA | NA | NA | 0.30% | 2% | NA | 1% | 1% | 7% | 7% |
| Robocalls | \$ 86,639 | \$ 38,884 | NA | NA | \$ 1,934 | \$ 52,967 | \$ 54,923 | \$ 50,716 | \$246,888 | \$132,627 |
| | 1% | 0.30% | NA | NA | 0.03% | 0.40% | 0.30% | 0.40% | 1% | 1% |

Non-MEDIA SPENDING

Following another long trend, a large share (35 percent) of candidate funds either went to other candidates or was rolled over to their next campaign. This is a sign that most incumbent candidates face little threat of defeat and can afford to share their campaign money with party colleagues in more tightly contested districts and/or just keep more money for the next election.

| Table 29 | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Contributions to Other Candidates and Committees and Transfers to Future Campaign | | | | | |
| | 2001 | 2003 | 2005 | 2007 | 2009 |
| Political Contributions | \$ 5,219,286 | \$ 7,392,713 | \$ 5,001,171 | \$9,485,909 | \$4,958,467 |
| Transfers to Next Campaign | \$ 478,328 | \$ 1,175,233 | NA | \$2,105,018 | \$2,272,267 |
| Total | \$ 5,697,614 | \$ 8,567,946 | \$ 5,001,171 | \$11,590,927 | \$7,230,734 |
| Percent | 20% | 20% | 24% | 28% | 42% |
| | | | | | |
| | 2011 | 2013 | 2015 | 2017 | 2019 |
| Political Contributions | \$13,906,135 | \$20,243,491 | \$11,109,040 | \$16,039,747 | \$ 7,721,305 |
| Transfers to Next Campaign | \$ 6,431,152 | \$ 4,933,748 | \$ 3,045,204 | \$5,027,090 | \$ 3,162,028 |
| Total | \$20,337,287 | \$25,177,239 | \$14,154,244 | \$21,666,837 | \$10,883,333 |
| Percent | 46% | 43% | 42% | 30% | 35% |

With only the assembly up for reelection except for one special senate election, it was no surprise that most non-media spending was light compares to previous years.

One trend that surfaced in the 2019 election was the use of texting mostly by Sen. Mike Testa (R-1st). Testa spent nearly \$23,000 on texting as part of his successful candidacy (one other candidate in a different district spent \$100). ELEC was unable to find any spending on texting by legislative candidates in the 2017 election.

Texting is not new in federal elections. It has been used by presidential campaigns dating back to Barack Obama and by congressional candidates, including in New Jersey. Democratic Rep. Josh Gottheimer (5th District) sent 220,000 texts during a primary election in 2020.⁵

Some state candidates, such as California Governor Arnold Schwarzenegger, also have exploited the technology for campaign purposes. And the Republican Governor's Association employed the outreach tool in the 2021 New Jersey gubernatorial election.

For now, use of this micro-targeting tool remains a micro-trend in New Jersey legislative elections.

⁵ Tully, Tracey "Why the Stakes are So High in New Jersey's Primary This Year," New York Times, July 7, 2020.

Non-MEDIA SPENDING

Table 30
Non-Media Spending 2001-2019 (Highs in Bold)

| Category | 2001 | 2003 | 2005 | 2007 | 2009 |
|-------------------------|-------------|--------------------|-------------|--------------------|-------------|
| Fundraising | \$ 811,233 | \$ 767,468 | \$ 541,807 | \$1,119,352 | \$1,106,917 |
| Percent | 3% | 2% | 3% | 3% | 6% |
| Consulting | \$1,080,974 | \$3,309,063 | \$1,732,673 | \$1,388,125 | \$ 871,210 |
| Percent | 4% | 8% | 8% | 3% | 5% |
| Polling | \$ 570,535 | \$ 882,162 | \$ 541,359 | \$ 854,971 | \$ 295,951 |
| Percent | 2% | 2% | 3% | 2% | 2% |
| Election Day | \$ 492,990 | \$ 622,507 | \$ 201,101 | \$ 658,715 | \$ 245,885 |
| Percent | 2% | 1% | 1% | 2% | 1% |
| Charitable Donations | \$ 350,328 | \$ 433,778 | \$ 324,368 | \$ 267,030 | \$ 166,184 |
| Percent | 1% | 1% | 2% | 1% | 1% |
| Administrative Expenses | \$ 856,679 | \$2,910,023 | \$ 819,081 | \$2,633,627 | \$ 843,671 |
| Percent | 3% | 7% | 4% | 6% | 5% |
| Refunds | \$ 680,096 | \$ 637,288 | NA | \$ 859,046 | \$ 178,803 |
| Percent | 2% | 2% | NA | 2% | 1% |
| | | | | | |
| Category | 2011 | 2013 | 2015 | 2017 | 2019 |
| Fundraising | \$1,738,756 | \$1,575,244 | \$ 935,539 | \$2,246,662 | \$1,162,169 |
| Percent | 4% | 3% | 3% | 3% | 4% |
| Consulting | \$2,370,730 | \$1,967,233 | \$ 913,026 | \$1,065,005 | \$ 421,147 |
| Percent | 5% | 4% | 3% | 2% | 1% |
| Polling | \$1,041,827 | \$2,243,067 | \$1,493,303 | \$2,499,868 | \$1,117,904 |
| Percent | 2% | 4% | 4% | 4% | 4% |
| Election Day | \$ 564,394 | \$2,229,452 | \$1,395,232 | \$ 760,792 | \$1,136,077 |
| Percent | 1% | 4% | 4% | 1% | 4% |
| Charitable Donations | \$ 427,461 | \$ 509,670 | \$ 378,020 | \$ 482,241 | \$ 301,393 |
| Percent | 1% | 1% | 1% | 1% | 1% |
| Administrative Expenses | \$2,410,481 | \$2,352,280 | \$1,500,763 | \$6,951,018 | \$1,859,825 |
| Percent | 5% | 4% | 5% | 10% | 6% |
| Refunds | \$ 164,356 | \$ 51,556 | \$ 89,687 | \$ 182,418 | \$ 15,641 |
| Percent | 0.40% | 0.50% | 0.30% | 0.30% | 0.1% |

RECOMMENDATIONS

Perhaps the most noteworthy aspect of the 2019 legislative election is that it featured what is believed to be the largest expenditure ever by a group that can truly be classified as a “dark money” spender.

Ordinarily, a 501c4 social welfare group such as NJ United is not required to disclose its political donors even to the Internal Revenue Service, which is supposed to receive annual reports from such non-profits annually.

In the case of NJ United, it voluntarily disclosed its contributor names, though only after the 2019 legislative election. Months later, it told the IRS in its annual report that it had spent \$1.4 million on the legislative election. That represented 48 percent of its total spending, which was \$3.4 million. 501c4 groups are not supposed to spend more than half their funding on elections.

It gave only general totals for its spending, such as \$505,600 to Canal Partners in Atlanta for “tv/digital buy.”

ELEC is aware from news stories and an ad tracking service that NJ United was spending money in Districts 16, 25 and 39. NJ United itself gave no such breakdown.

NJ United should be commended for voluntarily revealing its political donors. So should other independent groups that, fortunately, have done so in recent New Jersey elections.

But transparency shouldn’t be viewed simply as an act of charity towards voters. It should be a civic obligation and a tool for accountability that is backed by a long overdue update in state law. Otherwise these “stealth PACs” could dominate elections.

In seeking disclosure by independent spenders, ELEC is not saying they should not have a voice in elections. The U.S. Supreme Court has ruled they can spend whatever they want. But the same court repeatedly has declared that voters also are entitled to know who is speaking.

Candidates, parties and traditional political action committees have been fully disclosing their campaign finance activities for decades. Such disclosure helps agencies like ELEC and the Attorney General’s office spot legal violations and act against offenders.

Few have articulated the need for the disclosure better than former Republican Governor Tom Kean.

The nastiness of the 2000 congressional primaries included an attack by dark money spenders on Kean’s son Tom Jr, who lost a primary bid in his first run for office that year. It prompted a public hearing at which former Governor Kean was highly critical of the secret election spenders.

He likened them to “termites getting at the roots of democracy.”⁶

⁶ Laura Mansnerus, “After Some Very Ugly Races, Campaign Reform Has Allure,” New York Times, July 16, 2000.

RECOMMENDATIONS

“I don’t believe there’s a place in democracy for people who hide in the dark...If someone wants to attack you, if someone wants to attack me, that’s fine. Sign your name,” he said.⁷

Twenty-one years later, his zeal for disclosure remains strong. In a recent interview with Executive Director Jeff Brindle⁸, Kean called secret election spending a threat to democracy that “hasn’t gotten better, its worse.”

“Democracy, you know, is fragile and you’ve got to take care of it. And we’re not taking care of it the way we should, particularly with this dark money. It’s an abomination. It really is,” he said.

ELEC agrees that stronger disclosure for independent spenders remains an urgent priority.

Since 2010, ELEC has called for and proposed legislative change that would require independent special interest spenders to disclose their donors to enable voters to know who is behind these efforts to influence elections. It would include spending on electioneering ads that tie candidates to issues in an election year. No such disclosure currently is required.

About 25 states require far more disclosure by independent spending committees than New Jersey. Bills are pending in the legislature that should pass constitutional muster while ensuring that voters are better aware of who is calling the shots in elections.

ELEC also has suggested changes to try to reinvigorate political parties, which already are transparent and accountable and can serve as a counter-weight to independent spending committees.

Party fundraising has declined sharply since the mid-2000s due to tight contribution limits on public contractors and a shift of contributions away from parties to independent spenders.

To help reverse these trends, ELEC’s top priorities for legislative change include:

- ❖ Independent spenders should be required to file disclosure reports with ELEC listing significant contributions whether they expressly advocate the election or defeat of a candidate or ballot question, or whether they use issued-oriented advertisements that might not include phrases like “vote for” or “vote against” yet are clearly aimed at electing or defeating a candidate or ballot question. Current law requires independent groups to disclose only expenditures if they engage in express advocacy. It requires no disclosure for issue-style election advocacy except in one narrow case.⁹

⁷ Joe Donohue, “Kean Calls for Exposing Secret Donors,” The Star-Ledger, July 13, 2000.

⁸ Available at https://www.elec.nj.gov/aboutelec/ELEC_OralHistory.htm.

⁹ Gubernatorial candidates who use non-profit groups to promote themselves within the previous four years of their election year, or during it, must disclose the campaign finance activity of such groups.

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- ❖ End the \$300 limit on most contributions from public contractors to state, county and political parties while imposing it on continuing political committees, or PACs.
- ❖ Raise general contribution limits for non-gubernatorial candidates, parties and political committees for the first time since 2005. Contribution limits gubernatorial candidates are adjusted for inflation every four years.
- ❖ Let state parties spend directly on gubernatorial elections.

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