

A Sunlight Report on 2021 Election Spending: **Super PACS and the NJEA Dominate**

**MURPHY AND GILL WIN;
TEACHERS PAY FOR IT**

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Introduction

Election Law Enforcement Commission (ELEC) Executive Director Jeff Brindle is concerned about the growing influence of Super PACs on New Jersey's elections. Speaking of the 2021 general election, ELEC's Brindle told NJ Spotlight News that Super PAC spending was the highest in state history and 69% higher than the previous high. As Brindle stated, "At this rate, independent groups soon could be outspending candidates ..."¹

The Sunlight Policy Center has a long-standing interest in special interest political spending in New Jersey's elections. We previously analyzed political spending by New Jersey's most powerful special interest, the New Jersey Education Association (NJEA), via its traditional PAC (political action committee), NJEA PAC.² Spurred by NJ Spotlight News' recent recap³ of Super PAC spending in the 2021 general election as well as Brindle's expressed concerns, Sunlight undertook its own analysis of Super PAC spending in the 2021 general election.

Building on NJ Spotlight News' report, we looked at ELEC data on the spending by independent expenditure groups in the 2021 gubernatorial and legislative general elections. Independent expenditure groups are also known as Super PACs (political action committees) because they can raise and spend unlimited amounts of money, but their spending cannot be coordinated with candidates' campaigns.

Here is what we found:

1) NJ Spotlight News Double-Counted Some Spending. Due to the opaque nature of the reporting to ELEC, NJ Spotlight News overstated the amount spent because it double-counted the money contributed to Super PACs from other Super PACs. For example, top-independent-spender Garden State Forward contributed \$3 million to the pro-Murphy Super PAC Committee to Build the Economy, which, itself, spent \$2,938,127. NJ Spotlight News counted both of these and attributed \$5,938,127

¹ Colleen O'Dea, "Sizable spending by Dems, independent groups still couldn't raise a blue wave," *njspotlightnews.org*, November 30, 2021, <https://www.njspotlightnews.org/2021/11/110-million-candidate-spending-independent-group-spending-governors-race-dem-losses-3rd-district/>. Hereinafter, "Spotlight report."

² Sunlight Policy Center of New Jersey, "Blue Jersey:" NJ's Most Powerful Special Interest, the NJEA, Spends 93% of its PAC Money on Democrats," *sunlightpolicynj.org*, October 20, 2021, <https://sunlightpolicynj.org/wp-content/uploads/2021/10/NJEA-PAC-Political-Spending-2011-to-2020.pdf>.

³ Spotlight report.

in spending to the two Super PACs. The correct spending amount should be \$3 million attributed to Garden State Forward as the entity that generated the money. Committee to Build the Economy essentially served as a vehicle for NJEA money to support Murphy (and enrich Brendan Gill, see below).

2) The Double-Counting Understated the NJEA's Dominant Role. For the same double-counting reason, NJ Spotlight News understated the dominant role Garden State Forward played in overall independent spending (more than \$1 of every \$3 spent) and particularly in pro-Democrat independent spending. After removing the double-counting, Garden State Forward can be seen to have provided over 44% of pro-Democrat independent spending overall and over 46% of the pro-Murphy independent spending.

3) 100% of the NJEA's Independent Spending Supported Democrats. Despite claiming that the NJEA supported candidates “on both sides of the aisle,” ALL of top-spender Garden State Forward's spending in the general election supported Democrats. By itself, Garden State Forward spent twice as much as the two top Republican Super PACs combined.

4) Another Big Payday for Brendan Gill. Democrat insider, former Murphy campaign manager and Essex County commissioner Brendan Gill reaped another big payday from NJEA-funded Super PACs. All-told, Gill took in an additional \$325,500 from two NJEA-funded, pro-Murphy Super PACs, bringing his running total to \$872,821. A very cozy – and lucrative - arrangement between the NJEA, Murphy and Gill.

5) ALL Paid for by Teachers' Highest-in-the-Nation Dues. Once again, ALL of the \$9,106,588 spent by Garden State Forward in the general election came from teachers' highest-in-the-nation regular dues. When added to other pro-Murphy, pro-Democrat spending leading up to the 2021 elections, a total of over \$20 million was extracted from teachers' dues for political support for Democrats. This equals \$167 per teacher,⁴ including those teachers who did not vote for Murphy or a Democratic legislative candidate.

1. NJ Spotlight News Double-Counted Some Spending

While meticulously poring over dozens of ELEC filings, NJ Spotlight News made an understandable error. Because of the opaque nature of ELEC reporting, contributions from Super PACs to other Super PACS often obscure the actual flow of money. ELEC's Brindle has frequently expressed concern over these money flows.⁵

⁴ Assuming 125,000 full-time teachers in the NJEA.

⁵ See, e.g., Jeffrey Brindle, “We must shine a light on the shadowy dark money groups trying to influence your vote,” *nj.com*, October 13, 2020, <https://www.nj.com/opinion/2021/10/we-must-shine-a-light-on-the-shadowy-dark-money-groups-trying-to-influence-your-vote-opinion.html>.

In this case, NJ Spotlight News double-counted some Super PAC spending by including both amounts contributed by one Super PAC to a second Super PAC as well as the resulting spending by the second Super PAC. Using NJ Spotlight News' compilation of the top ten Super PAC spenders, the tables below show that contributions by Garden State Forward, the Democratic Governors Association, Growing Economic Opportunities (Laborers), Carpenters Action Fund and Working for Working Americans (Carpenters) that were made to Our NJ, American Democratic Majority and Committee to Build the Economy were counted as spending for both the contributing Super PACs as well as the receiving Super PACs.

As seen in Table 1, a total of \$7,883,268 went from five Super PACs to the pro-Murphy Super PAC Our NJ.⁶

Table 1

<u>Contributors to Our NJ</u>	<u>Amount</u>
Garden State Forward	\$2,500,000
Democratic Governors Association	\$1,983,268
Working for Working Americans (Carpenters)	\$1,500,000
Carpenters Action Fund	\$1,000,000
Growing Economic Opportunities (Laborers)	\$900,000
TOTAL	\$7,883,268

As shown in Table 2, Garden State Forward contributed \$3 million to pro-Murphy Committee to Build the Economy, which entirely funded all of its expenditures and then some.

Table 2

<u>Contributors to Committee to Build the Economy</u>	<u>Amount</u>
Garden State Forward	\$3,000,000
TOTAL	\$3,000,000

As shown in Table 3, Working for Working Americans and Carpenters Action Fund contributed a total of \$2.5 million to American Democratic Majority. (Garden State Forward also contributed \$1.265 million to American Democratic Majority but this was prior to the primary election in June, and to keep consistency with NJ Spotlight News' tally for the general election only, Sunlight did not include it).

Table 3

⁶ This and all other data in this report come from Sunlight's analysis of NJ Election Law Enforcement Commission data, unless otherwise noted.

<u>Contributors to American Democratic Majority</u>	<u>Amount</u>
Working for Working Americans (Carpenters)	\$1,500,000
Carpenters Action Fund	\$1,000,000
TOTAL	\$2,500,000

As shown in Table 4, this makes for a total of \$13,383,268 that was counted as spending for both the contributing Super PACs as well as for the receiving Super PACs. As this money was generated by the contributing Super PACs, it should be attributed to them, not the receiving Super PACs, which functioned as vehicles for spending the contributing Super PACs' money. Looking NJ Spotlight News' top-ten list of independent spenders in the general election and subtracting out the double-counted spending, the total amount spent by the top-ten spenders drops from \$38,421,785 to \$25,038,517.

Table 4

Super PAC Spending	Governor	Legislature	Total	From Other Super PACs	Adjusted Total
Garden State Forward	\$5,538,434	\$3,568,154	\$9,106,588		\$9,106,588
Our NJ	\$8,733,268	0	\$8,733,268	\$(7,883,268)	\$850,000
American Democratic Majority	0	\$4,830,467	\$4,830,467	\$(2,500,000)	\$2,330,467
Republican Governors Assn.	\$3,808,013	0	\$3,808,013		\$3,808,013
Working for Working Americans	\$1,500,000	\$1,500,000	\$3,000,000		\$3,000,000
Committee to Build Economy	\$2,938,127	0	\$2,938,127	\$(3,000,000)	\$(61,873)
Democratic Governors Assn.	\$2,283,268	0	\$2,283,268		\$2,283,268
Carpenters Action Fund	\$1,000,000	\$1,225,000	\$2,225,000		\$2,225,000
Growing Economic Opportunities.	\$900,000	0	\$900,000		\$900,000
Women for a Stronger NJ (R)	0	\$597,054	\$597,054		\$597,054
TOTAL	\$26,701,110	\$11,720,675	\$38,421,785	\$(13,383,268)	\$25,038,517

Notably, the independent spending by the pro-Murphy Super PAC Committee to Build the Economy was more than entirely funded by Garden State Forward (with the negative balance of -\$61,873 as leftover cash for Committee to Build the Economy). In this way, Committee to Build the Economy can be seen for what it really is: a vehicle for NJEA money to support Murphy. And enrich Democratic insider Brendan Gill, who was paid \$237,500 by Committee to Build the Economy for "consulting," as will be discussed below.

2) The Double-Counting Understated the NJEA’s Dominant Role

Once double-counting is removed, the true, dominant role of Garden State Forward is revealed. As shown in Table 4, Garden State Forward spent \$9,106,588 of the \$25,038,517 total, or 36.4%. So the NJEA spent more than \$1 of every \$3 spent by Super PACs in the general election.

The NJEA’s dominance was even more pronounced when looking at support for Democrats. Table 5 shows that Garden State Forward provided 44.1% of all pro-Democratic and 46.1% of pro-Murphy independent spending.

Table 5

Garden State Forward Pro-Democrat Spending	Governor	Legislature	Total
Garden State Forward	\$5,538,434	\$3,568,154	\$9,106,588
Adjusted Total Spending	\$15,817,842	\$9,220,675	\$25,038,517
LESS:			
Republican Governors Association	\$3,808,013	0	\$3,808,013
Women for a Stronger NJ (R)	0	\$597,054	\$597,054
Total Democratic Spending	\$12,009,829	\$8,623,621	\$20,633,450
Garden State Forward as % of Democratic Spending	46.1%	41.4%	44.1%

3) 100% of the NJEA’s Independent Spending Supported Democrats

NJEA spokesman Steve Baker’s told NJ Spotlight News that the NJEA endorsed and supported candidates “on both sides of the aisle,”⁷ but Sunlight could find no examples of independent spending in support of Republicans in the general election. So, yes, the NJEA endorsed a few Republicans, but it put ZERO Garden State Forward money behind those endorsements.

⁷ Spotlight report.

All of Garden State Forward’s spending in the gubernatorial election went to support Murphy, and NJ Spotlight News reported that the NJEA spent \$3.5 million in LD2, all in support of the Democratic legislative slate.⁸ ELEC filings also show Garden State Forward spent \$25,000 in support of Democrats in LD26, \$133,664 in non-partisan races in Parsippany-Troy Hills, Wayne and Hillsborough, and another \$38,433 listed as “Statewide.” There is no indication that any of this was spent in support of Republicans.

Therefore, Sunlight believes it is fair to conclude that 100% of the NJEA’s \$9,106,588 supported Democrats. As shown in Table 4 above, *the NJEA by itself spent twice as much as the two top Republican Super PACs combined.*

4) Another Big Payday for Brendan Gill (the \$872,000 Man)

The Super PAC industry has proven very lucrative for Democratic insider, former Murphy campaign manager and Essex County commissioner Brendan Gill.

During the 2021 general election campaign, Committee to Build the Economy paid Gill \$237,500 for “consulting” and Our NJ paid him \$88,000 for “fundraising services.” That makes a total of \$325,500. As mentioned above, Committee to Build the Economy served as a vehicle for NJEA money to support Murphy, so it is fair to characterize the \$237,500 as being paid to Gill by the NJEA. The NJEA also contributed \$2.5 million to Our NJ, so the \$88,000 payment to Gill also includes NJEA money.

As shown in Table 6, New Direction New Jersey, the Super PAC that supported Murphy during his first term with an eye toward his re-election, paid Gill \$547,321.⁹ The NJEA contributed at least \$10.5 million to New Direction.¹⁰ Added together, this means that Gill was paid \$872,821 by NJEA-funded, pro-Murphy Super PACs.

Table 6

Payments to Brendan Gill from:	Amount
New Direction New Jersey	\$547,321
Committee to Build the Economy	\$237,500
Our NJ	\$88,000
TOTAL	\$872,821

This makes for a very cozy – and lucrative - arrangement between the NJEA, Murphy and Gill.

5) ALL Paid for by Teachers’ Highest-in-the-Nation Dues

⁸ Spotlight report.

⁹ Sunlight analysis of ELEC data from filings made by the Murphy campaign.

¹⁰ InsiderNJ, Press Release, “New Direction New Jersey Voluntarily Releases Donor List for the Second Year in a Row,” *insidernj.com*, December 23, 2020, <https://www.insidernj.com/press-release/new-direction-new-jersey-voluntarily-releases-donor-list-second-year-row/>.

All of this Garden State Forward political spending – *all of it* – was paid for by teachers’ highest-in-the-nation regular dues. Teachers do not opt into this political spending the way they do with the NJEA’s traditional PAC, NJEA PAC. These millions in political spending are simply extracted from their automatically withheld dues by the NJEA leadership.

And all of it – *all of it* – spent in the 2021 general election went to Democrats.

As Table 7 shows, when looking at the period leading up to and during the 2021 elections, Garden State Forward spent a total of \$20,871,588 of teachers’ regular dues supporting Murphy and Democratic legislative candidates. This equals \$167 for each and every teacher, even including those teachers who did not vote for Murphy or a Democratic legislative candidate.

Table 7

Teachers’ Regular Dues Funded:	Amount
2021 General Election	\$9,106,588
American Democrat Majority*	\$1,265,000
New Direction New Jersey	\$10,500,000
TOTAL	\$20,871,588

*Contributed prior to 2021 primary election, so not included in Garden State Forward’s general election spending.

Conclusion

After poring over the same ELEC data, Sunlight reaches the same basic conclusions as NJ Spotlight News: that Super PACs are coming to dominate New Jersey elections; that the NJEA’s Garden State Forward is by far the dominant Super PAC; and that as a result Super PAC spending heavily favors Democrats. ELEC’s Brindle’s concerns are well founded.

Building on its own past research, Sunlight also found that NJEA-funded, pro-Murphy Super PACs have made Democratic insider Brendan Gill a very rich man, providing a glimpse into the cozy, connected world of New Jersey special interest politics.

And Sunlight once again found that New Jersey teachers’ highest-in-the-nation dues, which are automatically withheld from their paychecks, are paying for all of this. Teachers cannot opt into paying for this massive political spending in favor of Democrats or the lavish compensation for connected Democratic insiders; it is extracted from their regular dues, including from teachers who did not vote for Murphy or a Democratic legislative candidate. This strikes Sunlight as patently unfair.

Elections 2021: New Jersey's special-interest-dominated political system on display.