

Independent Spending Up 11,458 Percent in New Jersey Campaigns Since 2005

BY JEFF BRINDLE • 02/02/18 8:00am

Spending in New Jersey elections by outside, independent groups has risen astronomically over the last 12 years.

In 2005, candidates for governor, legislature and state and county party committees together spent \$160 million on the primary and general elections. Special interest groups acting independently, by comparison, spent just \$411,224—less than 0.3 percent of total spending. (See Table 1 below.)

Twelve years later, in 2017, a tsunami occurred in independent spending, all but washing away the role of political parties in the state's elections and greatly dampening the control many candidates have over their own campaigns.

State candidates and state and county party committees in 2017 spent a combined \$144 million, according to preliminary estimates. While that's still a hefty sum, it is 10 percent less than the combined traditional committee spending in 2005.

By stark contrast, independent spending soared to \$47.5 million—about 25 percent of total spending. That represents an 11,458 percent increase since 2005.

Spending by the so-called Big Six committees—the two state parties and four legislative leadership PACs—was 32 percent less last year than in 2005. Combined county committee spending was down 26 percent over the 12-year period.

So, the parties significantly decreased their financial activity in the face of tremendous growth in spending by outside groups.

At this rate, without reform, political parties in New Jersey will go the way of dinosaurs by the gubernatorial and legislative elections of 2021.

The candidates themselves fared a bit better—but not much. Even in their cases, the tide is turning, flowing in the direction of independent groups.

The handwriting is on the wall. If N.J. Election Law Enforcement Commission (ELEC)-recommended changes are not made to the campaign finance system that strengthen political parties and offset the growing clout of independent groups, the electoral system in New Jersey will be unrecognizable in a very short number of years.

Two main federal events help explain the rapid rise and growing influence by independent groups in New Jersey.

The 2002 Bipartisan Campaign Reform Act (BCRA), otherwise known as McCain-Feingold, and the U.S. Supreme Court's 2010 decision in *Citizens United v. FEC* were major catalysts for this growth.

BCRA redirected the flow of money away from national political parties by banning unlimited "soft money" donations from various special interest groups. Those contributors simply started spending their money independently. At the same time, the law restricted the amount of money used by state parties for federal purposes.

Between 2002 and 2010, the eight-year period prior to the ruling in *Citizens United*, there was more than a 1,000 percent growth in independent group spending at the national level, a trend that would soon filter down to the states.

Citizens United only made the situation worse, more than facilitating the increase in outside group activity that had begun in earnest with the enactment of McCain-Feingold.

Adding to the problem was New Jersey's adoption of a series of executive orders and laws intended to stop pay-to-play politics that began a little over a decade ago. These actions drastically reduced the amount that public contractors could give to state and county parties, legislative leadership committees and gubernatorial candidates.

Almost immediately after pay-to-play laws first took effect, efforts began to legally circumvent the limits with traditional special interest political action committees (PACs) forming for the purpose of receiving contributions from existing and potential public contractors. Contributions to these groups, at least, are subject to state contribution limits.

With the advent of federal Super PACs and 501c4 non-profit groups and increased reliance on 527 political organizations, all of which have no contribution limits, even more contributions flowed from public contractors to independent groups.

While all this was happening, proposals were put forth by the ELEC to stem the tide of the growing influence by independent groups and to restore a rational electoral system to the Garden State.

By not enacting meaningful reforms, the influence over elections by outside, often anonymous, groups has only increased to the detriment of the public interest.

Hopefully the new legislature will seriously consider proposals that will restore balance to the electoral landscape in New Jersey, with accountable political parties offsetting the influence of outside groups and candidates maintaining control over their own campaigns.

The proposals are as follows:

Pay-to-Play:

1. One state law;
2. An end to the Fair and Open loophole;
3. All contracts over \$17,500 disclosed;
4. Increase contractor donation limit from \$300 to \$1,000;
5. Include special interest PACs under the law;
6. Exclude political parties from the law;
7. Require contractor donations to independent groups to be disclosed.

Political Parties

1. Exclude parties from pay-to-play limits;
2. Increase all contribution limits;
3. Allow state parties to participate in gubernatorial campaigns;
4. Allow county parties to give to each other, even during primaries.

Independent Groups

1. Registration;
2. Disclosure of contributions and expenditures.

Americans, including New Jerseyans, may not very much like political parties. But parties are transparent, regulated by state law and serve as a link between voters and the government.

They also represent a broad coalition of people.

There can be no doubt that an electoral system dominated by the parties and the candidate themselves is much better than one controlled by independent groups with outsized influence and far less accountability to the voters.

Table 1
Spending in State Elections- 2005 Versus 2017

Year	2005	2017*	Change-%
Gubernatorial Candidates	\$ 87,724,988	\$ 54,328,897	-38%
Legislative Candidates**	\$ 33,328,310	\$ 62,643,117	88%
Big Six	\$ 19,667,905	\$ 13,348,131	-32%
Counties	\$ 19,009,467	\$ 14,059,504	-26%
Subtotal- Traditional Committees	\$159,730,670	\$144,379,649	-10%
Independent Committees	\$ 411,224	\$ 47,530,869	11,458%
Grand Total	\$160,141,894	\$191,910,518	20%
% Independent Committees	0.3%	24.8%	

*Preliminary

**Assembly-
only election
in 2005

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