

COUNCILMAN SPILLER, MAYOR SPILLER, GOVERNOR SPILLER?

NJEA MEMBERS RUN FOR OFFICE

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INTRODUCTION

The Sunlight Policy Center of New Jersey (SPCNJ) is a 501(c)(3) non-profit research organization. SPCNJ does not endorse any candidate for office and does not coordinate with any campaign, including any in the Montclair mayoral race. SPCNJ's research is based on facts that are sourced and disclosed.

SPCNJ's main focus is New Jersey's special-interest-dominated political system and the malign status quo created and supported by it. New Jersey's largest teachers' union, the New Jersey Education Association (NJEA), is by far the biggest political spender and most powerful special interest in the state, and therefore is a frequent subject of SPCNJ's research. It is Sean Spiller's position as Vice President of the NJEA that would create a clear conflict of interest for a Mayor Spiller, a conflict of interest that was determined to be real and disqualifying for Councilman Spiller by a New Jersey Superior Court.

The fact is that the NJEA trains and supports its own members to run for public office, and Spiller is most prominent of these. Each of these members presents a potential conflict of interest. SPCNJ believes that New Jersey citizens should be aware of and concerned about these actual as well as perceived conflicts of interest, especially for high-ranking chief executives like mayors. The NJEA has spoken publically about someday electing a member to the governor's office. SPCNJ asks whether a Governor Spiller would be right for New Jersey.

COUNCILMAN SPILLER, MAYOR SPILLER, GOVERNOR SPILLER?

The New Jersey Education Association (NJEA) is a taxpayer-funded political machine and the most powerful special interest in New Jersey's special-interest-dominated political system. Its Executive Office is dominated by political operatives, including Executive Director Steve Swetsky, a longtime political organizer. As documented by the Sunlight Policy Center in its report "Follow the Money: What the NJEA Really Spends on Politics," the NJEA is by far the biggest political spender at both the state and local level. But the NJEA's political activities go well beyond spending. The NJEA's ability to field armies of "volunteers" to help get out the vote is perhaps its most valuable political weapon. These volunteers work on behalf of the NJEA to help mobilize NJEA members, but they also volunteer directly for NJEA-endorsed candidates' campaigns, often in managerial and training capacities. The overall result is unmatched political power and influence.

But electing NJEA-friendly candidates is apparently not enough. For ten years, the NJEA has been using its generous taxpayer funding to train, run and elect its own members to political office. Over the past five years, over 1,300 NJEA members have run for public office in New Jersey. The NJEA even talks of someday electing an NJEA member as governor. At that point, New Jersey's special-interest-dominated political system would become a special-interest-controlled political system.

That might not be as far-fetched as it seems. Currently, Sean Spiller, trained to run for office at the NJEA's Political Leadership Academy, is a Montclair town councilman. Spiller also happens to be Vice President of the NJEA, its second-highest elected officer. Councilman Spiller was removed from Montclair's Board of School Estimate due to his conflict of interest. Yet apparently unconcerned about the legal ramifications or the

erosion of public trust, Spiller is now running for mayor. If successful, this would create an even larger conflict of interest for the citizens of Montclair. For the state, it should raise questions about the ethical propriety of high-ranking elected officials with conflicting fiduciary duties: At what point does such a conflict of interest become detrimental to the state's political order?

Electing NJEA Members to Public Office: "the foundation on which our future depends."

In 2010, the NJEA was unhappy with New Jersey politics. Long accustomed to having its way, the NJEA discovered that the political tide had shifted against it and that NJEA-supported politicians were defying its wishes.

Republican Chris Christie was elected governor in November, 2009 over NJEA-backed Jon Corzine. Governor Christie soon teamed up with Democratic Senate President Steve Sweeney to pass pension and benefit reforms in April 2010, which the NJEA vigorously fought. The NJEA relied on its traditional tactics of ad campaigns, protests and lobbying, but the old tactics did not prevail. Afterwards, the NJEA blamed legislators for breaking their promises to protect NJEA pensions.¹

Also in April 2010, in the midst of severe school district budget squeezes, Governor Christie urged local voters to reject school budgets that did not contain pay freezes, leading to a record 59 percent of school budgets being rejected. Again, the NJEA's traditional tactics of outspending and out-organizing the competition did not prevail.²

The NJEA concluded that it was not enough to endorse politicians and use its political clout to keep them in line. That had not worked. So the NJEA decided the answer was to elect its own members to public office. The NJEA's rationale was clear:

"Those who hold public office set priorities. They decide, for example, whether to fully fund public schools or give tax breaks to millionaires. It's up to us to elect leaders who set the right priorities. It's no longer enough to lobby decision-makers. We must become decision-makers."

Indeed, the NJEA views electing its members to positions where they can shape the political decisions that affect the NJEA as existential: "eventually more and more of them will be elected" and "build the foundation on which our future depends." The massive conflict of interest that this implies is apparently of no concern to the NJEA.

The Political Leadership Academy (PLA)

A key part of this new strategy was the PLA, which recruits, trains and supports NJEA members to run for political office. The mission of the PLA was straightforward:

"[I]t's no longer enough to elect friends of education to public office; we must elect members of the education family. No one in public office will speak up as strongly for public education as our own members. That's where the NJEA Political Leadership Academy comes in." ⁵

¹ The NJEA published a list of the votes in the Assembly entitled "Keep the Promise Voting Record." New Jersey Education Association, "How did your Assembly member vote?" NJEA Reporter 53, no. 9 (April 2010): 2.

² New Jersey Education Association, "We can win on April 27" NJEA Reporter 54, no. 7 (February 2011): 4.

³ New Jersey Education Association, "A Victory for Us All," NJEA Reporter 54, no. 11 (June 2011): 4.

⁴ Ibid.

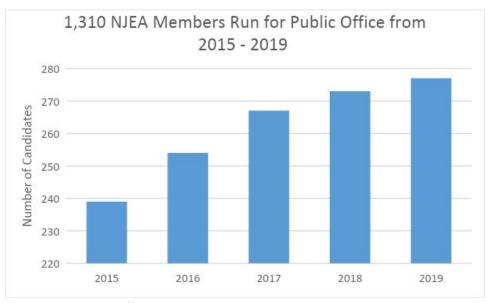
⁵ Ibid.

The PLA was born in October 2010, with its first graduates running for office in May 2011. Run by the Government Relations Division, it trains NJEA members "on the ins and outs of running, winning, and how your union can help." The NJEA brings in the best campaign fundraisers and managers to teach member-candidates how to plan a campaign and raise funds. As Director of the Government Relations, Ginger Gold Schnitzer, said: "We want you to think of the Political Leadership Academy as professional development for your political career."

In order to encourage members to run for office, the NJEA even provides scholarships for members to attend the PLA. The NJEA also offers scholarships for members to attend "Ready to Run," a program at the Rutgers Center for Women and Politics to train women to run for public office, and Emerge New Jersey, a program to train women to run for office as Democrats, where NJEA President Marie Blistan serves on the board.⁸

Blistan underscored the NJEA's commitment to getting its members in public office: The NJEA "is proud of its many members who advocate for public education as members of school boards, town councils, political party committees and other elective offices. That's why NJEA has made a huge push – and has provided training – to encourage NJEA members to become candidates themselves."

From the numbers, it is clear the NJEA has been highly successful in recruiting, training, sponsoring and running its members for public office. Since 2015, 1,310 members have run for office, with an increasing number each year and a record 277 running in 2019:



Source: NJEA Review

⁶ New Jersey Education Association, "Attend the political leadership academy," NJEA Review 91, no. 10 (May 2018).

⁷ New Jersey Education Association, "Political Leadership Academy grads connect," *NJEA Reporter* 57, no. 10 (June 2014): 3.

⁸ New Jersey Education Association, *Political Action Guide 2020, njea.org*, accessed March 3, 2020, 2, https://actioncenter.njea.org.

⁹ New Jersey Education Association "Members Run for Local Office," NJEA Review 89, no. 2 (October 2015): 20.

Given that taxpayer dollars fund the NJEA, it is problematic that these dollars are being used to train and elect members of a special interest that expects those elected officials to advance the interests of the special interest – not the taxpaying public they are supposed to represent. In this way, every NJEA member that is trained, supported and elected by the NJEA represents a conflict of interest. That's 1,310 potential conflicts of interest over the last five years. Not only can this result in actual consequences if pro-NJEA bias seeps into policy decisions, but there is also the perception of a conflict that erodes public trust in the institutions of democratic governance. It begs the question: At what point does a special interest become too politically powerful?

This inherent conflict of interest is embodied in the PLA's most famous graduate, NJEA Vice President and Montclair mayoral candidate Sean Spiller. 10

The Embodiment of a Conflict of Interest: Montclair Mayor and NJEA President Spiller?

Spiller was elected the the Montclair Town Council in 2012. In 2013, Spiller was elected Secretary-Treasurer of the NJEA, the third-ranking elected position, and in 2017 he became Vice President, the second-highest elected officer. Traditionally, the NJEA Vice President becomes the President, so can we expect a NJEA President Spiller in 2021? And would that mean that Montclair Mayor Spiller is also NJEA President Spiller?

As an elected officer of the NJEA, Spiller owes a fiduciary duty to NJEA members – including Montclair Education Association (MEA) members – to advance and protect their interests. Beyond his fiduciary duty, Spiller has also been very well compensated by NJEA members' dues since he first gained officer status in 2013. From 2013 to 2017, Secretary-Treasurer Spiller was paid \$1,408,905. In 2018 and 2019, Spiller was Vice President, and while the NJEA's tax returns are not yet available for these years, we do know that Spiller's predecessor as Vice President was current President Marie Blistan, who averaged \$389,077 in annual compensation during her four years as Vice President. Using that number as a proxy for Spiller's compensation as Vice President, it is safe to approximate that during his seven years as an elected officer of the NJEA, Spiller has earned \$2,187,059. In short, the NJEA has made Spiller a very wealthy man. If

And, indeed, NJEA Vice President Spiller has articulated why the NJEA needs it members in public office: "We need educators' voices at every level of government to **make sure our public schools remain a priority and have the resources they need** to remain the best in the nation." Shouldn't we then expect that of a Mayor Spiller?

A Massive and Judicially Recognized Conflict of Interest

But as an elected Montclair councilman, Spiller owes the citizens of Montclair a fiduciary duty to represent *their* interests. This conflict of interest is plain for all to see, but it was also legally declared so by a New Jersey Superior Court.

As a town councilman, Spiller was appointed to the Board of School Estimate (BoSE), which is tasked with approving the school budget submitted by the Board of Education. After a protracted legal battle, the Superior Court ruled that Spiller's service on the BoSE was a violation of conflict of interest laws, and he was removed from the BoSE. Spiller

¹⁰ New Jersey Education Association, "Political Leadership Academy grads connect," *NJEA Reporter* 57, no. 10 (June 2014): 3.

¹¹ Compensation data from NJEA IRS Forms 990, 2013 to 2017.

¹² New Jersey Education Association, "NJEA members propel endorsed candidates to victory," *njea.org*, November 6, 2019, https://www.njea.org/86-of-njea-pac-endorsed-candidates-win-election-2/.

and his NJEA attorneys fought the legal action at every level, evidently revealing that Spiller saw nothing wrong with his conflicting fiduciary duties to both the citizens of Montclair and the members of the NJEA. As the Superior Court ruled, Spiller's conflict of interest is real and disqualifying, and yet Spiller is seeking to create an even greater conflict of interest by becoming mayor.

In Montclair, the mayor appoints the school board, which is charged with representing its citizens' interests in collective bargaining and developing the school budget. Sitting on the other side of the bargaining table from the school board is the MEA, an affiliate of the NJEA, to whose members NJEA Vice President Spiller owes a fiduciary duty to advance and protect their interests. So Mayor Spiller would appoint a school board that negotiates with the MEA, an affiliate of the NJEA, an organization led by Vice President Spiller.

In addition, the mayor chairs the five-member BoSE and appoints two council members to the BoSE. The other two BoSE members are from the mayor-appointed school board. If Spiller's presence as a single, appointed member of the BoSE violates conflict of interest laws, then his presence as mayor and his ability to appoint ALL of the other four members, and thus control the entire five-member BoSE, presents an even greater conflict of interest.

Spiller's Assurances and Solutions Are Insufficient to Remove the Conflicts of Interest

The *Montclair Local* newspaper asked Spiller about these blatant conflicts-of-interest.

Regarding appointing the school board, Spiller assured the reporter that: "As mayor, I will fulfill my duties and appoint independent Board of Education members who share the goal of providing the best possible education for our students at the very best value to taxpayers." So, in effect, Spiller is asking the voters of Montclair to take his word for it. But Spiller's personal assurances were clearly insufficient as a defense against the ruling by the Superior Court that his BoSE role was a disqualifying conflict of interest, and they are insufficient here. A Vice President/Mayor Spiller's role appointing the school board is a blatant conflict of interest and his personal assurances cannot erase that.

As to his role on the BoSE, Spiller claims that he could appoint a designee to take his place chairing the BoSE (and presumably appoint the two council members to the BoSE as well).

There are numerous problems with Spiller's proposed solution: 1) it is apparently not certain that the law allows Spiller to appoint such a designee; 2) even if the law permits a designee, the conflict of interest is not erased *because Spiller would appoint the designee*; 3) Spiller's proposed solution shows that even he acknowledges that there is a *mayoral* conflict of interest that must be avoided regarding the BoSE, which conflict of interest clearly exists for the school board as well; and 4) therefore, his BoSE designee would do nothing to address the conflict presented by the two mayor-appointed school board members serving on the BoSE. In short, even if permitted by law, Spiller's proposed solution does not erase the conflict of interest regarding the BoSE.

¹³ Jaimie Julia Winters, "Elections: Mayoral Candidate Sean Spiller Responds to Claims of Conflict of Interest," Montclair Local, April 8, 2020,

 $[\]frac{https://www.montclairlocal.news/2020/04/08/elections-mayoral-candidate-sean-spiller-responds-to-claims-of-conflict-of-interest/.$

Undeniable Appearance of a Conflict of Interest

Furthermore, all of his personal assurances and proposed solutions aside, NJEA Vice President Spiller also serving as Mayor Spiller creates the *undeniable appearance* of a fundamental conflict between his two fiduciary duties. As has long been recognized, such negative appearances can be as corroding to the body politic as actual conflicts of interest. Spiller seems to have little regard for how his clearly conflicting loyalties could be viewed by the public and how trust in democratic governance is undermined by such negative perceptions.

So Why Is Spiller Running in Spite of These Obvious Conflicts?

Why is Spiller running for mayor when he knows that his judicially recognized and disqualifying conflict of interest within the BoSE will become far greater if he is elected mayor? Perhaps Spiller is counting on the vaunted get-out-the-vote capabilities of the NJEA and MEA to catapult him to the mayor's office regardless of any ethical concerns. Perhaps he is counting on the fact that he will (again) be provided with top-notch NJEA lawyers for free, while private Montclair citizens would (again) have to mount an expensive lawsuit to vindicate their concerns. But the bottom line is that NJEA Vice President/Mayor Spiller presents both actual conflicts of interest and the appearance of such. No doubt another protracted litigation battle will ensue, with all the negative news and public disputes aired and a perpetual cloud of accusation and recrimination hanging over Montclair politics. Why would Spiller choose to put the town through this?

Councilman Spiller, Mayor Spiller, Governor Spiller?

Perhaps the answer is that Spiller has his eyes on his political future. And what of the future?

NJEA Government Relations head Schnitzer summed up the NJEA's political aspirations for the future:

"School board members think they'd make great town council members, town council members think they'd make great freeholders, freeholders think they'd make great state legislators, and state legislators think they'd make great governors. Leadership begins at the grass roots. We need NJEA members running for office at all levels of leadership. And who knows? An NJEA member sitting on a school board today, may one day become our governor."

The thought of a Governor Spiller clearly does not trouble Schnitzer or Spiller but it should trouble New Jersey citizens. The question needs to be asked: At what point would such a conflict of interest become detrimental to the state? Spiller happens to lead New Jersey's most powerful special interest, which can and does outspend and out-organize any other political force in the state. It is certainly possible that the NJEA and it network of allies could get Spiller elected governor, but would it be right for the state?

¹⁴ New Jersey Education Association, "Learn how to run for office," NJEA Reporter 55, no. 2 (October 2011): 2.