



NEWS RELEASE

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Contributions by public contractors in 2017 surged for the first time in four years as major state elections for governor and all 120 legislative seats brought out the checkbooks, according to a new analysis by the New Jersey Election Law Enforcement Commission (ELEC).

Annual disclosure reports filed by contractors show they forked over \$9.4 million in campaign cash last year, a 4 percent increase from 2016, which had no state elections. Contributions decreased each of the three previous years.

Table 1
Campaign Contributions Reported by Public Contractors in Annual Disclosure Reports

YEAR	AMOUNT	CHANGE-%	YEAR	AMOUNT	CHANGE-%
2017*	\$ 9,368,608	4%	2011	\$ 9,982,696	3%
2016	\$ 8,999,838	-2%	2010	\$ 9,725,922	-12%
2015	\$ 9,215,463	-6%	2009	\$11,078,713	-9%
2014	\$ 9,843,769	-8%	2008	\$12,120,923	-26%
2013	\$10,713,401	34%	2007	\$16,436,039	8%
2012	\$ 7,988,882	-20%	2006	\$15,157,941	

*Preliminary

“It is clear the 2017 contest to replace Governor Chris Christie after eight years in office and historic spending in the third legislative district created huge stakes for all contributors, including public contractors,” said Jeff Brindle, ELEC’s Executive Director.

“Even with more incentive to give last year, contributions from contractors are down 43 percent from the peak year of 2007,” he said. “Party coffers have fallen off almost as sharply, and this trend has given a big edge to special interest groups operating independently of parties and candidates.”

“We hope the new Murphy administration and the Legislature will take up ELEC-recommended legislation this year that would greatly simplify pay-to-play laws, increase the amount contractors can give, and allow parties to accept more than just token donations from contractors,” Brindle added.

The top ten contractors ranked by their contributions gave \$2.6 million in 2017, about 28 percent of all contributions.

Most years, engineering firms dominate the top ten and this year was no exception as the top five donors all are engineering firms. Rounding out the list are three law firms and two construction firms.

Table 2
Business Entities that Made Most Contributions in 2017

BUSINESS NAME	AMOUNT
Remington & Vernick Engineers, Inc.	\$512,550
T&M Associates	\$366,880
Alaimo Group	\$345,500
Pennoni Associates Inc	\$317,729
CME Associates	\$316,710
J. Fletcher Creamer & Son, Inc./Creamer Sanzari-Joint Venture	\$156,950
Capehart Scatchard PA	\$153,865
Archer & Greiner PC	\$152,240
Weiner Law Group LLP	\$151,265
Hesse Construction Co. Inc.	\$147,200

Following another trend, the biggest recipients of contractor contributions were county-level candidates, including five of the top ten.

Topping the list was Senate President Stephen Sweeney (D-3), whose reelection campaign appears to be the most expensive legislative district race in U.S. history with combined spending of nearly \$18.7 million.

Two federal independent spending-only committees that backed him also received contractor support- General Majority PAC (\$47,500) and New Jerseyans for a Better Tomorrow (\$41,750).

Table 3
Top Ten Recipients of Contractor Contributions in 2017

RECIPIENT	AMOUNT
Stephen Sweeney for Senate / EFO Stephen Sweeney, John Burzichelli and Adam Taliaferro	\$179,680
Heather Simmons, Lyman Barnes & Jim Jefferson for Freeholder (Gloucester County)	\$166,500
Constructors for Good Government PAC	\$148,249
New Jersey Democratic State Committee	\$121,500
Shanti Narra for Freeholder (Middlesex County)	\$117,450
Phil Murphy for Governor	\$114,252
Leslie Koppel for Freeholder (Middlesex County)	\$112,350
Charles Tomaro for Freeholder (Middlesex County)	\$111,350
Kevin Hoagland for Surrogate (Middlesex County)	\$103,950
Blue PAC	\$ 99,000

The campaign for governor also attracted considerable spending by public contractors. Contractors reported giving candidates for governor or the national committees that took part in the race received at least \$275,727.

Governor Phil Murphy received the most (\$114,002) while his challenger, former Lieutenant Governor Kim Guadagno, received \$64,775.

Table 4
Contractor Contributions to Gubernatorial
Candidates or Groups Active in Campaign

CANDIDATE OR COMMITTEE	AMOUNT
Phil Murphy for Governor	\$ 114,002
Kim Guadagno for Governor	\$ 64,775
Democratic Governors Association	\$ 60,900
Republican Governors Association	\$ 26,000
Jack Ciattarelli for Governor	\$ 9,200
John Wisniewski Governor	\$ 600
Jim Johnson for Governor	\$ 250
Grand Total	\$ 275,727

Last year's gubernatorial and legislative showdowns also led to more contractor checks going not only to independent groups but also to traditional continuing political committees, better known as political action committees (PACs).

Unlike independent-spending only committees, PACs are subject to contribution limits. Neither are subject to pay-to-play contribution limits. The chart below includes contributions to both types of committees.

Table 5
Contributions to PACs and Independent Groups

YEAR	AMOUNT	CHANGE-%	% OF TOTAL CONTRIBUTIONS
2017	\$1,364,538	6%	15%
2016	\$1,286,280	-1%	16%
2015	\$1,300,622	-30%	14%
2014	\$1,863,693	16%	19%
2013	\$1,604,014	58%	15%
2012	\$1,017,353	-42%	13%
2011	\$1,746,947		18%

For the sixth consecutive year, contract totals rose to \$10.3 billion- an 18 percent jump.

It is only the second time since contractors began filing annual reports in 2006 that the value of contracts topped the \$10 billion mark.

Table 6
Total Value of Contracts Reported Annually by Business Entities

YEAR	AMOUNT	CHANGE-%
2017*	\$ 10,297,143,942	18%
2016	\$ 8,743,744,352	6%
2015	\$ 8,280,639,442	19%
2014	\$ 6,982,725,369	3%
2013	\$ 6,752,690,921	13%
2012	\$ 5,954,013,939	8%
2011	\$ 5,509,000,868	-6%
2010	\$ 5,831,430,755	-4%
2009	\$ 6,061,413,903	21%
2008	\$ 5,003,469,665	-12%
2007	\$ 5,686,393,016	-45%
2006	\$ 10,396,758,835	

*Preliminary

While the value of contracts was up substantially, the number of contracts actually fell 11 percent to the third lowest number (18,909) since 2006. The number of business entities fell 13 percent to the second lowest number ever (1,900).

Table 7
Total Number of Contracts Reported Annually
by Business Entities Subject to Pay-To-Play Law

YEAR	NUMBER	CHANGE-%
2017*	18,909	-11%
2016	21,230	12%
2015	18,886	-3%
2014	19,550	-5%
2013	20,560	-1%
2012	20,857	-16%
2011	24,704	32%
2010	18,673	-13%
2009	21,444	-6%
2008	22,832	1%
2007	22,588	-9%
2006	24,935	

*Preliminary

Table 8
Total Number of Business Entities

YEAR	NUMBER	CHANGE-%
2017*	1,900	-13%
2016	2,172	1%
2015	2,156	-3%
2014	2,233	0.9%
2013	2,213	-1%
2012	2,237	2%
2011	2,184	-0.1%
2010	2,186	4%
2009	2,096	12%
2008	1,873	-7%
2007	2,019	-14%
2006	2,339	

*Preliminary

The numbers in this report reflect information available to the Commission through April 5, 2018 and should be considered preliminary. Some contractors are likely to submit reports or amendments after that date that could change the totals. Numbers earlier than 2017 reflect these revisions and could differ from those reported in prior press releases. All reports are available at ELEC's website at www.elec.state.nj.us.

Under pay-to-play laws, all businesses that have received \$50,000 or more through public contracts must indicate whether they have made any reportable contributions and if so, must disclose contracts and contributions to ELEC by March 30th for the previous calendar year.

With some exceptions, most firms with state contracts in excess of \$17,500 are barred from contributing more than \$300 to gubernatorial candidates, other candidates, state political parties, legislative leadership committees, county political parties and municipal political party committees. Firms that exceed this limit must seek refunds of excess contributions within a necessary time period or relinquish their contracts for four years.

The average contribution made by contractors in 2016 was \$1,162- up 5 percent. The largest average of \$1,222 occurred in both 2006 and 2007.

Three health insurance companies that service the state and/or other governmental entities in New Jersey topped the list of contract recipients. The list also includes two banks, a natural gas utility, a telecommunications firm, a life insurance firm and two construction firms.

Table 9
Top Ten Business Entities that Reported
Largest Contract Totals in 2017

BUSINESS NAME	AMOUNT
Horizon Healthcare of NJ Inc	\$5,025,200,657
Amerigroup New Jersey, Inc.	\$1,231,152,693
Aetna Life Insurance Company	\$ 676,412,492
South State, Inc.	\$ 326,068,851
South Jersey Energy	\$ 129,843,015
Spencer Savings Bank, SLA	\$ 113,811,401
Unity Bank	\$ 99,609,462
Verizon New Jersey Inc.	\$ 93,851,804
Variable Annuity Life Insurance Company (VALIC)	\$ 91,450,335
George Harms Construction Co., Inc.	\$ 80,826,601

State government again was the largest source of contracts in 2017. Municipalities, school boards, independent authorities, counties, colleges and universities, and fire districts follow in descending order.

Table 10
Contracts by Public Entity Type in 2017

PUBLIC ENTITY TYPE	AMOUNT	PERCENT
State of New Jersey	\$ 7,339,518,985	71%
Municipality	\$ 978,609,698	10%
School Board	\$ 776,953,188	8%
Independent Authority	\$ 754,240,079	7%
County	\$ 369,251,198	4%
College/University	\$ 67,378,840	0.7%
Fire District	\$ 10,410,080	0.1%
No information/Uncertain	\$ 781,874	0.01%
Grand Total	\$ 10,297,143,942	100%

As usual, contract awards by the state Department of Human Services dwarfed those of other public entities.

Table 11
Top Ten Contracting Agencies in 2017

CONTRACTING AGENCY	AMOUNT
New Jersey Department of Human Services	\$6,186,545,330
New Jersey Department of Transportation	\$ 677,937,639
New Jersey Department of Treasury	\$ 389,176,159
New Jersey Turnpike Authority	\$ 229,955,731
Port Authority of NY and NJ	\$ 115,620,487
Newark Public Schools	\$ 103,695,819
Elizabeth Board of Education	\$ 70,993,001
New Jersey Department of Health and Senior Services	\$ 54,312,772
New Jersey Transit	\$ 53,682,080
Bergen County	\$ 47,543,041

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