



NEWS RELEASE

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While overall spending on lobbying remained relatively flat in 2009, benefits provided by lobbyists to state officials continued to decline sharply, Jeff Brindle, Executive Director of the New Jersey Election Law Enforcement Commission (ELEC), announced today.

Total spending was up 1 percent to \$56.4 million, a new high for New Jersey. Yet, it was the fourth straight year that spending hovered around \$55 million. Total expenditures last jumped dramatically between 2005 and 2006 after a new law required lobbyists to disclose far more of their activities.

The following chart shows the trend in recent years:

YEAR	TOTAL SPENDING ON LOBBYING	CHANGE IN %
2009	\$ 56,390,613	1.3%
2008	\$ 55,661,277	1.4%
2007	\$ 54,891,382	-0.8%
2006	\$ 55,321,166	91.3%
2005	\$ 28,922,559	14.4%

There were other signs the economic doldrums are taking a toll. The average number of lobbyists fell 4 percent from 1,043 to 1,001.

Moreover, the number of clients last year sank 5.1 percent from 1,918 to 1,820. It was the second straight year that the number has declined. Between 2007 and 2009, total clients dropped by 181, the largest number since a 171 client drop-off in 1988. Figures dating back to 1982 show the industry has never reported a two-year period during which the number of clients has fallen.

“It is clear that the economic downturn has had an impact on the New Jersey lobbying industry, just like it has stung many other industries,” said Brindle.

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At least one other State hit hard by the recession recently reported a significant decline in lobbying expenditures, Michigan, which reported a 6.8 percent drop to \$31.8 million.

Nationally, the economic slump wasn't enough to depress lobbying expenditures last year. With contentious issues such as the economic stimulus package, health care reform and cap and trade legislation being debated in the nation's capital, the Center for Responsive Politics recently disclosed that federal lobbying expenditures rose 5.1 percent in 2009 to \$3.7 billion.

Annual reports for 2009 also showed benefit passing by lobbyists, expenses like meals or trips, dropped to a low of \$9,728 - a 56 percent reduction. It is the lowest total since ELEC began keeping records in 1982. State officials also reimbursed lobbyists for \$2,307 of those 87 benefits.

Since peaking in 1992 at \$163,375, the one-time tradition of lobbyist benefit passing has all but vanished due to a stricter gift ban enacted in 2004, annual disclosure by ELEC, and a steady stream of news accounts that has raised public awareness about the issue.

In addition added Brindle: "To their credit, public officials today are very sensitive to concerns among the citizenry toward their accepting gifts. They want to avoid even the appearance of being influenced."

Benefits now consist primarily of meals. In the past, they could be as elaborate as overseas trips or as trivial as souvenir compact disks.

The following chart reveals the decline:

YEAR	TOTAL SPENDING ON BENEFIT PASSING	CHANGE IN %
2009	\$ 9,729	-56%
2008	\$ 22,360	-29%
2007	\$ 31,630	-30%
2006	\$ 45,508	4%
2005	\$ 43,627	-31%

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While overall lobbying expenditures were up minimally, most spending categories were down. As usual, in-house salaries remain the biggest expense, accounting for \$32.8 million, or 58 percent of all outlays. The category fell 1 percent. On a percentage basis, benefits dropped the most at 56 percent.

Communications expenses showed the largest increase. They were up 53 percent to \$6,102,466. Only in 2006, when a legislative clash between the cable and telecommunications industry pushed ads expenses to \$6.6 million, was spending higher.

EXPENSE CATEGORY	2008	2009	CHANGE IN %
In-house salaries	\$ 33,094,609	\$ 32,796,825	-1
Compensation to outside agents	\$ 13,520,651	\$ 12,665,954	-7
Communications	\$ 3,970,516	\$ 6,102,466	53
Support personnel	\$ 3,093,668	\$ 2,881,747	-7
Travel and lodging	\$ 721,790	\$ 664,446	-8

“The recent increase in communications expenses reflects the changing nature of the lobbying business. It has become more multi-dimensional since the State’s original lobbying law was enacted in 1964. This is partly as a result of the growth in government,” Brindle said.

For instance, the New Jersey Register, a catalog of proposed regulations, was 280 pages in 1971. In 2008, it was 7,020 pages.

As a result, lobbying of the executive branch has expanded greatly, Brindle said. “There also is a greater emphasis on “grass-roots” campaigns that seek to mobilize the public for or against an issue,” he added.

“Our statistics now provide a better snapshot of these activities since a package of reforms enacted in 2004 required lobbyists to disclose fees and other information about these newer client services,” Brindle said.

Last year’s communications spending was driven largely by grassroots lobbying by two groups that ran televised “issue” advertisements during the gubernatorial campaign. NJ Progress spent \$2.2 million, while Mid-Atlantic Leadership Fund spent \$1.6 million. The next largest communication expense was reported by the NJ Credit Union League, which spent \$267,016.

The following ten special interest groups reported the largest total spending last year:

GROUP	AMOUNT
NJ Progress	\$ 2,151,864
Mid-Atlantic Leadership Fund	\$ 1,634,091
Verizon NJ	\$ 999,476
AARP NJ	\$ 827,934
NJ Hospital Association	\$ 778,502
First Energy/ Jersey Central Power & Light	\$ 714,580
Public Service Enterprise Group	\$ 697,583
CSC Holdings Inc	\$ 638,134
NJ Builders Association	\$ 614,194
Atlantic City Electric	\$ 549,988

The top ten multi-client lobbying firms ranked by fees include the following firms:

FIRM	2009 FEES
Princeton Public Affairs Group Inc.	\$ 6,907,202
Public Strategies Impact LLC	\$ 5,842,319
Martin-Bontempo-Matacera-Bartlett-Gluckshaw Gibbons PC	\$ 3,734,228
Kaufman Zita Group LLC	\$ 1,714,533
Riker Danzig Scherer Hyland & Perretti LLP	\$ 1,703,630
Capital Public Affairs Inc	\$ 1,644,310
Capital Impact Group	\$ 1,620,322
Issues Management LLC	\$ 1,351,767
Fox & Shuffler	\$ 1,289,561
	\$ 1,126,500

In New Jersey, lobbyists who raise or spend more than \$2,500 are required to file a report on February 15th that reflects activity from the prior calendar year.

Full details about lobbyist activities in 2009 are available at the following website:
http://www.elec.state.nj.us/publicinformation/gaa_annual.htm.