



New York City Campaign Finance Board
100 Church Street, 12th Floor, New York, NY 10007
212.409.1800 | www.nyccfb.info

**Testimony of Amy Loprest
Executive Director
New York City Campaign Finance Board**

**City Council Committee on Governmental Operations
September 22, 2014**

Good morning Council Member Kallos and committee members. I am Amy Loprest, Executive Director of the New York City Campaign Finance Board (CFB). With me today is one of our Board members, Art Chang. Art also serves as chair of the CFB's Voter Assistance Advisory Committee.

I am also joined by Sue Ellen Dodell, the CFB's General Counsel, and Eric Friedman, our Assistant Executive Director for Public Affairs.

Thank you for inviting us to testify before you today about the CFB's report, *By the People: The New York City Campaign Finance Program in the 2013 Elections*. Our report provides comprehensive analysis of the Program's impact on the elections. The report also includes the Board's recommendations for legislative actions to strengthen the Program, which I will review later in my testimony.

But first, our report contains very good news for New Yorkers. The 2013 election campaigns were primarily funded by small contributions from New York City residents.

People living in every neighborhood in every borough of the city participated in last year's election by making small contributions of \$10, \$25, or \$100.

The public matching funds make those small contributions more meaningful. New Yorkers give because they have confidence their voices will be heard by the candidates, and won't be drowned out by large contributions from special interests. There were more contributors in the 2013 elections than in any city election, ever. They came from Melrose and Mott Haven, TriBeCa and Dyker Heights, Westerleigh and the Upper East Side. Crucially, the public matching funds allowed candidates to run their campaigns without having to rely on large—possibly corrupting—contributions from special interests.

Some highlights:

- The Program provided more than \$38 million to 149 candidates.
 - Candidates for mayor received \$14 million in public funds, more than in any previous mayoral election in Program history.
- The incentives provided by the matching funds are working. Candidates for office in New York City focused on raising money from people living in New York City.
 - More than 90 percent of the total funds raised came from people, not from PACs or unions.
 - Of the total contributed by individuals, more than two-thirds came from residents of New York City.

- More than two-thirds of all New York City contributors gave \$175 or less.
- More than 44,000 New York City residents made a contribution to a city candidate for the first time. Those first-time contributors are especially likely to be small-dollar contributors; 76 percent of them gave \$175 or less.
- Candidates focused on raising contributions from the people they hoped to represent in office.
 - Candidates in eight Council districts raised 55 percent or more of their total individual contributions from residents of their own districts.
 - Candidates in another 11 Council districts raised between 45 and 55 percent of their individual contributions in-district.
 - In all Council districts with participating candidates, not less than 20 percent of the contributions raised came from within the district.
- Based on candidate participation rates, the Program is as strong as it ever has been. Most candidates choose to participate in the Program, showing that they feel the matching funds provide an effective way to fund a competitive campaign.
 - More than 90 percent of the candidates on the primary ballot participated in the Program.
 - Two participating candidates for citywide offices defeated high-spending, self-funded candidates in the primaries.
 - For the first time since 1997, the general election for mayor featured Program participants from both major parties.

- The 2013 elections were the most competitive since 2001, when the term limits law first took effect.
 - In the Democratic primary for City Council, 75 percent of districts had contested primaries.
 - By contrast, voters in just 30 percent of state Assembly and Senate districts in New York City could vote in a Democratic primary earlier this month.
- Our NYC Votes voter engagement and education program helped ensure that voters knew about the elections, and were informed before going to the polls on Election Day.
 - The CFB sponsored 12 televised debates for citywide candidates, the most in Program history. Nearly 900,000 New Yorkers watched those debates.
 - More than 90 percent of candidates on the primary ballot participated in the multi-platform Voter Guide.
 - Our NYC Votes campaign collected more than 15,000 voter registration forms in 2013.
 - We distributed nearly two million “I Voted” stickers to voters across the five boroughs.
 - Our social media campaign reached hundreds of thousands of New Yorkers in the days leading up to the elections. On November 5th alone, more than 800,000 people saw an NYC Votes message on Facebook.

This is all good news for New Yorkers and for anyone who cares about campaign finance reform.

The striking increase in independent expenditures was a troubling development, however. Outside groups spent \$15.9 million in 2013, including more than \$6 million in City Council primary elections alone.

Fortunately, New York City had prepared for this influx of spending. Strong disclosure rules adopted before the election helped ensure that New Yorkers could see where those groups raised their funds and how they spent their money. Notably, the “dark money” spending often seen in federal and state elections did not occur here.

Public funds helped candidates to get their own message out in the face of outside spending. Our analysis shows that large independent expenditures do not always translate into electoral success. The four Council candidates with the highest level of independent spending on their behalf all lost. In each of those races, the outside spending supporting those candidates was more than double what the candidates spent themselves.

Independent expenditures create a special dilemma for any public campaign finance program. In New York City, most candidates participate in the Program and agree to abide by a spending limit. Outside spenders face no spending limits, and voters cannot hold them accountable for their campaigns.

The Board is concerned about the growth of outside spending in our elections, and we are eager to continue discussing ways to strengthen the Program for future elections. To that end, the Board was very pleased that last month the City Council passed and Mayor de Blasio signed Local Law 41 of 2014. This law will provide voters with crucial information about who is paying for an ad at the moment they see it. The law will also require independent spenders to provide more details about their top contributors, making it more difficult to shield the ultimate source of their funding from public view.

Turning now to administration of the Program, in 2013 the CFB took some specific steps to make participating in the Program simpler for candidates.

We have worked hard to make the audits for the 2013 elections more efficient. One important step we initiated before the election: CFB staff conducted early audit reviews of all active campaigns to provide constructive feedback on expenditure reporting and give candidates an opportunity to take corrective action. One of the goals of this project was to reduce the number and scope of potential findings in the post-election audits.

The CFB contacted 150 campaigns to review activity reported prior to January 1, 2013 and 110 campaigns supplied requested records. The feedback from these reviews allowed campaigns to correct discrepancies in their reporting. Specifically, 77 percent of the active campaigns filed amended disclosure statements after the review was completed. Looking forward to the 2017 election cycle, the CFB plans to continue performing early

reconciliations of financial activity to assist campaigns with correcting discrepancies and to provide improved public disclosure.

CFB staff are also making good progress on completing the post-election audits for 2013. We have revamped our approach to get the audits completed more efficiently and staff is on target to complete the draft audit reports more than a full year earlier than we did after the 2009 elections.

The CFB released a major upgrade to its financial reporting software, known as C-SMART, as a web-based application. The new program included a number of features to streamline the disclosure process. By January 2013, all campaigns were using the web-based program. With these improvements, and hard work by campaigns and the CFB's Candidate Services Unit, the number of disclosure statements filed late decreased by 24 percent in 2013 compared to the 2009 election cycle. Looking forward to 2017, the CFB is working to implement further improvements to C-SMART, including online submission of backup documentation.

The CFB also took strides to make it easier for city campaigns to tap into the growth in online fundraising. In 2013, 56 percent of participating City Council candidates collected credit card contributions. The CFB developed the NYC Votes mobile web application as a platform to help candidates connect with supporters and collect contributions online. The NYC Votes application was built to provide documentation that allows for contributions to be validated for matching more easily. The app was introduced in July

2013, just three months before the general election. Yet, 33 campaigns opened accounts through the app and six used it to raise contributions. The CFB will build on this promising deployment to streamline candidates' ability to collect online contributions well in advance of the 2017 elections.

There are further improvements to the Program the Board hopes to make for the 2017 elections. We call on the Council to make the following changes to strengthen the Act and to make participating in the Program easier and simpler for candidates.

1. Make determinations about public funds payments earlier in the election cycle.

Current law requires candidates to be on the ballot to qualify for public funds and prohibits payments to candidates until the petitioning process ends and ballots have been certified by the Board of Elections. As a result, candidates may not receive the first public funds payment any earlier than five weeks before the primary election, making planning difficult for some campaigns and especially challenging for candidates who fail to qualify for public funds by the first payment date.

An earlier payment date would provide campaigns with an incentive to meet the thresholds to qualify for public funds payment earlier and provide more time to address any compliance issues that may be preventing payments. An early payment date would give candidates certainty about public funds as a resource and help candidates plan their expenditures for the busy campaign season. For campaigns the Board determines are not

eligible for payment, the early payment date will provide additional opportunity to address the underlying issues or to contest the Board's determination well before the election. Therefore, the Board recommends:

- Setting an early payment date in June, no earlier than four business days after the June 10 deadline to join the Program. Early payments would be made to candidates who have met the threshold and otherwise qualify for public funds as of the May 15 filing.
 - Early payments should be limited to protect against the possibility of large payments to candidates who subsequently fail to make the ballot: \$250,000 for mayoral candidates, \$125,000 for public advocate and comptroller candidates, \$50,000 for borough president candidates, and \$10,000 for Council candidates.
2. End the "Statement of Need" requirement for candidates who face publicly financed opponents.

The law requires every candidate seeking a public funds payment up to the statutory maximum to demonstrate that he or she faces a viable opponent. This provision conserves taxpayer funds from going to non-competitive races by capping payments at 25 percent of the maximum for that office.

Qualifying for public funds payment is a sufficient indicator of a campaign's viability. Candidates whose payments had been capped at 25 percent would be considered for

additional funds as soon as their opponents also begin receiving public funds. The Board recommends that the additional Statement of Need criteria be simplified.

3. There are further changes recommended by the Board to make participating in the program simpler for candidates. These include eliminating the requirement for candidates to submit their COIB receipts, and clarifying the restrictions on “mass mailings” occurring close to an election by public officials.
4. The Board also recommends a number of steps to further reduce the impact of large contributions from special interests and others seeking to influence government decisions. The Board renews its longstanding call for a ban on all organizational contributions, including PACs and unions. In addition, the Board recommends the Council adopt legislation to reduce the impact of bundling by people doing business with the city by making those contributions non-matchable. The Board also recommends adding a disclosure requirement for entities that own an entity doing business with the city, to ensure that the law doing business limits are covering the individuals the law intends be covered.

In all, the Board has made 14 recommendations in the report; I have not listed them all here. We believe that each of these recommendations will strengthen New York City’s landmark public campaign financing program and make participating a smoother experience for candidates.

The Program had an enormous and positive impact in 2013, helping to ensure that the elections were decided by voters, not by big money contributions from institutions or special interests. In a period where politics at the state and federal level are increasingly dominated by big money contributors, New Yorkers can feel fortunate our elections are funded and decided by the people.

Thank you for this hearing, and for providing this opportunity to talk about the work of the Board and the Program we administer. I look forward to your questions.

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Testimony
of
Gene Russianoff
Senior Attorney, New York Public Interest Research Group
before the
New York City Council Committee on Governmental Operations
Oversight Hearing on the Campaign Finance Board's 2013 Post Election Report
September 22, 2014

New York City's Campaign Finance Law – enacted in 1988 – is one of the New York City Council's most important achievements.

First, because it gave people of modest means the resources to run for elected office. The result: a very diverse local legislature that is well representative of New York City.

Second, the Council has worked hard to keep the Campaign Finance Program relevant and effective. We agree with the Campaign Finance Board that: "The Program has thrived and succeeded because the Act has been adapted to a rapidly evolving political landscape. The Board's mandate to propose amendments to the Act — many of which have become law — has helped keep the Program strong." Changes have been considered well before the next election cycle, limiting partisan influences.

Among some of the most significant changes during the last 25 years that were passed by the Council and signed into law by the mayor have been:

1988: Council mandates an English/Spanish voter guide to be mailed to NYC voters.

1989 to 2007: Matching public funds formula evolve to encourage small contributions.

1996: Citywide candidates in the Program must participate in a series of public debates.

1998: a ban on corporate contributions.

2007: Council restricts size of contributions from people doing business with the City.

Civic groups see today's hearing and the CFB's post-election report as the kick off an every-four-year process to make sure the campaign finance law well serves the City.

I would like to briefly highlight some of those issues proposed by the CFB that deserve serious consideration:

1. Should determinations be made earlier in the election cycle about awarding public funds payments? As the CFB notes: "The [current] timing of payment determinations can make planning difficult for some campaigns, and candidates who fail to qualify for public funds at the earliest date have limited time during the busiest weeks of the election cycle to resolve the issues preventing their payment."

2. Should the Council and the City Administration review the Campaign Finance Law to assess how well it handles concerns that public funds may be spent in highly one-sided races?

3. Can the impact of bundling by people doing business with the City be reduced? Direct "doing-business contributions" are greatly restricted - from \$4,950 in citywide races to \$400. But an analysis of campaign disclosures in 2013 shows that intermediaries are significantly more likely to be doing business with the City than contributors overall, magnifying their influence.

4. Can restrictions on "mass mailings" by public officials close to an election be made more uniform? Officials who are running for office are prohibited from using government resources to send mass mailings in the 90 days before an election. The CFB says the City Charter provides inadequate guidance, forcing it to make case-by-case judgments in a very short time frame.

5. Should New York City adopt instant runoff voting (IRV) for City elections? NYPIRG has not taken a position on this issue.

6. Can the City do more to encourage its citizens to register to vote and then to turnout on Election Day? The Charter requires 19 city agencies to help register voters and increase public awareness about candidates, proposals, and elections. NYPIRG believes that agency plans should move beyond minimal compliance and embrace the optional reforms allowed under the law. NYPIRG believes that agencies should require: verbal assistance for those who want to complete registration forms; collection and timely transmittal of completed voter registration applications to the Board of Elections; and increased efforts to ensure agency sub-contractors are following the law.

Other voter registration reforms we believe that City can adopt on its own are:

- expanding the City's voter participation efforts by automating the transmittal of voter registration data from City agencies to the Board of Elections;
- having effective agency based registration programs in the Department of Education and New York City Housing Authority;
- creating a comp time program for municipal employees to serve as poll workers;
- enacting Election Day Registration for municipal elections; and
- forcing changes in the Board of Elections hiring practices through the City's budget powers.



CITIZENS UNION OF THE CITY OF NEW YORK
Testimony to the
Committee on Governmental Operations of New York City Council
Oversight Hearing Regarding the Campaign Finance Board 2013 Post-Election Report
Wednesday, November 20, 2013

Good morning, Chair Kallos, and members of the Committee on Governmental Operations. My name is Rachael Fauss, and I am the Director of Public Policy for Citizens Union of the City of New York, a nonpartisan good government group dedicated to making democracy work for all New Yorkers. Citizens Union serves as a civic watchdog, combating corruption and fighting for political reform. We work to ensure fair and open elections, honest and efficient government, and a civically-engaged public.

We are pleased that the City Council is holding this oversight hearing so soon after the release of the Campaign Finance Board's (CFB) 2013 Post-Election report. The city's Campaign Finance Program (the Program) is a nationally-recognized model, and this report and the Council's review today signal a dedication to keep improving the program, as Citizens Union has continually supported since the Program's creation in 1989. The last notable change in 2007 limited contributions from those doing business with the city, which was supported by CU.

The Council has laudably already begun to improve the Program following the 2013 elections, having passed two bills that expanded disclosure of campaign mailings and independent expenditures, banning anonymous ads and providing voters more information about donors to independent spenders. At this juncture, we believe that additional changes are necessary to further reduce the influence of organized interests and further mitigate the rise of independent spending.

To this end, Citizens Union's recommendations to improve the Program cover the following categories, for which we urge Council action:

1. **Adjust the Spending Cap and Public Funds Cap for City Council races** to counteract the of spending independent campaigns;
2. **Strengthen the doing business restrictions** by no longer matching contributions bundled from those who do business with the city and limiting institutional contributions to the limit in place for individuals who do business with the city;
3. **Enact administrative changes to create greater efficiencies and clarify rules;**
4. **Provide greater public reporting of independent expenditures** and requiring organizations to obtain approval before spending funds; and
5. **Provide greater voter education**, while ensuring that cost savings can be realized.

I will detail our specific recommendations in each of these areas, as well as our rationale for the changes.

Citizens Union Recommendations

In examining changes today, we would like to emphasize that the Program is complex and multi-layered, intended to ensure that voters have greater choices of candidates, and ensuring the impact that money has on our politics is appropriately limited where possible while providing public transparency of spending and appropriate enforcement to ensure the protection of public funds. In changing one aspect of the system, we urge the Council to examine how it impacts the interrelated components, to ensure that the Program continues to fully live up to its purpose.

1. Adjust the Spending Cap and Public Funds Cap for City Council Races

Given the increase in independent expenditures in 2013, and the ability for groups to easily outspend candidates, we support raising both the spending and public matching caps for participating candidates for City Council races. According to the CFB's report, independent spenders outspent candidates in 17 of 41 council primaries. While independent expenditures also played a role in citywide races, the much larger spending limit of approximately \$8 – 13 million for these races over the cycle (higher for mayor than public advocate and comptroller) better allow these candidates to compete against the spending. The current council spending limit of \$381,000 over the election cycle is much more easily overcome by an independent spender. To counter the effects of independent spending, Citizen Union recommends the following:

- a. **Raise the spending cap on Council candidates who receive public funds** so they can continue to raise private dollars to better compete with independent spending by outside actors. We propose raising the amount from \$182,000 for the 2017 cycle to \$290,000, an increase about equal to the largest independent expenditure spent in opposition to a Council candidate during the 2013 primary elections, provided that the outlay of public funds in uncompetitive races is still limited.
- b. **Raise the cap on public matching fund payments for all Council candidates** so they can continue to raise private dollars and public matching funds for those private dollars to better compete with independent spending by outside actors. We propose raising the amount to \$159,500 from \$100,100, an increase equal to about 55 percent of the largest independent expenditure spent in opposition to a Council candidate during the 2013 primary elections.

We would also like to note that in considering increasing the caps on spending and matching funds, the Council should also **establish "war chest" restrictions** to limit the transfer of funds by candidates from running from one office to another office, particularly since greater contributions could be raised with an increased spending cap.

2. Strengthen the Doing Business Restrictions

One of the major strengths of the Program is the doing business restrictions, which help to ensure that candidates are seeking contributions from small donors within their communities and that those who are seeking to influence government are appropriately limited in what they can give.

While contributions are not matched and limited for those who do business with the city, there is a loophole that currently allows lobbyists and those who do business with the city to bundle contributions from individuals that are matchable. For example, a lobbyist can only individually give \$400 to candidates for mayor which are *not* matchable, but could bundle several \$4,950 contributions that are matchable. Additionally, the doing business limits only apply to individuals, not institutions, and candidates can currently contract with consultants using public funds with firms that lobby in addition to providing campaign services. To address these loopholes, we recommend the following:

- a. **Reduce the impact of bundling by people doing business with the city** – While contributions from people who are identified as doing business with city government are strictly limited, a loophole exists that allows these individuals to bundle unlimited amounts of money to the same candidate, thus undermining the intent of the law to prevent or limit the appearance of “pay-to-play” influence. Making these contributions non-matchable would limit their impact and help to close this loophole.
- b. **Expand the doing business restrictions that subject individuals to “doing business” with the city to contribution limits of no more than \$400:**
 - i. Add entities rather than simply individuals to those subject to the lower contribution limits as a result of doing business with the city. This would limit contributions by sole proprietorships, political committees and employee organizations to up to \$400 per candidate.
 - ii. Expand the types of business with the city that subject individuals to lower campaign contribution limits under the city’s doing business law to include collective bargaining agreements with the city.
 - iii. Apply the doing business campaign contribution limits to the immediate family members of individuals doing business with the city (spouses, domestic partners, and unemancipated children).
- c. **Prohibit participants in the city’s campaign finance program from using public matching funds to purchase strategic campaign consulting services from firms that also lobby.**

3. Enact Administrative Changes to Create Greater Efficiencies and Clarify Rules

The CFB’s report notes several areas where important efficiencies can be created for candidates and its own staff, as well as areas in which clarifications should be provided to ensure that candidates are fully aware of the city’s requirements. We support efforts to streamline the program and clarify requirements, including the following recommendations:

- a. **Clarify the restrictions on “mass mailing” by public officials close to an election** – Under the Charter, public officials who are running for office are prohibited from using government resources to send mass mailings in the 90 days before an election, with the exception of “ordinary communications to the members of the public.” Citizens Union agrees with the CFB recommendation that the Charter define ordinary communications as communications sent for the purpose of providing time-sensitive factual information that is of potential concern to the recipients and should not include a photograph of the candidate or promotional material involving the candidate.
- b. **Eliminate the requirement for candidates to submit Conflicts of Interest Board (COIB) disclosures to the CFB** – While the financial income disclosure requirement should continue as a condition for public funds eligibility, the burden of notifying the CFB of compliance need not be on the candidates. It would be more efficient for the COIB to transmit that information directly to the CFB.
- c. **Require the CFB to better comply with the Open Meetings Law, including:**
 - i. Taking minutes at meetings and making minutes accessible to the public including executive session votes that are not exempted under Article 6 of the Open Meetings Law; and
 - ii. Requiring motions in which the Board enters executive session to include general information as to why executive session was called.

4. Provide Greater Public Reporting of Independent Expenditures

As noted previously, we supported the Council’s efforts in passing legislation earlier this year to ensure voters were provided greater information on advertisements, and recommend that the Council examine the following additional recommendations regarding independent expenditures:

- a. **Require any entity making independent expenditures to acquire approval from its board of directors or organizational leadership body, and to report such expenditures to its shareholders or members and make the report public on its website.** Iowa passed in 2010 Senate File 2354 which prohibits an entity, including “without limitation” any corporation or union from making an independent expenditure without authorization from a majority of its board or decision-making body. Disclosure of the independent expenditure further provides, “A certification by an officer of the corporation that the board of directors, executive council, or similar organizational leadership body expressly authorized the independent expenditure or use of treasury funds for the independent expenditure by resolution or other affirmative action within the calendar year when the independent expenditure was incurred.”
- b. **Require disclosure of an independent expenditure by any person or political committee within 48 hours of a contract being made arranging for the expenditure.** West Virginia passed a law, H.B. 4647, doing this.

5. Provide Greater Voter Education and Appropriate Cost Savings

The Program's requirements for voter education are increasingly necessary as voter turnout continues to decrease. In seeking to strengthen mandates to inform more voters, Citizens Union realizes that there may be additional costs, and therefore supports measures to modernize the program. Our recommendations on voter education are as follows:

- a. **Broaden the Voter Guide to include all contests occurring in the city such as state and federal elections; and providing voters email notification of upcoming election dates, deadlines and availability of sample ballots.**
- b. **Add flexibility to the Voter Guide mandate** – The New York City Charter currently mandates the CFB to print and distribute a Guide to each household with a registered voter before each primary and general election. A more flexible mandate would allow New Yorkers who prefer to access the Guide electronically to opt out of receiving the guide in the mail, saving money on both printing and postage.
- c. **Require participating candidates for borough president to engage in CFB-sponsored debates.**

Also in the vein of voter participation and engagement, Citizens Union would also like to note that the CFB has supported the adoption of **Instant Runoff Voting**, which Citizens Union supports to eliminate the need for runoff elections for citywide offices, which we believe will ensure greater voter participation in what are often determinative elections – the primaries. This would save the City Board of Elections at least \$13 million, and also eliminate the need for public matching funds to be provided for an additional election. Public funds have totaled \$4.3 million in runoff elections since 2001.

Citizens Union is continuing to examine new recommendations in the CFB's report, such as making public funds determinations earlier in the cycle and adjusting the statement of need requirements, and will be providing the Council feedback regarding those recommendations in the coming weeks.

Thank you again for holding this hearing and allowing Citizens Union to present its views and recommendations. I am available to answer any questions you have.

Testimony by
Lauren George, Associate Director of Common Cause/New York

Before the
New York City Council Committee on Governmental Operations
September 22, 2014

Thank you for the opportunity to speak today. My name is Lauren George, and I am the Associate Director of Common Cause/New York. Common Cause/NY is a non-partisan, non-profit citizens' lobby and a leading force in the battle for honest and accountable government. Common Cause fights to strengthen public participation and faith in our institutions of self-government and to ensure that government and political processes serve the general interest, and not simply the special interests. For more than 40 years, we have worked at both the state and municipal level to bring about honest, open and accountable government. We have been a long-standing advocate for innovative campaign finance and ethics laws in New York, as well as throughout the country. Common Cause is a leading supporter of comprehensive campaign finance reforms and public funding of elections throughout the country. We have been involved in helping craft, ultimately pass and help implement many of the public funding of elections systems that are functioning at the state and national level, as well as numerous municipal level systems. Such as the Clean Elections system working successfully in Connecticut, the recent improvement to the Los Angeles Municipal Matching Fund system, as well as our continued involvement and support for New York City's highly regarded public funding of elections system, the subject of today's hearing.

Before turning to discussion of the Campaign Finance Board's thoughtful recommendations, I would like to commend both the Campaign Finance Board and the City Council for their continued support of, and vigilant oversight over, this City's publicly funded campaign finance system. It is clear to us at Common Cause that what distinguishes the New York City campaign finance system of small donor matching funds from that in other cities, what has allowed it to remain a model, is our City's willingness and ability to continually evaluate, analyze and adopt improvements and changes to our system. The campaign environment is continually changing. Because of the ability of the Campaign Finance Board to evaluate the way the system is working and to recommend changes, and the ability of the Council to adopt necessary changes, our system of campaign finance has evolved as well. Through the process of evolving, the system has remained strong and effective. As a consequence, as the Board's report details, it continues to be used by large numbers of candidates and to make a substantial positive impact on the City's elections. This is a major strength of the system.

With that recognition, I turn to discussion of the 14 recommendations made by the CFB in its report.

Generally, we are supportive of the Board's recommendations, with one major exception. I will address them briefly in order.

Recommendation 1 – Support

Common Cause/NY whole-heartedly supports this recommendation and we agree in every instance with the Board's discussion of why it is needed and how it should work. It is responsive to comments we have received from candidates and campaigns regarding the difficulties which the current payment schedule places on campaigns, particularly those of first-time and community-backed candidates without substantial resources other than the public funding. The danger of public funding being provided to candidates who subsequently are found not to have qualified for the ballot is small and the protections cited should remain in place.

Recommendation 2 – Support

The Board highlights a difficult situation – insuring that public funds are not provided to candidates who are not facing serious opposition – and recommends a common-sense solution. We agree that an opponent's qualifying for public funding is a fair objective measure indicating a reasonable amount of public support that validates the seriousness of the candidate's campaign. Limiting the use of the Statement of Need will simplify the program and make it easier to administer, avoiding unnecessary additional paperwork for campaigns.

Recommendation 2a – Support

We concur with the Board's recommendation and find the criteria they recommend to indeed be clear and objective. We assume that the criteria are to be satisfied in the alternative, including the endorsement criteria identifying potential endorsers. Requiring an opponent to obtain all of the listed endorsements before the participant could receive matching funds would be too onerous.

Recommendation 3 – Adopted and Signed into Law

We look forward to working with the Board on regulations to implement the requirements of Local Law 148, increasing independent expenditure disclosure requirements, to strike the proper balance.

Recommendation 4 – Adopted and Signed into Law

We look forward to working with the Board on regulations to implement the requirements of Local Law 6, requiring public facing disclosure of campaign spending.

Recommendation 5 – Support

Common Cause/NY shares the Board's concern regarding the high proportion of the most active bundlers who are also found in the Doing Business Database. We should reduce the impact of bundling by people doing business with the city. However, should this recommendation be implemented, its impact must be carefully monitored to determine whether it significantly reduces the over-all amount of match able contributions participants receive.

Recommendation 6 – Support

Common Cause/NY is a strong supporter of Instant Run-Off Voting for City elections.

Recommendation 7 – Oppose

Our opposition to the Board's position stems from what I believe is an ideological difference. We are concerned with the impact of organized money, not organized people, on election campaigns. While we support measures which are designed to control the impact of wealthy individuals and wealthy special interests on our elections and to foster more small-dollar contributions from individual voters, we also believe that individuals should decide for themselves the way in which their smaller donations can be most effective in supporting the candidates of their choice. One way is to provide candidates with match able donations directly. Another way is to combine their individual donations with those of other like-minded individuals through PACs, unions and other organizations which are associations of individuals. Accordingly, we oppose this recommendation.

Recommendation 8 – Support

Many organizations have eliminated their printed newsletters and rely solely on email newsletters. The cost savings and preparation convenience are substantial. However, mindful of the fact that not all City voters may have easy or regular access to the internet, much less high-speed broadband, we concur with the Board's recommendation to permit voters to elect to receive their Voter Guides electronically.

Recommendation 9 – Support with Reservations

We agree that the phrase "ordinary communications" as used in the context of the pre-election blackout period could use clarification. We also believe that the definition suggested by the Board appears to be a workable one. However, we are unclear why the Board is proposing to amend the charter to include this definition, as opposed to defining the phrase through its own regulations.

Recommendation 10 – Support

We strongly support this recommendation., Requiring the disclosure of those who have an ownership interest in entities doing business will not only help to enforce the lower contribution limits applying to those doing business with the City, but may well also provide helpful information regarding entities which fund independent expenditures.

Recommendation 11 – Support

There is no question that eligibility requirements for debates need to be clear. We support the Board's recommendation in concept and look forward to further discussions and hearings on how it should be implemented.

Recommendation 12- Support

We concur that the changes to contribution limits should be uniform.

Recommendation 13 – Support

We strongly believe that candidates who participate in the City's matching fund system and those who opt not to should be subject to the same limits and requirements, to the maximum extent possible. Accordingly, we support this recommendation.

Recommendation 14 - Support

This common sense measure illustrates the fallacy of placing details in the law that are best handled through regulation. There is no purpose to requiring that the candidates must provide a paper receipt showing compliance with the finance disclosure requirements when most transactions are accomplished electronically. Notification directly from the COIB to the CFB is perfectly adequate. This sort of detail should be handled directly by the agencies and not require Council involvement.

Higher Spending Limits & Lower Contribution Limits

Again, we agree with the Board. This is an area that merits further analysis and discussion. We are very reluctant to encourage a money race between independent expenditure committees and public matching funds. However, the appropriate response to the increasing amounts spent on IEs bears further discussion until such time as we are able to amend the U.S. Constitution to deal with the negative impact of the *Citizens United* decision.

Thanks to the Committee and its chair, Ben Kallos, for the opportunity to be heard today.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 9/22

(PLEASE PRINT)

Name: Rachael Fausse

Address: _____

I represent: Citizens Union

Address: 299 Broadway Suite 706
NY NY 10007

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 9/22/14

(PLEASE PRINT)

Name: GENE RUSSIANOFF

Address: 9 Murray Street

I represent: NYP-RC

Address: 9 Murray Street

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 9/22/2014

(PLEASE PRINT)

Name: Amy Loprest

Address: 100 Church 12th Floor

I represent: NYC Campaign Finance Board

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☒ in favor ☐ in opposition

Date: 9/22/14

(PLEASE PRINT)

Name: Lauren George

Address: _____

I represent: Common Cause NY

Address: _____

Please complete this card and return to the Sergeant-at-Arms