

# **LOBBYING CALIFORNIA STATE GOVERNMENT**

## **\$228 Million Spent During Calendar Year 2005**

**An Analysis Issued by Secretary of State Bruce McPherson**

**June 2006**

A long list of interest groups, led by the California Teachers Association, spent a combined \$227,940,496 to lobby the State Legislature and state administrative agencies in 2005, setting a new advocacy spending record.

The teachers' lobbying organization reported spending \$9,456,813 during the first half of the 2005-06 legislative session, more than twice as much as its nearest rival, AT&T and its affiliates, which spent \$4,065,146.

Cities, counties, school districts and other local government agencies were the most prolific spenders among 19 categories of lobbyist employers registered with the Secretary of State, topping out at \$35,167,319 for the 12-month period.

Among lobbying firms that provide contract lobbying services for a variety of clients, KP Advocates (aka Kahl/Pownall Advocates) earned \$4,706,161 to outdistance more than 300 other firms in total fees and payments received.

An estimated 2,639 lobbying entities—employers that utilize in-house lobbyists or contract with lobbying firms—submitted quarterly financial disclosure statements to the Secretary of State between January 1 and December 31, 2005. Similarly, about 344 lobbying firms filed reports. Only employers and firms that filed online are included in this analysis. Entities with receipts or expenditures under \$5,000, the amount that triggers online filing, are not included. (There were only about 120 employers and 20 firms that fell below the \$5,000 threshold.)

For a comparable reporting period in 1999, the first half of the 1999-2000 legislative session, lobbying organizations spent a total of \$163.7 million to influence state government. The 2005 total of \$227.9 million represents a \$64.2 million, or 39 percent increase in lobbying spending over the corresponding period six years ago. (The 1999-2000 legislative session was the last for which the Secretary of State compiled a lobbying spending report.)

The top 10 lobbying organizations in terms of cumulative expenditures in 2005 were:

1. California Teachers Association -- \$9,456,813
2. AT&T and its affiliates -- \$4,065,146
3. Western States Petroleum Association -- \$3,130,034
4. California Chamber of Commerce -- \$2,570,516
5. California State Council of Service Employees -- \$2,014,715
6. Edison International & Subsidiaries -- \$1,873,265
7. BHP Billiton LNG International -- \$1,765,541
8. California School Employees Association -- \$1,570,845
9. Blue Cross of California (Wellpoint Health Networks) -- \$1,566,508
10. Consumer Attorneys of California -- \$1,549,113

The top 10 lobbying firms in terms of cumulative payments received in 2005 were:

1. KP Advocates -- \$4,706,161
2. Nielsen, Merksamer, Parrinello, Mueller & Naylor LLP -- \$4,129,228
3. Aaron Read & Associates -- \$4,013,465
4. Sloat Higgins Jensen & Associates -- \$3,990,225
5. Capitol Advocacy, LLC -- \$3,229,195

6. Governmental Advocates, Inc. -- \$3,100,552
7. Lang Hansen O'Malley and Miller Governmental Relations -- \$2,985,242
8. Public Policy Advocates, LLC -- \$2,850,516
9. Platinum Advisors, LLC -- \$2,777,529
10. Manatt, Phelps & Phillips, LLP -- \$2,775,950

When filing lobbying disclosure reports with the Secretary of State, the various organizations identify themselves with one of 19 industry group classifications they claim to represent. Following "Government," the second largest classification is "Miscellaneous," a catchall category for groups that do not fit into more narrowly defined classifications.

During 2005, the cumulative expenditures for each category, ranked from high to low, were:

1. Government -- \$35,167,319
2. Miscellaneous -- \$29,677,149
3. Health -- \$24,431,294
4. Education -- \$22,183,698
5. Manufacturing/Industrial -- \$20,521,241
6. Finance/Insurance -- \$17,513,727
7. Professional/Trade -- \$15,052,457
8. Utilities -- \$12,383,904
9. Labor Unions -- \$11,436,919
10. Oil and Gas -- \$9,572,569
11. Real Estate -- \$5,818,444
12. Transportation -- \$4,591,299
13. Entertainment/Recreation -- \$4,276,352
14. Legal -- \$3,892,721
15. Agriculture -- \$3,803,884
16. Merchandise/Retail -- \$3,743,161

- 17. Public Employees -- \$2,766,832
- 18. Lodging/Restaurants -- \$778,088
- 19. Political Organizations -- \$329,438

Total -- \$227,940,496

The following report first presents, alphabetically, each interest group category of lobbyist employer, and each employer within that category. First quarter, second quarter, third quarter, fourth quarter, and total expenditures for 2005 for each employer are itemized.

NOTE: Lobbying expenditures identified in this report include expenditures to lobby administrative agencies as well as the Legislature. Administrative lobbying includes required appearances by utilities and insurance companies before the Public Utilities Commission or the Department of Insurance. Some local government expenditures include dues payments to such umbrella organizations as the League of California Cities and the California State Association of Counties.

The second part of the report lists lobbying firms in alphabetical order, and the quarterly and total payments received from each of the firms' clients.

For further updates on lobbying activity, plus the names and photos of individual lobbyists and their associations, visit the "Lobbying Activity" section of Cal-Access.

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