

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON GOVERNMENTAL OPERATIONS

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April 27, 2017
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HELD AT: 250 BROADWAY - COMMITTEE RM.
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B E F O R E: BEN KALLOS
Chairperson

COUNCIL MEMBERS: David G. Greenfield
Mark Levine
Carlos Menchaca
Antonio Reynoso
Ritchie J. Torres
Joseph C. Borelli

A P P E A R A N C E S (CONTINUED)

Amy Loprest, Executive Director
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Eric Friedman, Assistant Executive Director
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Benjamin Singer, National Campaign Director
May Day America

John Fox, Senior Democracy Campaigner
Friends of the Earth

Karen Barbanell

Kitty Williston

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2 [sound check, pause] [gavel]

3 CHAIRPERSON KALLOS: Good afternoon and
4 welcome to this hearing on the Committee on
5 Governmental Operations. I'm Ben Kallos, Chair of
6 the committee. As always, I encourage those in the
7 audience watching on television or on line as well as
8 those in our fourth branch of government today
9 represented by Politico and Gotham Gazette, to Tweet
10 me with your questions a Ben Kallos at—and this time
11 please include the hashtag get money out. New York
12 City has one of the model public finance systems in
13 the country one that has survived court challenges,
14 helped me t get elected, and one that I'm invested in
15 protecting and improving upon as Chair of the
16 Committee on Governmental Operations. For those who
17 may be new to all of this, New York City's Campaign
18 Finance system matches the firs \$175 of contributions
19 from residents by six-to-one, and gives participating
20 candidates a partial public matching grant above—to
21 55% of the spending limit in competitive races. This
22 leaves a big money gap of more one-third of the funds
23 outstanding between the public matching grant and the
24 spending limit, which must be reached to be
25 competitive. The big dollar gap for City Council is

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2 \$65,217 and for Mayor it grows to a staggering \$2.5
3 million. In 2013, mayoral candidates raised \$48
4 million. Five percent of the contributions were the
5 maximum allowed under law at \$4,950, and accounted
6 for nearly half of the money raised for mayor at \$23
7 million.

8 Now we live in the age of Trump with a
9 president who once said, "As a business man and a
10 very substantial donor to very important people, when
11 you give, they do whatever the hell you want them to
12 do." A statement like these and other well
13 documented cases that creates an appearance of
14 impropriety that leads residents to wonder about
15 corruption in government. For consideration today, a
16 most proposal Proposed Intro 1130-A to publicly match
17 every small dollar. This would give the big dollar
18 with--this would fill the big dollar gap with a
19 contribution--with contributions of small and public
20 dollars to get big money out of New York City
21 politics. If it works, anyone could run for office
22 entirely on small dollars. If it doesn't work,
23 candidates could still continue to pursue big money,
24 and there would no added costs. There's literally no
25 downside. This is not a new idea. I've been

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2 advocating for this legislation over the past 10 or
3 so years. Once elected, I introduced it in March of
4 2016. Based on feedback from the Good Government
5 community it was amended in February of this year.
6 The legislation was introduced with primary co-
7 sponsorships of Brad Lander and Fernando Cabrera with
8 additional sponsorship from Progressive Caucus and
9 Council Member Debbie Rose, Margaret Chin, Carlos
10 Menchaca, who is here with us today and gets the gold
11 star award for being here first, Council Member Helen
12 Rosenthal, and Council Member Antonio Reynoso. As
13 proposed under this legislation, elected officials
14 hoping to run on small dollars would have to spend
15 the majority of their time in their communities
16 meeting with neighbors at house parties listening to
17 concerns and seeking their support. Today, we hope
18 to hear from advocates for tenants and community
19 preservation, immigrants and communities of color,
20 women, residents of NYCHA, candidates facing
21 practical "incumbents", politicians representing the
22 worst of Albany and, of course, Good Government
23 groups. We've also received considerable numbers of
24 written testimony from Campaign Finance Institute and
25 Professor Michael Malbin in support, the Women's City

2 Club in support, the Historic Districts Council in
3 support, and even political parties and political
4 clubs like New Kings Democrats and more. This is
5 because no matter what your cause, the road to
6 victory starts with campaign finance reforms that
7 amplify the voices of residents over special
8 interest. I want to take a moment to thank all those
9 who helped with this hearing being our committee
10 counsel, Brad Reed and Josh Kinsley and Mike Kurtz.
11 Also, from my office my Chief of Staff Jessie Towsen,
12 my Legislative Director, Paul Westrick and my
13 Communications Director Josh Jamieson. As you might
14 tell, it's been all hands on deck because this
15 legislation is that important. With that, I'd like
16 to call up our first panel from the Campaign Finance
17 Board, and I'll ask our Committee Counsel to please
18 administer the oath. Before he does so, if you're
19 here, I'd like to hear from you. The public would
20 like to hear from you, and we'd like to see it in the
21 record. You can fill out one of these witness slips,
22 and bring it up here, and if you have written
23 testimony that's great. If you're here, and you wish
24 to speak extemporaneously, we'd love to have you, and

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2 I'll now instruct Committee Counsel to swear in our
3 first panel.

4 LEGAL COUNSEL: Please raise your right
5 hand. Do you affirm to tell the truth, the whole
6 truth and nothing but the truth in your testimony
7 before this committee, and to respond honestly to
8 Council Member questions?

9 PANEL MEMBER: Yes.

10 PANEL MEMBER: Yes.

11 LEGAL COUNSEL: Thank you. [pause]

12 AMY LOPREST: Okay. No other opening
13 remarks from the other Council Members? Okay.
14 [laughs] Good afternoon, Chair Kallos and members of
15 the committee. I'm Amy Loprest, the Executive
16 Director of the New York City Campaign Finance Board.
17 With me today is Eric Friedman, our Assistant
18 Executive Director for Public Affairs. New York
19 City's ground-breaking public funds, matching
20 funds system was established by Local Law 8 of 1988.
21 This year, we are preparing for the eight Mayoral
22 Election covered by Campaign Finance Program. While
23 national and state elections have long been dominated
24 by big money interests, New York City has shown that
25 a common sense program to support cleaner, fairer

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2 elections can succeed and thrive. This remains true

3 because our system has adapted over time to meet the

4 shifting challenges of our rapidly evolving politics.

5 This committee and this City Council have returned

6 again and again to the work of ensuring the system

7 serves candidates and voters well. We sometimes

8 approach the task from different perspectives, and we

9 do not always agree on the challenges of the

10 solutions, but we are invested in the continued

11 success of the program. In that spirit, thank you

12 for the opportunity to testify on Intro 1130-A.

13 1130-A would increase the maximum amount of public

14 matching funds available to candidates for city

15 office. As such, it is useful to consider the

16 significant benefits the public receives for its

17 modest investment in the political process. First,

18 matching funds get more New Yorkers involved in local

19 elections. By matching small dollar contributions

20 with public funds the program makes it possible for

21 candidates to finance their campaign by engaging with

22 everyday New Yorkers. Candidates don't need access

23 to wealth to compete. They can build strong

24 campaigns by relying on support from their neighbors.

25 As a result, more candidates can step forward to run

2 for office and more New Yorkers get in the process
3 electing our leaders. Second, the system provides a
4 safeguard against corruption. Raising campaign funds
5 in large sums from big dollar donors can give rise to
6 the possibility of unspoken bargains or the
7 perception of favored trading. By providing
8 incentives for candidates to raise small dollar
9 contributions instead of depending on large
10 contributions from special interest, public matching
11 funds diminish the potential for corruption and
12 deepen the trust between elected officials and the
13 people they serve. Based on a review of our most
14 recent citywide elections, the first four-year
15 election cycle conducted under the six-to-one
16 matching rate, the program is meeting those aims.
17 The overwhelming majority of contributions to
18 candidates come from individuals. In the last
19 citywide election in 2013, more than 92% of all
20 contributions to city candidates came from
21 individuals. Only 8% from unions, voter committees
22 or other entities. Most contributors are small-small
23 dollar contributors. In 2013 elections for most
24 offices including the Mayor and City Council, the
25 most frequent individual contribution size was \$100.

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2 While it continues to be true that large

3 contributions make up a majority of the funds raised

4 by candidates, more than two-thirds of all New York

5 City contributors gave \$175 or less. The Matching

6 Funds Program encourages more New Yorkers to engage

7 meaningfully in local elections. Two-thirds of all

8 contributions came from New York City residents. In

9 the 2013 election an estimated 44,500 New Yorkers

10 makes a contribution to a candidate for the first

11 time. Of those, three-fourths gave \$175 or less.

12 Those contributions come from every part of the city.

13 A 2012 study by the Brennan Center for Justice and

14 the Campaign Finance Institute show that small dollar

15 contribute-contributors to Council candidates were

16 spread across nearly 90% of census blocks across the

17 city. By contrast, small donors to Assembly

18 candidates came from only 30% of the city's census

19 blocks. City elections are more competitive than

20 elections for state office. Access to matching funds

21 allows more candidates in more districts to run

22 competitive campaigns, which means that more

23 incumbents face challenges and must engage or

24 contribute to our constituents to win re-election.

25 During the last citywide election 75% of Council

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2 seats had contested primaries. By contrast, only 32%
3 of State Assembly and Senate seats representing New
4 York City had a contested primary in 2016. Even as
5 advocates around the country look to New York City's
6 system as a model there are still ways the system can
7 be improved. Intro 1130-A seeks to further diminish
8 the influence of large private contributions and
9 empower candidates who stick to small dollar
10 donations by increasing the amount of public matching
11 funds available to candidates. My testimony will
12 address the anticipated impact of the proposed
13 legislation, propose some alternatives and discuss
14 some important practical considerations. To ensure
15 the cost of the program is predictable, there is a
16 limit on the public's investment in cleaner
17 elections. As a result, campaigns are funded by a
18 mix of public funds and private contributions.
19 Candidates who join the program agree to limits on
20 their overall spending and the Act caps their public
21 funds payments at 55% of the spending limit. The
22 public funding ceiling was last increased nearly 20 7
23 years ago. Prior to Local Law 48 of 1998, public
24 fund payments were capped at 50% of the spending
25 limit except for payments to City Council, which were

2 capped at \$40,000, which is about a third of the
3 spending limit. Local Law 48 of 1998 transformed the
4 program into the multiple match model we use today.
5 It effectively increased the matching rate to four-
6 to-one, lowered contribution limits across the board,
7 and set the public funds cap to the current 55% of
8 the spending limit for all offices. Intro 1130-A
9 would remove the 55% public funds cap and limit
10 public funds payments to an amount equal to the
11 spending limit less than the matchable contributions
12 received. Under the current six-to-one matching
13 rate, the bill would in effect set a public funds cap
14 of 85% of the spending limit. The higher cap would
15 extend the current Matching Funds Program to make
16 more resources available to candidates who forego
17 large contributions. As noted, the most common
18 contribution size is \$100. Under the current law, it
19 takes 167 valid matching claims of \$100 for a City
20 Council candidate to receive the maximum amount under
21 the 2017 limits, which is 100--\$100--\$100,100, a very
22 hard number to say. [laughs] Assuming that
23 candidates raise no other private contributions, his
24 or her total budget would \$116,800. The spending
25 limit for Council candidates is \$182,000. After

2 maxing out the public funds a candidate who raised
3 his contributions exactly \$100 at a time can build a
4 campaign to reach his spending limit by raising
5 another 652 contributions. If that's too difficult,
6 a candidate who raises large contributions can
7 achieve the same benchmark by collecting only 24
8 contributions at the maximum 20-\$2,750. If Intro
9 1130-A were in effect this year, a Council candidate
10 who raise exactly 260 of \$100 would max out his or
11 her public funds at \$156,000. That candidate would
12 have exactly \$182,000 to spend. Data from previous
13 elections suggest that Intro 30-A would have a
14 significant impact in City Council elections. In the
15 2013 election, 129 candidates for Council received
16 public funds. Of those, nearly two-thirds or 83
17 candidates received public funds within 10% of the
18 maximum of neither the primary, the general election
19 or both. This suggests a significant proportion of
20 Council candidates who qualify for larger payments of
21 public funds if the cap were raised. However, the
22 impact of a local-Intro 130-A is likely tot be
23 minimal in the context of citywide offices where the
24 most competitive candidates are traditionally more
25 dependent on large contributions. In the four

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2 citywide elections conducted under the Multiple Match

3 Program since 2001, only one candidate for citywide

4 office has ever maxed out their public funds payment

5 in any election. That candidate, former Council

6 Speaker Christine Quinn had an additional four-year

7 cycle to raise contributions for her 2013 campaign

8 for mayor. To that extent, the—to the extent that

9 Intro 1130-A would impact citywide races is likely to

10 help only more established, more organized candidates

11 who can develop more robust small dollar fundraising

12 operations. As a result, our analysis suggests that

13 Intro 1130-A would cause a moderate increase in costs

14 associated with public funds paid to candidates.

15 Based on the anticipated ability of Council

16 candidates to access higher payments, we estimate the

17 overall amount would grow between 17 to 20% across

18 the entire system. We share the aims of 1130-A to

19 further empower small dollar donors and reduce

20 candidates' reliance on large contributions. There

21 are some alternative policy ideas that would

22 effectively help more candidates succeed with

23 campaigns built on small dollar contributions. First,

24 we could ease the threshold for citywide candidates.

25 The Matching Funds System gets candidates on the

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2 playing field providing them with a baselined amount
3 of resources to communicate with voters and get their
4 message out. To qualify for public funds, candidates
5 must meet a two-part fundraising threshold.

6 Currently, the threshold for Mayor is \$250,000 in
7 matching claims, which are contributions of \$175 or
8 less with a thousand contributor of at \$10.

9 Candidates for Public Advocate and Controller must
10 raise \$125,000 with 50 contributors–500 contributors.

11 Following the 2009 election, the board recommended
12 lowering the monetary threshold requiring on \$125,000
13 for Mayor and \$75,000 for the other citywide offices.

14 This would keep the requirement to demonstrate a
15 broad base of support to qualify while setting a bar
16 that is more obtainable and realistic for less
17 established candidates. Making it easier to qualify

18 for public funds would make it easier for small
19 dollar fundraisers to run viable competitive

20 campaigns for citywide office. A reduced more

21 rational threshold requirement for citywide

22 candidates is consistent with the spirit of Intro

23 1130-A, also, lowering the contribution limit.

24 Though the vast majority of contributors is small
25 amounts, concerns about the overall relative impact

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2 of large contributions in the system are not
3 misplaced. Many candidates still receive more money
4 for maxed out contributors than from small dollar
5 donors. Candidates for citywide office can be
6 especially dependent on large contributions because
7 the contribution limit is significantly higher.
8 Limiting the size of contributions is a
9 straightforward and effective way to increase the
10 value of small dollar contributions relative to the
11 largest donations. As noted earlier, the law that
12 created the four-to-one match, Multiple Matching
13 System, also lowered the contribution limit for city
14 candidates. We suggest the Council consider lowering
15 contribution limits for all offices or alternatively,
16 lowering the limit for all offices to the same as
17 City Council.

18 Create an Optional Small Dollar Path:
19 Some new matching fund systems created around the
20 nation over the last few years combined matching
21 funds with low contribution limits. The results is a
22 system where all candidates operate under a system
23 that looks more like a full public funding program.
24 For example, Montgomery County, Maryland, which will
25 run its elections under its new public matching

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2 system in 2018 limits contributions to \$150. The
3 first \$50 of contributions are matched at a higher
4 rate than subsequent contributions. The Board
5 proposed a similar system for Council candidates
6 after the 2003 and 2005 elections. With a low
7 contribution limit, a lower spending cap and
8 streamlined compliance requirements. In theory, one
9 option is to offer a higher matching rate for
10 candidates who choose to raise only small dollar
11 contributions establishing an even more attractive
12 incentive for candidates to change their fundraising
13 habits and choose the small dollar path. An
14 optional—optional small dollar path is an idea we
15 have not yet considered in detail, but it may be
16 worth further study. The goals of Intro 1130-A are
17 the right ones. However, were 1130-A become law, the
18 higher public funds cap could create some unexpected
19 undesired consequences for candidates that would
20 undermine the bill's intent. We urge the—we urge the
21 Council to consider these issues as it continues to
22 discuss this legislation.

23 The Access to Schedule Public Funds

24 Payments to Candidates: Local Law 168 of 2016, which
25 will take effect after the 2017 elections, modified

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2 the payment calendar to provide for a single capped
3 payment as early as June to candidates who meet the
4 threshold early. Otherwise, the Act prohibits
5 payments of public funds to those who fail to make
6 the ballot or to candidates without opposition.

7 These prohibitions are an essential production
8 against waste in the program. New York State
9 Election Law requires that County Board of Elections
10 determine that candidates on the ballot for elections
11 within their jurisdiction no later than 35 days
12 before an election. As a result, most public puns-
13 funds payments are made only after the ballot has
14 been finalized within five weeks of the election.

15 The first payment for the 2017 Primary Election is
16 likely to be made as late as August 7. If August—if
17 Intro 1130-A becomes law, the payment schedule may
18 put candidates who choose to raise only small
19 matchable contributions at a significant
20 disadvantage. Candidates waiting for public funds
21 payments that would comprise as much as 85% of their
22 budgets must limit their spending through the
23 petitioning period in the beginning of August or
24 raise a significant amount of additional private
25 funds to conduct campaign activities while waiting

2 for payment. Raising additional funds could expose
3 candidates receiving large public funds payments to
4 significantly payment liabilities as funds that are
5 left over must be returned after the election. As
6 you are aware, the Act contains detailed restrictions
7 on the use of public funds and the CFB rules require
8 that candidates receiving public funds demonstrate
9 that they are used for qualified purposes.

10 Candidates who cannot provide documents to show that
11 their public funds were used for qualified purposes
12 are liable to repay funds to the city. The strict
13 definition of qualified expenditures is an important
14 control on the matching funds allocated to candidates
15 through the program, and the Board review gives the
16 public assurances those funds are being used "to
17 further the participating candidates' nomination for
18 election or election, as the Act requires." Certain
19 spending items that are legitimate and lawful
20 campaign expenditures are not qualified purpose for
21 public funds. These can include spending before
22 January 1st of the election year, spending related to
23 ballot litigation, spending in cash, payments to
24 family members, spending related to the holding of
25 public office, and post-election spending.

2 Near maximum payments of public funds
3 under Intro 1130-A would dramatically limit the
4 ability of candidates to spend in these categories.
5 Candidates who start the campaign early or are forced
6 to defend their ballot petitions in court maybe
7 required to demonstrate that practically all of their
8 remaining spending was spent on qualified purposes or
9 repay significant amounts of public funds. As
10 drafted, the bill amends Section 3-705(2) (b) to limit
11 public funds payment at an amount equal to the
12 spending limit less the amount of matchable
13 contributions received. Conceptually, this would
14 help ensure the cap will automatically adjust if the
15 matching rate is modified again in the future. In
16 practice, this formulation creates significant
17 challenges for the administration of the program.
18 For instance, Section 3-7057 limits payments to
19 candidates with only nominal opposition to one-
20 quarter of the maximum public funds payment otherwise
21 applicable. As drafted, Intro 1030-A would subvert
22 this position—provision providing higher payments to
23 candidates with smaller amounts of natural
24 contributions. We urge the Council to amend the bill
25 to make the public funds cap a fixed percentage of

2 the spending limit. To close, I would like to
3 reiterate the partnership we've had with the City
4 Council has helped make the program a national model.
5 Many of our proposals to improve the program over the
6 years have been received and acted on by this body.
7 We've collaborated many times to refine ideas
8 proposed by the members, and we appreciate the
9 opportunity to testify and provide our feedback on
10 this legislation. I'm happy to take your questions.

11 CHAIRPERSON KALLOS: Thank you for your
12 testimony. So we just have a visual here. You can
13 check it out at benkallos.com/getmoneyout, but—so, in
14 your testimony you noticed that your—your goals are
15 get more New Yorkers involved. Second, provide a
16 safeguard against corruption and so I guess the
17 question is does the CFB see larger amounts of big
18 money entering the city elections. Are—is—are these
19 number accurate or are 49% of the big contributions
20 for Mayor in 2013 really coming in checks of \$4,950?

21 AMY LOPREST: I'm sure. I mean we—in my
22 testimony I give some numbers about the amount of
23 money that is raised by the Mayor. It's certainly
24 true that more money comes in large increments
25 because it's the bigger dollar amounts, but the—I'm

2 not sure. I'm going to look. I have the number to
3 check.

4 CHAIRPERSON KALLOS: So-so just looking
5 at that diagram, if your—if half of the budget for
6 the CFB were determined by just the person in red out
7 of that group of 20 would that person have more of a
8 role than the other 19?

9 AMY LOPREST: Again, I mean the—the
10 contribution limits are set by the City Council at a
11 level that is intended to reduce corruption--

12 CHAIRPERSON KALLOS: [interposing] Uh—
13 huh.

14 AMY LOPREST: --and this person in red
15 has given the contribution limit at the level—the
16 contribution limit that's set by the City Council.

17 CHAIRPERSON KALLOS: Right, and so along
18 those lines you note that this would actually not
19 have a huge budget impact, which is great news I
20 guess, and that you feel that would actually have a
21 big-- So, just to reiterate, in your testimony you
22 believe this might actually have helped one-third of
23 City Council candidates actually reach the spending
24 limit if we enacted it?

2 AMY LOPREST: You know, it's hard—it's
3 hard to say. I mean what I said is that once sort of
4 the candidates received the maximum in the last
5 election, and I think there's, you know, good reason
6 to assume that that, you know, that those people who
7 could reach the maximum and the other could reach the
8 maximum in the new—new program?

9 ERIC FRIEDMAN: [off mic] And—and I'd
10 just noticed that the—the estimate that some of team
11 was going to do some of that notice assumes that
12 those candidates got the amount. (sic)

13 CHAIRPERSON KALLOS: Yeah, and so in your
14 testimony, you go onto further believe that—to state
15 that you think would actually have a minimum impact
16 because under a prior system where candidates
17 couldn't ever hope to max out on small dollars,
18 candidates didn't actually raise as many small
19 dollars, but under a new system are subject to
20 actually just run for mayor with 5,000 checks for
21 \$175 or 10,000 checks for \$100, they could. Why do
22 you think it wouldn't have an impact on male
23 candidates?

24 AMY LOPREST: Well, because for—for mayor
25 in the new program it would take about 10,000

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2 contributions of exactly \$100 to reach the 85%
3 maximum, which, you know, make—I mean again people
4 change their behavior. It's hard to predict the way
5 of change of behavior, but that is, you know, if you
6 take to re—to receive a public funds payment of \$5.97
7 million to—it would take—it would take that many
8 contributions.

9 CHAIRPERSON KALLOS: If you did \$175
10 contributions, it would actually be \$5,689. Is that
11 correct?

12 AMY LOPREST: I don't know. Yes.

13 ERIC FRIEDMAN: [interposing] It is
14 correct and we chose to, you know, do the analysis on
15 contributions in the--

16 CHAIRPERSON KALLOS: [interposing] How
17 many contributions do male candidates currently get?

18 ERIC FRIEDMAN: [off mic] So, so in the
19 last election, I think we—I think that it was the
20 Mayor raised something like 12,000 and 12,000
21 individual contributors.

22 CHAIRPERSON KALLOS: So it actually makes
23 sense that if you're talking about 10,000 \$100
24 contributions, that somebody like this mayor or even
25 other people who are running could actually do that

2 in more—they—they would actually have been able to
3 raise more in that way without having to take big
4 dollars.

5 AMY LOPREST: Of course, that's for one
6 election. I mean for the New York so that, you know,
7 again, it's the same number for the primary and then
8 for the general because it's double. You get the
9 same amount of money in the primary, but the maximum
10 is the same in the primary and the general election.
11 And also, I guess, you know, one of the points we
12 made in the testimony is that, of course that this
13 may help. You know, the people who would be most
14 helped by this would be people who had large
15 established fundraising operation—operations in that.

16 CHAIRPERSON KALLOS: Do you—

17 ERIC FRIEDMAN: [interposing] [off mic]
18 So I—just—just to add something for a second. I—I
19 don't think we would take exception with your
20 approach to the question, and what we can do is—is
21 look backwards and—and do the analysis of—of what's
22 happened in previous elections. The—the assumption
23 was that behavior will change. I don't want to take
24 it. I don't want to argue with that, but it—that is
25 also—it's hard to predict. So, you know, our

2 analysis is the elections did help to gain a little
3 bit more.

4 AMY LOPREST: Yeah.

5 CHAIRPERSON KALLOS: When you increase
6 the public matching grant, as you stated in your-in
7 your testimony, did that have an impact on the number
8 of participants and the number of big dollars?

9 AMY LOPREST: It did not impact on the
10 number of participants. I mean we've always had a
11 high participation rate. The-again, you know, that
12 was done for the 2001 election and, you know, there-
13 the 2001 election there were a lot. They were the
14 most candidates that we've had so far, but also is
15 the first year for turning (sic) on this. It's
16 always hard to, you know, parse out which, you know,
17 which of those had the most impact.

18 CHAIRPERSON KALLOS: Did you do an
19 analysis of the number of small dollars in 2001
20 versus the previous years?

21 AMY LOPREST: Oh, I mean it's definitely
22 higher. I mean there's no question about that.

23 CHAIRPERSON KALLOS: So-so-that--

24 AMY LOPREST: [interposing] I'm here to
25 talk about that.

2 CHAIRPERSON KALLOS: --just--just speaking
3 from the social sciences, the way we predict the
4 future is we look at similar fact patterns from the
5 past, and if increasing the public matching grant to
6 55% had a positive impact then on-on citywide
7 elections it would be safe to do so, and to-to test
8 it in-in this case and see if it fit the same.

9 AMY LOPREST: Well, and-and I'd like to
10 point out (1) in addition to term limits and in
11 addition to raising the-the maximum amount of public
12 funds available, also it was the first year that
13 there was the multiple match, which had a significant
14 impact on the value of raising small contributions.
15 So I mean again, you know, looking backwards it's
16 hard to know for sure what happened.

17 CHAIRPERSON KALLOS: [interposing] I-it's
18 not-I-I think that that's also why I'm proposing a-a
19 small modest change. Scientific method indicates you
20 change one it, test its impact and change another
21 thing. I want to acknowledge we've been joined
22 Council Member Brad Lander, who is a co-prime sponsor
23 of this legislation as well as Council Member Ritchie
24 Torres, who is a member of this committee. So do you

2 believe that 55% is precisely the correct percentage
3 for a public match—for a public matching cap?

4 AMY LOPREST: I do and I think it's a
5 good—it provides for a good mix of public and private
6 money. I mean I think that that's the logic behind
7 the 55%.

8 CHAIRPERSON KALLOS: How—how much private
9 money should there be in the system?

10 AMY LOPREST: I mean that's impossible to
11 answer. I mean I think that—I mean I think that this
12 has worked. The program has worked very well over
13 the past, you know, 20 years since we've increase
14 the—the matching rates, the serving--

15 CHAIRPERSON KALLOS: [interposing] But
16 could it work better?

17 AMY LOPREST: I guess, you know, there's
18 always room for improvement.

19 CHAIRPERSON KALLOS: Great, and do you
20 think that there is a connection between the amounts
21 of public money that is possible for candidates to
22 receive and whether they decide to participate or
23 not?

24 AMY LOPREST: Well, as I said, we've
25 always had a very high participating-participation

2 rate. We have, you know, almost 92% of participation
3 rate, and I think, you know, on thing to think about,
4 which is important is, you know, we have a system
5 where most candidates join the program. 90% of the
6 candidates in the primary election participate. Even
7 candidates who could possibly have the means to opt
8 out largely join--choose to join. But I think one
9 thing to think about is you want to make sure that
10 you have a system where it's flexible so that people
11 that you have all—you know, as many people joining as
12 possible, and that they can choose the way they want
13 to participate, and, you know. So, I think there's,
14 you know, allowing people to kind of have an option
15 of how they're going to, you know, be participating
16 in the program is an important aspect of encouraging
17 participation.

18 CHAIRPERSON KALLOS: Now—now you've
19 proposed as one of the solutions to actually create a
20 separate track so that people have to choose one or
21 the other. Under this legislation [coughs] are
22 people forced to change their behavior, or are they
23 incentivized [coughs]?

24 AMY LOPREST: Well, I mean I—I guess—I
25 mean it's—it's a—again, it's kind of predicting

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2 future behavior, but again, there is, you still have
3 the ability to raise the large contributions. That's
4 one of the reasons why we suggest, you know, lowering
5 the contribution limit. You--so you could still
6 raise, your money in small--in large contributions.
7 If you receive the maximum public funds, you might
8 have large amounts of money to return after the
9 election because, you know, money left over the
10 election is returned to the public fund. So, again,
11 it's--it's a future behavior that's hard to predict.

12 CHAIRPERSON KALLOS: I apologize for my
13 coughing. I know that Donald Trump would indicate I
14 would not be fit for seeking re-election, but I--I
15 might.(sic) [coughs] The City Council has a bit of a
16 diversity problem. We are underrepresented by women.
17 With regards to the numbers that you presented, two-
18 thirds-one-third of the City Council candidates who
19 run they don't actually make it within 10% of the
20 spending cap. What is the breakdown of men and women
21 in that group, as well as if you have the--the
22 breakdowns?

23 AMY LOPREST: The breakdown of--of the
24 people who meet the cap?

25

2 CHAIRPERSON KALLOS: The—of the one-third
3 does, how many of them are women? How many of them
4 are people of color? How many of them are
5 Republicans? Which are another minority in this
6 district just to—sorry, in the city just not quite
7 the same as the others?

8 AMY LOPREST: I don't have that. No.

9 ERIC FRIEDMAN: [off mic] So, we're happy
10 to perform that—take a look at that analogy.

11 [background comments] [on mic] We're happy to perform
12 that analysis and get those numbers back to you. I
13 think, you know, all the studies show that there are
14 a number of barriers to more men running or office.
15 Not all of them are related to fundraising, but I
16 think what the numbers show is that once when you do
17 take—make the choice to run that the system doesn't
18 disadvantage them. So, you have again it's not high
19 math, but you have probably about a third of women on
20 the Council, 17 of 51. So of the—of the candidate
21 pool overall in the 2015 elections, 31% of the
22 candidates in the primary election were women.
23 Twenty-nine percent of the candidates in the general
24 election were women. So, while I don't disagree with
25 the premise that we want to encourage more women to—

2 to stand for office, there's not a lot of evidence
3 that the given finance system is kind of the blocker.

4 CHAIRPERSON KALLOS: [pause] So, your
5 data shows that mayoral candidates raise much of
6 their money in just a few of the wealthiest
7 districts. If there was a greater incentive to
8 collect small contributions do you think they would
9 seek contributions from a wider range of districts?

10 AMY LOPREST: I mean again, that's hard
11 to predict. I mean again if, you know, many of the
12 contributions from all of the candidates come from
13 certain, you know, areas as well. There are
14 contributions across all the Census Block. You know,
15 almost 90% of the Census Block districts for City
16 Council, you know, a lot of the money still comes
17 from, you know, certain areas of the city.

18 CHAIRPERSON KALLOS: [interposing] Is-is
19 there a correlation between the size of the
20 contributions and the districts they come from? Do
21 the bigger contributions come from those two
22 districts while the smaller contributions come from
23 all over the city?

2 AMY LOPREST: I'm—I'm not sure if we—I'd
3 have to look at the numbers. So we have—we do have
4 those great maps of the addresses--

5 CHAIRPERSON KALLOS: [interposing] My-my-
6 -

7 AMY LOPREST: --so I have them in my
8 mind, you know, we'd have to—I'd have to look at
9 that. It's easy enough to do an analysis on our
10 website now.

11 CHAIRPERSON KALLOS: So in terms of it,
12 do you think there's a—a downside if we implemented
13 this? It seems we disagree about whether or not
14 elections incentivized citywide, but what is the
15 downside to making it possible for the first
16 candidate to actually try to run entirely on small
17 dollars?

18 AMY LOPREST: Again, I mean I—I think I
19 mentioned two issues that are—are potential. It, you
20 know, problems. One is the timing of payments, which,
21 you know, now we make, you know, we will have this
22 new law after the 2017 election that provides a small
23 C grant. (sic)

24 CHAIRPERSON KALLOS: Which is when this
25 kicks in so--

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2 AMY LOPREST: But, you know, again those
3 are, you know, small amounts. It's \$10,000 for City
4 Council, \$250,000 for the Mayor. So, 85—the vast
5 majority of your 85% of your budget would be coming
6 to you in public funds, which are paid about five
7 weeks before the primary, which is, you know, makes
8 it a difficult budgeting.

9 CHAIRPERSON KALLOS: How much is
10 currently being spent outside of August. August and
11 September is when all the mail hits. That's when
12 everything happens. So, what would—what does a
13 candidate need to do with \$1.25 million in June?

14 AMY LOPREST: Well, I mean it depends.
15 You know, it's the early—it's the, you know, it's the
16 early spending, and about-- Okay, so right now fewer
17 than a third of the candidates receive public funds.
18 Reserved at least 75% of their primary spending for
19 the period after August 5th. So, more—about two-
20 thirds of people spent more than a third, more than
21 25% before that.

22 CHAIRPERSON KALLOS: So, it just needs
23 that—that legislation for the early payment?

24 AMY LOPREST: Again, you know, the—the
25 reason we set the number at, you know, a lower number

2 is to make sure that, you know, to preserve it. To
3 ensure that the people who are receiving public funds
4 I mean part of our, you know, our goal is to make
5 sure that the public funds are paid to candidates who
6 demonstrate public support. That's why we have the
7 threshold to demonstrate that people are—are on the
8 ballot and that are running campaigns. So I mean
9 again we spent a lot of time thinking about what the
10 right number was to recommend for those early
11 payments. Again, you know, would require, you know,
12 just changing that number. We should probably think
13 about that because you don't want also to be
14 providing large early payments, and then having to
15 recoup those monies, that's that also difficult for
16 the candidates and difficult for the city.

17 CHAIRPERSON KALLOS: I'd like to turn it
18 over to Carlos Menchaca for questions followed by
19 Brad Lander with a five-minute clock.

20 COUNCIL MEMBER MENCHACA: Thank you,
21 Chair and I—I think you kind of went through some
22 pretty big—big questions that I wanted to ask, but
23 this kind of begs a couple of questions about how—how
24 to—how to really engage more. As we think about
25 potentially changing this matching—the matching, how

2 do we—how do we engage more New Yorkers. And so I'm
3 really interested in all the—all the folks that are
4 not yet fully represented, immigrants, people who—who
5 don't speak English, but are citizens and can—can
6 participate, And so I'm—I'm kind of curious about
7 how—how you're thinking about this in relationship to
8 this law, but also just a—a further expansion of the
9 Matching program. And then, second, whether or not
10 you're conducting analysis for incumbents. We know
11 that some incumbents aren't joining the program any
12 more, and they're not—they're not re-signing up, and
13 so I'm just kind of curious to see what your—what
14 your survey—if your surveying those—those folks for
15 reasons and—and potentially even reporting. This
16 bill particularly kind of gives—it gives a real
17 commitment for candidates over time. Not just first
18 time candidates but candidates that continue to run
19 for office to maintain the relationship with small
20 donors. That's changing right now. So I'm just kind
21 of curious to hear what you have to say about that.

22 AMY LOPREST: Well, you know, there's
23 always been, you know, we—again we have, you know,
24 good participation There have always been some
25 people who don't, you know, opt not to participate

2 and I seem to have to have, you know, a variety of
3 different reasons for that. I think one of them is,
4 you know, it's spending limit, which is a control on
5 the program, but again, it is—I mean again it's a
6 personal decision, but again we wouldn't want to
7 create—we don't want to create a system where we have
8 incentives for people not to participate. We don't—
9 you know, we want to have—we want more people to
10 participate in the program because we do like you
11 just said want to engage more New Yorkers in the
12 political process. And I think that the program does
13 that well now.

14 COUNCIL MEMBER MENCHACA: Are—are you
15 doing any formal analysis and surveying of candidates
16 over time that are not participating in this program.
17 Formal. I'm talking about formal survey.

18 AMY LOPREST: Oh, okay, yes.

19 COUNCIL MEMBER MENCHACA: Because when I—
20 I heard anecdotal, it may be this, it may be that.
21 You don't know. I'd—I'd like to some formal
22 understanding of what's happening.

23 ERIC FRIEDMAN: I mean I think there—
24 there are a couple of things about this election
25 cycle that we're in compared to previous election

2 cycles. In-in every election cycle I think you see a
3 handful of incumbents' issues not to participate for-
4 for a number of reasons, right. As-as they mentioned
5 they don't want the spending caps. They'd like to
6 make contributions to their colleagues. They would
7 like to spend money on-on some kind of other items,
8 and so I think what we're seeing for this election
9 cycle and in that category is not out of balance
10 we've always seen in previous election cycles. I
11 think this happens every time the arrive and come to
12 some City Council there are some small number that-
13 that choose not to participate in the Matching Number
14 Program. There those who, who joined the program and
15 then turned down public funds because they, you know,
16 they don't want to use taxpayer money to run a
17 campaign against a non-competitive opponent, and
18 that's--that's a choice that some candidates make,
19 too. And, of course, there's candidates who-who
20 don't participate because they have their own money
21 to spend, and there are some of those, and-and four
22 years ago were seeing a couple of those who in this
23 election at the citywide level for one. And so
24 certainly, you know, self-financed, can present a
25 challenge for-for people who are in the program, but

2 based on what the Supreme Court has told us we can
3 and can't do, you know, there's—our ability to help
4 people who are running against, you know, wealthy
5 self-financed candidates is—it has limits.

6 COUNCIL MEMBER MENCHACA: Would you be
7 open to a kind of formal analysis over time to—to
8 really kind of get a better sense about what's
9 happening? I think data. I think it's an important
10 thing to—to analyze. I think it's an important thing
11 to analyze for a lot of different reasons including
12 potentially creating more—more legislation to—to—to
13 keep—to keep folks committed to the program. I know
14 that it's—it's—it's not easy. I think we're—the
15 reform that we just passed I think is going to make
16 it a little bit easier for candidates, but this is an
17 important program that—that forces you, hard as it
18 is, to go back and get those small dollar donors, and
19 as someone who really enjoys that—that work, it's an
20 important thing that we move beyond joining in the
21 work and really kind of forcing—forcing candidates
22 to—to kind of keep to that kind of commitment to
23 community members that don't always have access to—to
24 government. Thank you. You can answer that question

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2 on-on the--whether you're committed to-to a kind of
3 formal data driven analysis. [bell]

4 ERIC FRIEDMAN: I'd say as part of the
5 regular, you know, analysis we perform after every
6 election, that's something certainly that we—we would
7 consider doing as part of that post-election
8 analysis.

9 CHAIRPERSON KALLOS: Just to welcome
10 Carlos to the Progressive Caucus, and to just follow
11 up, has CFB ever done focus groups with candidates
12 during or after an election?

13 AMY LOPREST: You know, we do a survey of
14 candidates after every single election, and so—and
15 we've done focus groups about different aspects of
16 programs we were planning. So I mean yes, we've done
17 both those things.

18 CHAIRPERSON KALLOS: Do, do you think
19 that there might be a high number of non-participants
20 with 41 or so incumbents because any of them who are
21 running within a future system, HRA is either a—a
22 heavy donor of either half a million dollars in big
23 dollars they need to raise \$1.5 million for citywide
24 or \$2.5 million, and that rather than just trying to
25 get 5,000 people to give them \$175, they might be

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2 running around trying to get those checks of \$2,750,
3 \$3,950 or \$4,950 so that by the time 2021 comes
4 around they are billed to that donor and are
5 considered competitive.

6 AMY LOPREST: I mean I, you know, I don't
7 know. I mean normally I mean, you know, we've seen
8 people who are non-participants, and then they become
9 part-time participants, and they go back and forth,
10 you know. So, you know, I don't know if a lot of
11 people are raising money for the 2021 election or
12 that-

13 CHAIRPERSON KALLOS: I'll tell who they
14 are. So the next question is just do you think it's
15 better for people to be getting matched checks right
16 now, or would it be better for people to be
17 collecting checks of \$175 until they hit a million
18 dollars in checks of \$175 or \$100?

19 AMY LOPREST: Well, of course, the
20 program exists to encourage people to get small
21 dollar contributions.

22 CHAIRPERSON KALLOS: Great. Council
23 Member Brad Lander.

24 COUNCIL MEMBER LANDER: Thank you, Chair
25 Kallos. Thank you for introducing this bill and

2 having this hearing. I'm honored [pause] to-to be a
3 co-sponsor. Sorry. I'm—I'm honored to be a co-
4 sponsor on it. I'm glad we're hearing it today.
5 I'm—I'm going to—I wasn't going to start here, but
6 I'm—I guess I am going to start here by answering
7 your previous question of yes, I believe this. I
8 mean I'm a strong supporter of this bill. I know
9 from the way that I raised in my first race that you
10 start focusing on small dollar contributions, the
11 \$175 six-to-one match or maybe it was four-to-one at
12 that time. I'm trying to remember. I was, you know,
13 and then you have—you realize there's a point at
14 which you're—it's going to make sense to start
15 raising in bigger amounts because the match ends, and
16 that starts to change the way you think about
17 fundraising in a system that encouraged and enabled
18 you to do it all in a feasible way with small dollar
19 contributions would be an improvement. It would have
20 been an improvement the first time I ran, and I, you
21 know, whatever. I'll just kind of throw the elephant
22 in the room out here. So though I have committed to
23 abide by the election year spending limit, and not
24 participating in the cycle. And it's really for the—
25 it is in some ways for the reasons that you

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2 mentioned, and that a system that made it easier for
3 everyone and their Council and citywide races to
4 achieve all their fundraising for small dollar
5 contributions is one that I think would be great,
6 and—and which I would be participating now and
7 imagining participating for the rest of my municipal
8 career, which I support it.

9 CHAIRPERSON KALLOS: Thank you.

10 COUNCIL MEMBER LANDER: So, I appreciate
11 this bill, and I think we should move forward with
12 it. I also—I think we should fix the specific
13 concerns that have been addressed around the payment
14 schedule. I also love the idea of seeing if we can
15 use this as a moment to do even more significant and
16 dramatic things, and I really appreciate the
17 testimony that you gave. I think the ideas of
18 exploring lowering the contribution limits, creating
19 this optional small dollar path, are—are both really
20 compelling. We should see whether we could do it.
21 This is a moment in American politics to lead, and a
22 system that lets you contribute 49/60 or even 27/50.
23 It's not really a small dollar system. So in some
24 ways I'm most intrigued by this lower the
25 contribution limit suggestion. You know, the—and I

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2 wonder. I guess one question I have is in Montgomery
3 County where they have this \$150 limit. Now, is it-
4 are you imagining-would you think about lowering the
5 contribution limit exclusively for participating
6 candidates or could we lower it for non-participating
7 candidates as well?

8 AMY LOPREST: In the contribution limit
9 right now, you know, aside from your own money,
10 applies to participants and non-participants alike,
11 and that provision of the law was challenged in court
12 and was upheld. So, I think that our recommendation
13 would be to lower the contribution limit over-across
14 the board.

15 COUNCIL MEMBER LANDER: For both
16 candidates--

17 AMY LOPREST: [interposing] Yes.

18 COUNCIL MEMBER LANDER: --to
19 participating and non-participating candidates.

20 AMY LOPREST: [interposing] Yes.

21 COUNCIL MEMBER LANDER: Because that
22 seems like a great idea like the one great way if we
23 could get, you know, to get big money out would be to
24 lower those contributions limits. We'd have to think
25 about what that would be, but that would be an-an

2 enormously good way of achieving more small dollars.

3 Now, it seems like if we would do those things like
4 really lower the contribution limits, assuming we're
5 imagining campaigns that cost about the same amount,
6 we—we might have to increase the matching ratio in
7 addition to extending the—the ability to get all the
8 way there. Yes?

9 AMY LOPREST: I mean again, you know, it
10 would sound and over the course of time that there,
11 you know, the Multiple Match has been a very
12 effective tool for lowering, you know, to increasing
13 the number of small dollar contributors because it
14 provides an incentive to collect those contributions.
15 You know, when it was one-to-one to a thousand, you
16 know, there was not a lot of it essentially (sic)
17 cut. The \$100 contribution when it moved to four-to-
18 one to \$250, you know, there was more incentive, six-
19 to-one, you know, to \$135. There may be diminishing
20 returns. I think there's some—been some, you know,
21 social science studies of that, you know—you know,
22 how—where the, you know, the number, the matching
23 increase off of that--

2 COUNCIL MEMBER LANDER: [interposing]

3 Right, but some of it is just practical if we're
4 going to leave--

5 AMY LOPREST: Yes.

6 COUNCIL MEMBER LANDER: Imagine campaigns
7 that cost more or less what they now cost, and really
8 significantly restrict people to, you know, whatever.
9 I'm not saying you go to \$150 like Montgomery
10 Council, Maryland. There's obviously a big room in
11 between \$150 and \$2,750 or \$4,950, but if we really
12 got that down, I would sure support a further
13 increase in the matching ratio. That would take a
14 little more public dollars, and I'm sure some folks
15 might have sticker shock, but what it would mean is
16 we've got an all small dollar system. I mean this
17 bill is great because it would let people who want to
18 do it all small dollar, do it all small dollar, and
19 that is great. But a system that made everybody
20 whether they wanted to or not, needs more small
21 dollars [bell] than we are now would be--would be
22 fantastic. So, and I'll--I'll just end by saying I
23 was just looking up the Montgomery County system, as
24 you were talking about it, and theirs you get more
25 match for the first 50 bucks than you do for the next

2 50 bucks. So it really continues to-to drive and
3 incentivize small dollars contributions.

4 AMY LOPREST: Yes, I mean it makes a-it
5 makes for-it's very difficult to understand-

6 COUNCIL MEMBER LANDER: [interposing]
7 Fair enough.

8 AMY LOPREST: --and administering the
9 program.

10 COUNCIL MEMBER LANDER: [interposing] I'm
11 not proposing we do that.

12 AMY LOPREST: So that's the other thing.

13 COUNCIL MEMBER LANDER: Alright, thank
14 you for your testimony and for pushing us to think
15 about the opportunities at this moment, and thank
16 you, Chair, for the bill in here.

17 CHAIRPERSON KALLOS: Thank you and thank
18 you for your partnership and leadership with the
19 Progressive Caucus onto yet another Progressive
20 Caucus member Ritchie Torres.

21 COUNCIL MEMBER TORRES: I only have a few
22 questions because I have a briefing at 2:00. What
23 was the original rationale for the partial rather
24 than the full match?

2 AMY LOPREST: I think the idea has always
3 been, you know, that it's a good idea to have a mix
4 of contributions at, you know, private and public
5 money and that is—was always the idea behind the way
6 our program worked but, you know, there's continual
7 in-in, you know, involvement of contributors in the
8 process because, you know, in other jurisdictions
9 where they give you all the money, you know, there's—
10 it has, you know, attractions that will contribute,
11 you know, contribute—a small number of contributors
12 in the game--

13 COUNCIL MEMBER TORRES: [interposing] So
14 —

15 AMY LOPREST: -- and then as you move on,
16 there's a--

17 COUNCIL MEMBER TORRES: [interposing] So
18 maybe I—I misunderstand the point of the campaign
19 because my understanding of the Campaign Finance
20 system is that the purpose was to maximize the power
21 of small donations, and so if that's the rational
22 behind the Campaign Finance system, it would seem to
23 logically follow that you should have a full match
24 what could be a greater maximization of small
25 donations than a full match.

2 AMY LOPREST: Okay, maybe I
3 misunderstood--

4 COUNCIL MEMBER TORRES: [interposing]
5 Yeah.

6 AMY LOPREST: --in your question. I'm
7 sorry about that. So, I-I-I guess I took your
8 question about full matches to-in some-some public
9 financing program.

10 COUNCIL MEMBER TORRES: [interposing] But
11 why was it originally--because I-I'm-I'm reading the
12 one step.

13 COUNCIL MEMBER LANDER: You mean that you
14 could get--you get all the way to the spending and
15 the--with matched contributions rather than only
16 partially to the spending on that system.

17 AMY LOPREST: I-I-I think mainly--I think
18 probably there's issues of cost, you know, sort of,
19 you know, ensure the certainty of how much the
20 program is going to cost, and also to again to have
21 this mix of---

22 COUNCIL MEMBER TORRES: Right.

23 AMY LOPREST: --dollars and--

24

25

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2 COUNCIL MEMBER TORRES: But those--there's
3 no concerns at the time? So there's no other
4 concerns that you have at the moment, right?

5 AMY LOPREST: Again, I mean, I think that
6 it would be good to have a certainty of just the
7 amount of money that's going to be going out. I mean
8 I think that-- But, I mean this--yes, aside from
9 the--we've made our--I've made my point about what we
10 think are the concerns about this--

11 COUNCIL MEMBER TORRES: [interposing]
12 And--and it seems like your concerns are largely
13 technical rather than philosophical. It seems like
14 you and Council Member Kallos agree more on principal
15 than--than it might appear. I'll ask a more basic
16 question. How do you measure your success? Do you
17 believe the program is succeeding, and how do you
18 measure success?

19 AMY LOPREST: I think it is successful.
20 I mean I think there's a number of ways to measure
21 success. I think that, you know, I brought up some
22 of it in my testimony. One is increasing the number
23 of smaller, you know, individuals involved in the new
24 political process, which certainly the small dollar
25 match has done, and for having sustained

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2 participation in the program. Because otherwise, you
3 know, if you don't have people participating then
4 it's not going to be a success, and then also making
5 sure that the speed—I'm sorry. I lost my train of
6 thought.

7 COUNCIL MEMBER TORRES: How about
8 reducing the influence of big money in politics? Is
9 that one of the criteria?

10 AMY LOPREST: I mean it is—it is one I
11 think.

12 COUNCIL MEMBER TORRES: Because if—if
13 that is the goal, if that's how we define success,
14 when I look at that graph, it seems to me that the
15 system is failing. But yes, we're better than the
16 cesspool of campaign finance corruption that you have
17 in Albany and Washington, but judging by the
18 influence of big money, it seems like we're not
19 addressing the root.

20 ERIC FRIEDMAN: I'll just add one note
21 about—about the graphic. I—I believe the numbers
22 that—that we used in that chart, look at both
23 participating and non-participating candidates. I
24 think the ratio breaks down slightly differently if
25 you're looking on the actual participants.

2 COUNCIL MEMBER TORRES: Do we have data
3 on-

4 ERIC FRIEDMAN: Happy to show you that,
5 yes.

6 COUNCIL MEMBER TORRES: --participating?

7 AMY LOPREST: Yes.

8 COUNCIL MEMBER TORRES: Okay, do you have
9 them at the moment or no?

10 ERIC FRIEDMAN: Well, so-so for-for
11 mayoral candidates who-how much? So about 35% of
12 contributions to mayoral candidates were for exactly
13 \$4,950. So, it's-it's not radically different. It-
14 it doesn't, you know, it doesn't throw away the
15 point, but I think the numbers are-are slightly-
16 slightly different if you look on them this way.

17 (sic)

18 AMY LOPREST: And I mean, and again, I-I-
19 I again come back to the point about lowering the
20 contribution limit. I mean the contribution limit
21 was set by the City Council as a number that, you
22 know, it's determined to not be cross-date (sic) And
23 so I mean it gets-it's a large number, and certainly
24 most people are not giving, you know, care-are not
25 able to afford a contribution of \$4,950, but it is

2 the number that is set as, you know, the maximum
3 allowable contribution on the theory that it's—it is
4 not a corrupting, but I agree that the contribution
5 limit should be lowered. I mean it's part of our—I
6 mean it's been a recommendation of the Board pretty
7 much since 1989 that the contribution limits should
8 be lower.

9 COUNCIL MEMBER TORRES: It is something
10 of a strange question, but any thought given to
11 correcting the inequities even within a well
12 functioning campaign finance system like ours? So
13 your contribution are matchable by the fact they're
14 six from 10 to 175 but, you know, \$175 from one of
15 your constituents is much more manageable than \$175
16 from one of my constituents. And so even within
17 this—this well functioning system, there's deep
18 inequity. Have you given thought to how you can
19 correct those inequities, maybe modifying the range
20 of matchable contributions? [bell] Maybe it could be
21 5 to 50 rather than up \$175?

22 AMY LOPREST: So, we—just to correct our—
23 maybe that—maybe I misspoke but it's—we actually
24 match the first dollar at six-to-one. So if you gave

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2 someone—if—if your--a contributor gave you a dollar,
3 we would match--

4 COUNCIL MEMBER TORRES: [interposing]

5 Okay.

6 AMY LOPREST: --the first dollar. So
7 again, we do match some the funds, okay. (sic)

8 COUNCIL MEMBER TORRES: [interposing]

9 Well, I was under the impression that it had some
10 funds on this stuff. (sic)

11 AMY LOPREST: Okay, but ten is part of-of
12 it's—towards showing that you have support. So you
13 need ten-contributions of 175 people of at least \$70—
14 \$75 to \$100 for that. 75 people from your district
15 of at least \$10 to meet the threshold, but we match
16 the first dollar.

17 COUNCIL MEMBER TORRES: Would you be open
18 to lowering that to \$5 or--?

19 AMY LOPREST: They are lowering that to--

20 COUNCIL MEMBER TORRES: [interposing] As
21 far as in-district contribution.

22 AMY LOPREST: --lowering the in-district
23 contributions. I—I actually believe that we looked
24 that--

25

2 COUNCIL MEMBER TORRES: [interposing]

3 Yeah.

4 AMY LOPREST: --proposal in one of our
5 post-election reports.

6 COUNCIL MEMBER TORRES: Like why is ten
7 the minimum? I don't understand. That's--what's the
8 rationale behind it?

9 AMY LOPREST: I-I mean it's always been
10 ten.

11 COUNCIL MEMBER TORRES: Okay.

12 AMY LOPREST: So I-I mean the one reason
13 I was there. So I'm not--I'm not exactly sure why the
14 timing on that is. (sic)

15 COUNCIL MEMBER TORRES: Okay, we can
16 speak offline.

17 AMY LOPREST: Yes.

18 CHAIRPERSON KALLOS: Council Member
19 Torres, I recommend you put in that LS request right
20 now.

21 COUNCIL MEMBER TORRES: I saw it.

22 Someone else so-

23 CHAIRPERSON KALLOS: But you're blocked
24 at it?

25 COUNCIL MEMBER TORRES: Huh?

2 CHAIRPERSON KALLOS: You're already
3 blocked at it? [laughs] Fair enough. We will do
4 our best to make sure that they will happen. We've
5 been joined by Council Member Levine who has
6 announced that he sponsoring the bill. That brings
7 us to four sponsors from the Committee on
8 Governmental Operations with which seven members
9 means that we have enough sponsor to vote it out of
10 committee should the rest of this hearing go well.
11 We've also been joined by Council Members Reynoso and
12 Greenfield, and we have questions from Council Member
13 Reynoso. We also have a couple of people who are
14 here to testify who are on time limited windows, but
15 please ask your questions. You have five minutes.

16 COUNCIL MEMBER REYNOSO: So, thank you so
17 much for being here. I think this is a great, a
18 great hearing, but I have concerns over-over these
19 bills, and I just want to kind of go through with
20 you. At this moment, I feel we're almost—we're
21 almost there where I feel very comfortable with how
22 the matching funds are working. I do have some
23 concerns over low-income districts like mine where
24 fundraising is not easy to do when, you know, the
25 [Speaking Spanish] and the Marias of the world are

2 giving me \$10 a piece as opposed to other locations
3 where you can see fundraising happening or happening
4 at a higher rate. Just regarding the current Council
5 Members that have exceeded their limits without any
6 matching funds, and just put that-align that with the
7 affluence of their district compared to folks in-in
8 districts from like the South Bronx, parts of
9 Brooklyn and Queens. So I do think there is an
10 equity conversation to be had, but then I also have
11 another concern. So that's one concern on one end,
12 and the other end is how many people actually go out
13 and-and-run for office, and how do we separate the
14 folks that are seriously thinking about running, and
15 whether or not taxpayer dollars should be spent on
16 making that happen, and-and others that are just-are
17 just looking to make a name, make a statement, are
18 not serious about running, are not serious about
19 representing a community or-or extreme minorities of-
20 of-of campaigns, and allowing for just anyone to run
21 as well? There's-there's two different things for
22 me. I think that we do that with signatures for
23 petitions. A perfect example of there is a
24 threshold. You having enough support through
25 signatures to-to make it so that you're on the ballot

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60

2 because we want to know that you're serious about
3 people believe in you. But, and the way we do that
4 is the thresholds in-in this system as well in the
5 campaign finance system, and I think are good right
6 now. I think they're close to being I think a
7 perfect balance where we can keep the folks that are
8 not serious out, but also help the people that are
9 serious that need help, and the only concern I have
10 is that inequity in communities that are extremely
11 low income where we're asking for candidates to try
12 to get to a max of contributions, 100 and what, 82 or
13 184?

14 ERIC FRIEDMAN: 182.

15 COUNCIL MEMBER REYNOSO: 182. They'll
16 raise \$20,000 from 700 people and still not be able
17 to compete versus someone that raised a lot more than
18 that with 200 people. So, if we can deal with that
19 inequity, and not necessarily what I think is go too
20 far where we're allowing for what I consider the
21 crazies, and how do we separate that? How do we-how
22 do we both? Have you had that conversation
23 internally? Do you think that this bill does that?

24 AMY LOPREST: I mean I think, you know,
25 you point out—I mean the—the program has I think, you

2 know, very sensible requirements to show that
3 candidates demonstrate that they have support within
4 their communities before their public funds are
5 received. So, as you said, you know, there's—there's
6 a threshold that you have to meet. You have to raise
7 a certain number of contributions, and a certain
8 dollar amount of contributions in your district. I
9 think that that is an important break on, you know,
10 ensuring that candidates who are serious are the ones
11 who are receiving the public funds. Again, also
12 ensuring that people who are able to show enough
13 support that they are able to get the signatures that
14 they need to meet—get on the ballot. It's an
15 important break on, you know, making sure that the
16 can—all the candidates who are serious receive public
17 financing. As far as the disparities in districts, I
18 think that, you know, the small dollar matching fund
19 program was I mean one of the reasons that it went
20 from a multiple match with some single, you know,
21 dollar-dollar match to multiple match is really to
22 deal with some of those inequities that, you know, a
23 \$1,000 is a—was, you know, an unthinkable amount of
24 money for people—a City Council candidate to raise in
25 certain districts. That's why the—the—the program

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2 was changed to have a multiple dollar match to
3 incentivize and allow people to get more money from
4 small dollar donors.

5 COUNCIL MEMBER REYNOSO: I-I see. I-I
6 get how you put in place a system to seek-to-to make
7 sure that people are serious and are getting an
8 opportunity to run for office. It happened to me.
9 So I'm grateful for it, but my concerns is that it's
10 an equity issue, not an equality issue, right. The
11 money that you're giving in affluent districts is
12 absolutely unnecessary and a waste of taxpayer
13 dollars as opposed to in locations in-in poor
14 communities where we have important reasons (sic)
15 fundraising is a lot more difficult. I mean a lot of
16 these cases we're talking about minority candidates
17 look-look-being perceived as unqualified and-and-and
18 not necessarily a serious candidate because they
19 raised 20 grand in a district that-that actually
20 played a large accomplishment. So I think I have an
21 issue with this equality [bell]-equity and equality
22 conversation that we need to have, and I-and I really
23 want to take that more serious.

24 CHAIRPERSON KALLOS: Thank you and I
25 think I-I will just take a moment to note that I had

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2 more \$10 contributions than some of my colleagues,
3 but I want to just let the next panel know that they
4 are on deck following our last couple of questions,
5 which we'll have Susan Lerner from Common Cause, Bill
6 Samuels for Effective New York; Ravi Batra, and-and
7 Murad from New York Immigration Coalition. So please
8 be ready, and turn the lights back on, and [laughter]
9 and David Greenfield.

10 COUNCIL MEMBER GREENFIELD: Thank you,
11 Mr. Chairman. Thank you for calling this hearing.

12 CHAIRPERSON KALLOS: Chairperson.

13 COUNCIL MEMBER GREENFIELD: [coughs,
14 pause, laughter] Before getting technical, it's
15 Council Member David Greenfield. [laughter] Thank
16 you, Mr. Chair or chair rather, or perhaps you'd like
17 to send out a member or Tweet. What's your Twitter
18 handle again, at Ben Kallos? At Ben Kallos. You can
19 Tweet to us the preferred way that you like us to
20 address you. Thank you, your Eminence, Chair, Your
21 Royal Highness Ben Kallos for calling this important
22 hearing today. We are very grateful to your majesty-

23 -

24 CHAIRPERSON KALLOS: [interposing] As
25 long as it's gender neutral.

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2 COUNCIL MEMBER GREENFIELD: --for his
3 service.

4 CHAIRPERSON KALLOS: It just has to be
5 gender neutral. Anyone can be a council member
6 regardless of gender.

7 COUNCIL MEMBER GREENFIELD: Is your--your
8 majesty okay for gender neutral? Okay, you got it.
9 Okay, thank you, Council Member Kallos. I want to
10 thank the CFB. I think that--I think that you
11 obviously are very committed to the work of matching
12 funds, and to trying to equalize the system and
13 opportunities for people who want to run for office,
14 and I'm grateful for all the work that you do, and
15 especially for the time that you spend trying to
16 train first-time candidates, which I think is really
17 a critical piece of it as well for folks who want to
18 run for office, you have multiple opportunities where
19 you'll have meetings, where you'll bring people in
20 and you'll explain to them and you'll try to--and
21 you'll try to make it easier for them to actually run
22 for office. I do want to--I do just actually want to
23 pick up where my colleague Council Member Reynoso
24 left off, a couple of things. So, in theory, if a
25 candidate raised \$20,000 in small contributions, then

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2 they would have well over \$100,000 budget to run a
3 Council campaign, is that correct?

4 AMY LOPREST: Yes, that what we get a
5 six-to-one match on that \$20,000.

6 COUNCIL MEMBER GREENFIELD: Okay, and so
7 that's pretty—I mean just to be fair, that's a pretty
8 serious—you could be a serious candidate, I think we
9 would agree, if you have \$100,000 to spend for any
10 office in this town with the exception of perhaps of
11 mayor, you're—you're then a serous candidate for that
12 office. Is that a fair assessment as the executive
13 director of the New York City Campaign Finance Board?

14 AMY LOPREST: And I think that's true.
15 We certainly have enough money to get your message
16 out.

17 COUNCIL MEMBER GREENFIELD: Yeah, you're
18 a legitimate candidate, and we've actually seen, and
19 I think it's worthwhile mentioning as well, we've
20 seen self-funded multi-billionaire candidates who
21 have outspent their opponents 20 to 1, 30 to 1 and
22 they still lose.

23 AMY LOPREST: That's correct.

24 COUNCIL MEMBER GREENFIELD: There's a
25 threshold. I think that's an important point to

2 remembers is there's threshold at which you become a
3 serious enough candidate you can get to quote you,
4 your message out, which I think is really the
5 critical part over here that we're trying to reach,
6 which is sort of that—that balance. I would say that
7 the—the—the other piece, the other piece that I'd
8 like to explore that Council Member Reynoso actually
9 raised as well, which is how—how do we deal with—
10 with—I would say there's two particular problems that
11 I see. One is we have a French candidate problem,
12 which is we have folks who are running. We have a
13 candidate right now who's running and, in fact, I'm
14 curious then to know what your take on this is, and
15 whether this is fact allowed. You have a candidate
16 who actually Tweeted to the CFB and said I'm—I'm
17 going to get \$100,000 to run against greedy Jewish
18 landlords, which is odd because if you look at the—if
19 you look at the—if you look at the potential of who
20 he's running against, certainly he's not running
21 against a party called greedy Jewish landlords.
22 Essentially what he's saying is I'm running just to
23 get my racist and bigoted message out. How do you
24 deal with that situation? You have someone who's

2 running not to win, but simply to get a divisive and
3 inflammatory message out?

4 AMY LOPREST: Well, I think there's two
5 things. I mean one is critical to remember, as we've
6 talked a lot about is that, you know, in order to be
7 able to even, you know, get funds at all, you know, a
8 candidate has to demonstrate fairly robust support
9 from their constituents in order to qualify for the
10 public funds, and that again I think the best
11 protection against this kind--this funding gets
12 changes (sic) for April's speech (sic) is for voters
13 or contributors to reject the candidate who urges it.

14 COUNCIL MEMBER GREENFIELD: [interposing]
15 No, that's not a question, though. First, that's--
16 that's the idea, but what happens if this particular
17 candidate for example reaches that threshold, and has
18 said that I'm running simply because I'm running a
19 bigoted campaign. Does that candidate get matching
20 funds?

21 AMY LOPREST: I mean the program isn't
22 here to keep bad or corrupt people from running for
23 office. You know, what we have the program to do is
24 to make it easier for good people to run, and to run
25 successfully opposed to bad or corrupt people.

2 COUNCIL MEMBER GREENFIELD: Okay, so I
3 think—I—I think that's really the challenge that I'm
4 struggling with, and I think my colleague is
5 struggling with as well. There needs to be a balance
6 between folks who are legitimate candidates for
7 office who—who, in fact, are running for legitimate
8 purposes versus folks who, as you said, are corrupt
9 people or bad people who are running for office, and
10 not to mention the problem, which is that there's a
11 lot [bell] consulting firms out there, they're just
12 encouraging people to run because they know that
13 regardless of their odds of success, they can charge
14 them for their services. So, I—I just want to
15 explore—I just want to explore that balance, and my
16 final question would be is how do you, in fact, find
17 that balance, which is here is someone who's serious,
18 and legitimate versus here is someone who's not, and
19 quite frankly, having a lot of people who are
20 illegitimate or who are corrupt actually in certain
21 respects by funding those folks were actually harming
22 the legitimate campaign.

23 AMY LOPREST: So again, you know, I mean
24 again there's the threshold for support that someone
25 has to demonstrate in order to get public funds, and

2 as you well know, we have a rigorous audit process to
3 ensure that the money that's given, you know, in
4 public funds is spent on permissible campaign
5 expenditures. So I mean we-we audit--

6 COUNCIL MEMBER GREENFIELD: [interposing]

7 Thank you.

8 AMY LOPREST: --all the time, and it's we
9 keep(sic) all the funds to make sure that they spent
10 the money on campaign expenditures.

11 CHAIRPERSON KALLOS: I-I guess one
12 question just if-if you're interested is just would
13 you consider Donald Trump to have been a credible
14 candidate [laughter] worthy of public funding under
15 the city system or either had run for may versus
16 president?

17 COUNCIL MEMBER GREENFIELD: I'm-I'm
18 sorry. I don't understand the question.

19 CHAIRPERSON KALLOS: He said some pretty
20 hateful things during his entire campaign.

21 COUNCIL MEMBER GREENFIELD: I'm-I'm
22 certainly not a supporter of Donald Trump, your
23 highness. So I would not-I-I would not-I would-I
24 would not be a fan-I would not be a fan of him
25 getting matching funds either, if that's your

2 question, and I'm certainly happy—and I think this is
3 exactly the kind of questions that we have explore,
4 which is that if there are candidates for office who
5 are engaging in hateful speech, or candidates, in
6 fact, who are running simply to raise their profile
7 without the prospect of actually winning, are we
8 giving them funding to drown out other legitimate
9 candidates for office and I think that's a legitimate
10 question that we have to explore. So I would agree
11 with you. I certainly would not want to have him be
12 funded by the Campaign Finance Matching system in New
13 York City, and I wouldn't want anyone else who's
14 running on hateful messages to be financed by the
15 city either.

16 CHAIRPERSON KALLOS: Council Member
17 Lander.

18 COUNCIL MEMBER LANDER: I mean this—this
19 is not entirely the topic of today's hearing, but
20 look, while I find those Donald Trump and Thomas
21 Lopez-Pierre abominable, the idea that we would use
22 our campaign finance system to police free speech
23 sounds like a terrifying idea to me. The goal of a
24 clean election of a public—a low public dollar
25 campaign is a democracy that lets people get their

2 message out, and has the people decide. And I'm not
3 happy with what the people in the form of the
4 electoral college decided in the presidential race,
5 but that's how we run elections, and I just—it would
6 be a—it would terrify me if we tried to start putting
7 speech restrictions on the Campaign Finance system.

8 [applause] Let's answer it with better speech. You
9 know, we probably spent more time in this hearing
10 talking about him than he merits, and—

11 COUNCIL MEMBER GREENFIELD: [interposing]
12 Well, to be fair, I didn't raise him. Council Member
13 Lander, I would just respond and point out that I'm
14 not suggesting that we police free speech, and I
15 think you would agree with me for example that the
16 Electoral College system is a flawed system as well,
17 and for those of us that's not a system—

18 COUNCIL MEMBER LANDER: [interposing] We
19 changed that with a local law.

20 COUNCIL MEMBER GREENFIELD: That's—
21 that's—my—my point is, Council Member, we don't have—
22 we're not the folks who wrote the United States
23 Constitution. We don't have the ability to change
24 the Electoral College system, but we are having a
25 conversation over here that's about changing the

2 Campaign Finance system, which is well within our
3 control, and it's certainly worthy of a conversation
4 to ask ourselves what is the balance between
5 promoting candidates to run for office versus
6 inadvertently promoting hateful candidates to run for
7 office who are now able to use that system.

8 [squealing mic] And so, I—I would respectfully
9 disagree with you. I don't think this is similar to
10 the Electoral College system, and quite frankly, if
11 the Council had the power, and used our policy group,
12 and it's certainly fine if we do, I would be glad to
13 pass a law to change the Electoral College system to
14 reflect majority votes in the United States as well.
15 So if you find a way to do that, please sign me up,
16 and I'll co-sponsor that piece of legislation as
17 well.

18 CHAIRPERSON KALLOS: We are here monthly
19 where you can watch great debates like this
20 [laughter] all the time, and so I just want to thank
21 everyone and for being able to have a—a vigorous
22 debate in public. I think that's why we do this, and
23 why we run Government Operations the way we do, and
24 just thank you, and I think just the record should
25 reflect that the concerns that are being raised

2 regarding certain candidates are under the current
3 system and not even under a proposed change. I also
4 want to make sure the record reflects that we've
5 received testimony from Henry Berger, Special Counsel
6 to the Mayor, and at the end the last paragraph
7 notes, "After nearly three decades of experience with
8 the city's matching public funds, this bill starts an
9 important discussion about how to reduce the
10 influence of money in elections. This is one good—
11 this is one good step in that direction, and we look
12 forward to further discussion with the Council, and
13 we appreciate it. We will forward additional
14 questions onto the Campaign Finance Board, and look
15 forward to working with you on this and other
16 changes that can go into effect before the—before
17 the 2021 election. I know this is for 2017. Our
18 panel is—so you typically you would—you would have
19 all the Good Government groups on one panel. We're
20 going to split folks up. If anyone has time
21 constraints let us know. So we have Susan Lerner
22 from Common Cause. We have Bill Samuels from
23 Effective New York. We have Murad from New York
24 Immigration Coalition, and we have Ravi Batra (sp?).
25 I understand that Robbie has a—a time commitment if t

2 he panels could figure out the order, we'd love to
3 have you come on up. [pause] [background comments]

4 RAVI BATRA: Ladies first. [laughter]

5 SUSAN LERNER: Oh, no. I knew that was
6 going to happen.

7 COUNCIL MEMBER GREENFIELD: Oh, no.

8 SUSAN LERNER: No, I think—I think maybe
9 the—the loudest.

10 COUNCIL MEMBER GREENFIELD: Can we draw
11 straws? Is that okay? [laughter]

12 RAVI BATRA: Yeah, we used to do that for
13 our elections.

14 CHAIRPERSON KALLOS: For—for our—our
15 strongest leader first.

16 SUSAN LERNER: Yes, well. I'm Susan
17 Lerner from Common Cause New York. Thank you very
18 much for inviting us and allowing us to testify today
19 on Intro 1130-A. You have my written testimony, and
20 I'm not just going to read it. I would like to
21 summarize it, and the bottom line really is that we
22 have a campaign finance system, which is a model for
23 the rest of the country, but it does have as I think
24 some of the questioning earlier pointed out one area
25 where it needs to be strengthened. It's very clear

2 that the Campaign Finance system here in New York
3 City has successfully encouraged more small dollar
4 contributions, but for the long-range goal of
5 diminishing the power of large contributions, it is
6 not as successful as we would like it to be, and that
7 is because of the gap as well relatively high
8 campaign contribution limits that are uniform for
9 both participants and non-participants, a point,
10 which I'd like to-to heavily endorse that there be
11 uniform campaign contribution limits wherever
12 possible. So this bill we believe addresses an area
13 where the campaign finance system should be
14 strengthened, and we think it's a very significant
15 and strong first step in continuing one of another
16 really admirable part of our campaign finance system,
17 which is that that City Council has very ably and
18 responsibly over the course of the years improved and
19 evolved the system. This is a stark contrast to our
20 experience in other cities around the country. My
21 experience in Los Angeles where there were no
22 improvements to the matching fund system for over 20
23 years, and as a consequence, the matching fund system
24 was not nearly as vigorous, not really as encouraging
25 and few people, few candidates used it. Here in New

2 York the Campaign Finance Board's own website shows
3 18 different improvements to the law since 1988 until
4 2014. So we regard Intro 1130-A as the next step in
5 this improvement process, and we hope that it won't
6 be the only discussion and improvement that we're
7 seeing between now and 2021. We also subscribe to
8 the different factors, and improvements, which have
9 been mentioned previously, which is lowering campaign
10 contribution limits, increasing the match. But I—
11 while often it's possible to do things in a package.
12 If it is impossible to do a package, we think the
13 conversation should continue. So we strongly support
14 1130-A. We think it is an important next step, and
15 we hope it is one of several next steps that the
16 Council takes up between now I would say the next two
17 to three years. Thank you. [applause]

18 RAVI BATRA: You're entitled, you're
19 entitled, you're entitled.

20 CHAIRPERSON KALLOS: I—I allow clapping.
21 Just thank you. (sic) [laughter]

22 May I?

23 CHAIRPERSON KALLOS: Of course.

24

25

2 RAVI BATRA: Thank you. Good afternoon,
3 Mr. Chairman or rather I should say, your eminence,
4 your majesty.

5 CHAIRPERSON KALLOS: I-I-I just stick
6 with Chairperson.

7 RAVI BATRA: Let's. [laughs] I'm
8 delighted and honored to have been invited to
9 testify. All of us have a vested interest in keeping
10 the greatest city in the world and the greatest
11 nation on earth the very best forever. Mr.
12 Chairperson, I intend to address the philosophical
13 issues at play, something that Council Member David
14 Greenfield was touching on as well. Many decades ago
15 Big daddy Unruh said, "Money is the mother's milk of
16 politics." And it surely is. Citizens United
17 Relying upon our cherished First Amendment
18 essentially said unlimited milk is even more welcome
19 in politics. The concentrated use of money power to
20 acquire concentrated political power is now legal in
21 America. The irony, however, is that the American
22 exceptionalism, the very why we had the beacon in
23 human history is our cherished separate powers
24 regime. A constitutional review-review of singular
25 elected power for sooner or later it leads to turn.

2 Our founders determined that only by separating power
3 with each person's enlightened self-interest working
4 against and others would squeeze out the best public
5 good for the republic and everyday people. In
6 addition, in civil society as Americans we embrace
7 competition in the marketplace via goods and services
8 or ideas. We even passed anti-trust laws to block
9 the formation of monopolies. Recent events have
10 shown despite now terminated investigation by federal
11 and state prosecutors that big money is a big-is big
12 music to big ears who want to play big politics.

13 Mr. Chairperson, I wholeheartedly support this noble
14 bill to "get money out of—to get big money out of
15 city politics" and salute Council Member Ben Kallos,
16 and every member of the City Council who supports
17 this bill in principle. Whatever tweaks are needed
18 ought to be done, but the idea behind this needs to
19 be supported by everybody. President Trump is
20 correct when he says the system is rigged so far as
21 everyday hardworking New Yorkers are concerned, and
22 they show they disgusted resignation by not even
23 bothering to vote. We have historically low voter
24 participation. It is so bad that one could not be
25 faulted for being nostalgic about the Boss Tweed days

2 when at least the public was more engaged and society
3 got a beautiful Tweed courthouse. While I wish for
4 this bill to become law, the mere fact that his bill
5 has been introduced is a welcome sign, and the fact
6 we have four members supporting this is even better.
7 It is a welcome sign that American democracy is alive
8 and well, and the hearts of some of our elected
9 years, and that keeps the hope alive that sooner or
10 later the citizen will—the citizenry will re-engage
11 and demand an accounting from the elected government
12 for having reached Abraham Lincoln's Gettysburg
13 covenant: A government of, by and for the people.
14 Curiously, President Theodore Roosevelt's American
15 Museum of Natural History on Central Park West has an
16 obelisk. It's worth seeing, the Hammurabi Code,
17 which mandated that the Mayor had to personally
18 reimburse the homeowner whose house burglarized for
19 all lawsuits. Obviously, Abraham Lincoln took that
20 to heart. Since this bill promotes greater political
21 competition, how can anybody be against it and those
22 that are against it do so for their personal
23 interests at the expense of our great city, and every
24 hardworking New Yorker. Thank you, Mr. Chair. Is
25 there any questions? I'll take them.

2 BILL SAMUELS: [off mic] It's going to be
3 hard I mean to follow that. [laughter] It's a
4 really solemn statement. [on mic] Let me first say
5 it's a pleasure to be here not only because I support
6 the bill, but I'm going to make a couple of editorial
7 statements so you see why. I represent Effective New
8 York, part of Effective New York is a program we fund
9 called 21 in 21, and later the Executive Director
10 that I'm waving at, Ron McDermott will testify it has
11 a goal eventually of gender equality in the City
12 Council, and we'll talk a little about that, but let
13 me first editorialize I'm here at committee hearing
14 with the best City Council in my lifetime and I've
15 been around a long time. It's not just the matching
16 funds. It's not just term limits. It's also the
17 steps the City Council has taken this year to make a
18 City Council person like a Congress person. This is
19 a serious job. I'll pay you a decent wage, but don't
20 go out and make a lot of money as a lawyer. It's--
21 the most exciting thing for me, who has spent a
22 decade trying to change Albany is to come and be able
23 to testify, and when in the last couple of years I
24 had an opportunity to meet not just Ben who used to
25 work with me, but--but Brad and Reynoso and many of

2 the new people. It was exciting. We have a group of
3 young people in New York that are going to serve our
4 entire state well. You don't see that in Albany.
5 People aren't excited to run for the Assembly or
6 Senate. Several of them we may not want to back,
7 want to come back. So, I am very pleased with the
8 City Council. No bill is perfect, but I think the
9 culture example of how the city is being run and the
10 Council is being run sends a message to Albany that
11 your decades behind how this city is run, and I hope
12 all of us not only support this bill, but use it as
13 an example to Governor Cuomo and others to say that
14 old culture up there has got to change. So let me
15 make a few comments that are obvious. I've had the—I
16 don't know if I'd call it the pleasure to be called a
17 fundraiser. When Carol Maloney ran for the City
18 Council I lived next door. I helped her raise money.
19 I was her finance chair when she ran for Congress and
20 beat Green.

21 RAVI BATRA: [interposing] Were you only
22 there for Chubby Checker?

23 BILL SAMUELS: Oh, good point,
24 [laughter] but in addition, I've been finance chair
25 the year we won the State Senate, and anyone that

2 knows me there's fundraiser after fundraiser at my
3 home and I'm not a pay to play person. The fact that
4 this bill eliminates the need to raise either the 49
5 or the 27 that encourages candidates to go out among—
6 and get people involved that are small donors is
7 healthy for democracy, but let me be specific. Ninety
8 percent of the money that I've raised over a decade
9 has been for that. Not for men. (sic) Well, maybe
10 that's me. I know more men, but the fact is it
11 really a problem, and we had 18 women in 2009. I
12 think 13 now and it's going to get worse. There is a
13 difference in legislation when you have at least 30%
14 represented here. You may not agree with that, but
15 to me it's black and white and, therefore, the fact
16 that this bill will allow more women who don't have
17 the same book, more minorities to raise more money
18 without identifying people that can give \$2,000 or
19 \$4,000 is a very healthy trend if we're going to have
20 gender equality. And, I want to commend Ben, Brad
21 and everyone else that's behind this bill with the
22 creativity of this bill. I never would have thought
23 of this myself. I second everything Susan said, and—
24 but again, I want to congratulate the entire City

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2 Council for I think representing all of us very well
3 in here.

4 MURAD AWAWDEH: Good afternoon. Thank you
5 to our Council Members who are here. Thank you
6 particularly to Council Member Kallos for his
7 continued leadership on ensuring we have fair
8 elections. My name is Murad Awawdeh. I'm the
9 Director of Political Engagement at the New York
10 Immigration Coalition. The New York Immigration
11 Coalition is an umbrella organization with over 140
12 member across the state of New York. We had aimed to
13 achieve a fair and more just society for values that
14 contributions of immigrants and expand the
15 opportunity for all. The NYC strongly supports the
16 Council's important efforts to ensure that elections
17 are fair for all. I'm here to testify in favor of
18 Introduction 1130-A, a bill to raise the cap on
19 public funds received by candidates. So a full
20 matching with expenditure limits. At this very
21 moment in history we are experiencing the extensive
22 influence of big money—that big money has on our
23 election process to the detriment of our nation, and
24 it is at this very important moment that I am proud
25 to be a citizen of the great city of New York that

2 stands as a model of—as a model of campaign finance
3 reform for the rest of the country. After the
4 Supreme Court removed the limits on independent
5 corporate political donations other municipalities
6 looked at us to lead the way towards a more equitable
7 election. As it stands, New York City empowers small
8 donors by matching the first 175 contributions from
9 residents six-to-one and gives participating
10 candidates a partial public matched grant in
11 competitive races, but we must do more. I commend the
12 Council—Council Members Kallos, Lander and Cabrera
13 for introducing this bill, this important piece of
14 legislation that would increase the public matching
15 grant from an arbitrary number to 55 to a full match.
16 Not only would this legislation incentivize
17 candidates to seek more small donations, but this
18 would also be a way to engage more New Yorkers in the
19 political process so they, too, feel that they have a
20 stake in these important races. But perhaps the
21 important potential impact of this legislation is
22 that it would empower immigrants, low-income earners
23 and people of color, and women to run for office and
24 seek adequate representation of the communities.
25 Despite our best efforts New York City's current

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2 public matching system still prevents candidates from
3 our communities from the very start because they
4 cannot meet this fundraising threshold. I urge the
5 city—the New York City Council [coughs] Committee on
6 Governmental Operations to pass Introduction 1130-A
7 in this legislative session because our communities
8 can't afford to wait any longer for a more equitable
9 election process. Thank you for your continued work
10 to support fair elections in our city, and we thank
11 the Council again for the opportunity to testify
12 today

13 CHAIRPERSON KALLOS: Well, I think we can
14 ask a couple of questions, and NYC to run out the
15 door.

16 MURAD AWAWDEH: Okay.

17 CHAIRPERSON KALLOS: So I guess my—I'll—
18 I'll start off by just a question to New York
19 Immigration Coalition. So, you're—you're not one of
20 the usual suspects for the Governmental Operations
21 Committee. You've got a—a President who has declared
22 war on the immigration community, the immigrant
23 community in this country. Why—why does public
24 matching really matter to the immigrant community?

25

2 MURAD AWAWDEH: Well, I think the reality
3 is that we're a nation of immigrants, and unless
4 you're indigenous to these lands, then we—we all got
5 here one way or the other. The reality is that every
6 aspect of public life interfaces within the immigrant
7 community. Either you're a new American—the new
8 American community recently arrived, folks with
9 status and without status. Elections have obviously
10 a very important role in the way that we operate as a
11 society, and we need to ensure that everyone has a
12 voice at the table. And we've seen in the past where
13 we really didn't have a very strong focus on election
14 reform, the reality is that we saw—that the people
15 who were the most impacted by our—our keen election
16 system were newcomers and new Americans. And folks
17 who were second and third generation immigrants who
18 are coming from low-income communities and that are
19 also communities of color who can't have a fighting
20 chance in the election process. And we feel that the
21 bill will help more folks step up in the extreme
22 uncertainty—in the uncertain times that we're living
23 in right now because of the federal administration.

2 CHAIRPERSON KALLOS: Have you ever or
3 have folks from your organization every reached out
4 to immigrants to run for office?

5 MURAD AWAWDEH: No, but our sister
6 organization has, which is a different organization
7 called the New York State Immigration Action Fund,
8 and we aim, you know, we have a very strong civic
9 engagement program without the New York City
10 Immigration Coalition. We have the Civic Engagement
11 Collaborative, which Common Cause and about 30 other
12 organizations across the city of New York are a part
13 of, working to engage everyone from every part of the
14 spectrum of our city to be civically—to participate
15 in our civic society, and the reality is that we see
16 that there is this number that goes out that's been
17 said that women need to hear that they should run
18 seven times before they actually take a step to run
19 with men of their community. It's like they have to
20 hear it 20 times, and the reality is that this—the
21 odds are stacked against the immigrant community, and
22 then to American communities specifically because,
23 you know, they're looked at not as potential, but at
24 risk of losing.

2 CHAIRPERSON KALLOS: Would increasing the
3 public match so that somebody running for City
4 Council from the immigrant community went from having
5 to raise \$81,000 to only raisin \$26,000, would that
6 be a meaningful change to your community?

7 MURAD AWAWDEH: [interposing] Absolutely.
8 We don't even have to consider your question. Yes.
9 Of that were to change, you would see a lot more
10 people from the whole gamut of the immigrant
11 community running to represent their communities in
12 the City Council, and potentially for higher office
13 in, you know, Comptroller, Public Advocate and Mayor.

14 CHAIRPERSON KALLOS: The same question to
15 anyone at the panel. Have you ever tried to recruit
16 somebody to run for office and were there specific-
17 were there any specific challenges that they
18 enumerated for why they might not run?

19 SUSAN LERNER: Over and over the first
20 thing that anybody considers when you ask them if
21 they have considered running for office is can I
22 raise enough money, and do I have enough wealthy
23 friends in connection? So that's a significant
24 advance, which the existing system provides. This
25 takes it even further, and maximizes the ability of

2 candidates of color, candidates who are—are new
3 Americans, first time candidates and women to
4 conceptualize and actually raise enough money to be a
5 competitive legitimate—well, I wouldn't say
6 legitimate, a competitive candidate.

7 RAVI BATRA: I want to join in on this
8 only because even though it's been 50 years since I
9 migrated here, and my parents even before that, I
10 still understand the immigrant details. There's more
11 than the money than you just talked about. There's a
12 golden handcuff problem Because if you want people
13 who have the energy and the desire to do public good,
14 you actually have to catch them early. Because if
15 you catch them late, the opportunity cost is too high
16 unless you're Mike Bloomberg. So, it's not just the
17 matching grant money coming down, the floor coming
18 down, but you will also get the younger people who
19 are then saying well, you know, the money you guys
20 get paid as a Council Member may sound decent to
21 somebody who is 25 years old, but not decent if
22 you're 30 or 40 or—or older. So I mean there, I mean
23 they're the money guys.

24 CHAIRPERSON KALLOS: [interposing]

25 Extended too much--

2 RAVI BATRA: They're the money guys.

3 [background comments] You know, public service has
4 become--

5 CHAIRPERSON KALLOS: [interposing] Yeah.

6 RAVI BATRA: --extremely onerous in the
7 city of New York for example. You know, this same
8 salary in Buffalo would be fine.

9 CHAIRPERSON KALLOS: Yes,

10 RAVI BATRA: It's not the same in New
11 York City.

12 CHAIRPERSON KALLOS: So just need to add
13 one more panelist because it-it was important to have
14 everyday New Yorkers here. So we have a building
15 service worker Vinay Richardson-White, and if you
16 could come and give your testimony so you can get to
17 work at 3 o'clock if you are still here.

18 VINAY RICHARDSON-WHITE: I am.

19 CHAIRPERSON KALLOS: So, we'll just to
20 let you-if you could just know the panelist can just
21 come give your testimony, we'll add you to these
22 questions.

23 VINAY RICHARDSON-WHITE: Please do. Why
24 not.

2 CHAIRPERSON KALLOS: And then we'll let
3 you get--get you out the door. [background comments,
4 pause] Thank you for-- [background comments, pause]
5 Begin when you're ready, and welcome. Thank you.

6 VINAY RICHARDSON-WHITE: Good morning--
7 good morning or good afternoon, committee-to the
8 committee, Chair Councilor Kallos and committee
9 members, and I-and thank you for the opportunity to
10 testify here today. My name is Vinay Richardson-
11 White. I am a resident of Brooklyn, a community-a
12 commercial cleaner in the Midtown Manhattan, and a
13 proud member of 32BJ. 32BJ represents 6-600 and-
14 153,00 property service workers including over 8-800-
15 85,000 here in New York City. We are cleaners,
16 janitors, doormen, supers, rental cleaners and-and
17 security officers. We are a diverse union-union
18 [pause] with members who come from over 60 different
19 countries. In addition to fighting a good-fighting
20 for good contracts in our-on our jobs, our members
21 are active campaign in the community. We win-to win
22 economic objectives and affordable housing to protect
23 our excellent (sic) civil rights, and to make our
24 neighborhoods healthy and safe, we need to elect
25 leaders who stand with us and not-not for big money.

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2 Not reap money to donors. New York Public-New York–
3 New York Public Matching Funds Program works to boost
4 the impact of small individual donators—donations to
5 amendments proposed by Bill 13–1130 will increase the
6 gap on public funds available for the participants of
7 the program. Under the change, the candidates will
8 relate—rely on small—small contributions—on small
9 contributions from local residents will be able to
10 raise the same amount of candidates who receive large
11 external donations. This change will encourage
12 candidates from the city's office to pay attention to
13 the needs of city residents and focus their campaign
14 on building local support. On behalf of my union
15 brother and sisters and all other activist community
16 members, I encourage the Council to pass this bill
17 and help give our voters a better chance at being
18 heard. [applause]

19 CHAIRPERSON KALLOS: You did really well.
20 Do you think that one of your brothers and sisters or
21 even you as a building service worker should be a
22 member of the City Council perhaps.

23 VINAY RICHARDSON-WHITE: Yes, yes, not
24 me. [applause/laughter] Yes, I do.

25 CHAIRPERSON KALLOS: Do you--

2 VINAY RICHARDSON-WHITE: [interposing] I
3 have-- [background comments] Yes, I mean, you know,
4 in my community I have like our community voters
5 like, you know, those, too, and when you speak to
6 them about going out to vote, and if I'm even, you
7 know, telling the people in my community about a
8 connection, you know, for their housing that--and the
9 things they said to me is why--why should we vote?
10 It's not going change anything, and I feel if you--if
11 we change some things in the system, they will get--
12 they will have initiative to come out and vote
13 because they will see where this voting is very
14 important, and if we have a system that's not rigged,
15 as everybody seems to think it is, we can--we have
16 better people voting and then the kids would have
17 initiative to vote, and they would-- I feel like it
18 would get them channeled to go another direction than
19 in the direction that they are going.

20 CHAIRPERSON KALLOS: It will stop because
21 they look up to you guys, they look up to our
22 president and, you know, people of the boroughs
23 that's doing the right thing. Because if they feel
24 like people that's leading this country is going to

2 do the right thing, then they will have more
3 initiative in both of them.

4 CHAIRPERSON KALLOS: So under the current
5 system if you or a building service work union wanted
6 to run, you need to raise about \$81,000. The
7 proposal would allow somebody to run for City Council
8 on \$26,000. Do—do those—does \$26,000 still a lot of
9 money?

10 VINAY RICHARDSON-WHITE: Yes, it's a lot
11 of money.

12 CHAIRPERSON KALLOS: Can you imagine one
13 of your—somebody you know, running—raising \$26,000 if
14 they weren't serious?

15 VINAY RICHARDSON-WHITE: No, not if they
16 weren't serious. If they're serious, I can almost
17 guarantee you that if we had someone from the Union
18 that would run, that we would get the money up.

19 CHAIRPERSON KALLOS: Okay. Thank you
20 very much. I—I know you have—you have to go in about
21 five minutes, but I—if anyone has any questions, I
22 know David you have a quick question for this panel?

23 COUNCIL MEMBER GREENFIELD: Yeah, I do
24 have a question. I—I obviously believe, and thank
25 you, Chair Kallos, I obviously believe that this is

2 an important, and I think it's something that
3 certainly we're talking seriously and are exploring,
4 and I want to thank the folks for organizing it, and
5 I do think it's important to point out as well for
6 those folks who are watching at home just my
7 perspective. I think this is somewhat of a perhaps
8 from where I sit a little bit of a mismatch in the
9 conversation. You can run for office right now in
10 New York City. You can get a lot of matching funds.
11 You can currently get a maximum of \$100,000 in
12 matching funds, and so I don't want people to get the
13 impression looking at home oh, my gosh, it's
14 impossible. You can raise, according to the CFB's
15 own testimony 167 people will give 100 bucks. You'll
16 have \$116,800 to run for office, which I can tell you
17 as somebody who has run for office and has helped
18 other people run for office, is a sufficient amount
19 to run for office. Certainly, you can always do
20 better. You can always make more money, but like I
21 said before, there are plenty of examples, and if you
22 want to use Trump, Trump is a perfect example.
23 Hillary Clinton outspent Donald Trump significantly,
24 and Donald Trump still won. Money is not the only
25 thing that matters. So I just think we have to be a

2 little bit cautions, and I'm happy to hear your
3 comments on this as anyone would like on the panel to
4 try—go giving the—the—the perhaps misperception that
5 right now folks who are service employee workers or
6 folks who are members of other unions, or folks who
7 are out there in the community say I think I can run,
8 guess what? It's not too late. It's April 27, the
9 next matching—the next filing deadline is not until
10 May 11th, and you have another one in July. I
11 believe it's July 11th. You have plenty of time. If
12 you're watching at home, and you want to run against
13 any of us illustrious folks on this podium, or anyone
14 else in the New York City Council, should feel free
15 to do so and, in fact, you should know that you can
16 relatively simply get over \$100,000 of matching funds
17 to run your campaign. So I just think it's important
18 to note that we have the most robust campaign finance
19 assistance in the United States of America. We
20 certainly can make it better. I don't want to give
21 the misimpression to people who are watching at home
22 and saying oh, okay, well, we can only run in 2021 if
23 we pass Council Member Kallos' bill. I don't think
24 that's true. I don't think that's fair. I think we
25 maybe able to make it better than it is, and I'm

2 certainly happy to engage in those conversations, but
3 I think folks need to know that the easiest place to
4 run for city office in America is New York city, and
5 if you're watching this at home, and you're sick, and
6 you're fed up, and you think the system is rigged,
7 God bless you. You should run and if you're watching
8 at home, feel free to give me a call, and I'm happy
9 to try to help as well. Thank you.

10 VINAY RICHARDSON-WHITE: Thank you.

11 CHAIRPERSON KALLOS: Okay, if you have
12 questions for the panel hold on, unless you need to—
13 unless you need to—unless you want to run out the
14 door right.

15 VINAY RICHARDSON-WHITE: No, I think
16 they'll a few. No.

17 CHAIRPERSON KALLOS: Okay, so just again
18 so-so we will—we'll excuse all you guys. The—the key
19 thing, the point being that with \$116,000 you're
20 still going to get outspent by—by somebody who is
21 going to have \$182,000 and getting outspent almost
22 two-to-one can be tough. Vinay—Vinay, thank you for
23 being here and for your testimony. We're going to
24 let you go. We're going to have Ravi sit back down,
25 and Brad has some questions. Thank you.

2 VINAY RICHARDSON-WHITE: Thank you.

3 COUNCIL MEMBER LANDER: Thank you.

4 You're welcome to stay. We just were told you needed
5 to leave--

6 VINAY RICHARDSON-WHITE: [interposing]

7 Well, I do so thank you.

8 COUNCIL MEMBER LANDER: --so we wanted to
9 accommodate you. Thank you for your testimony.
10 Susan, and I guess Bill, if you have this
11 perspective, but I think this is mostly because
12 Common Cause obviously does work around the country.

13 SUSAN LERNER: Right.

14 COUNCIL MEMBER LANDER: I think--thank you
15 for your testimony, for your support of this bill.
16 You know, you heard the testimony from Amy and I
17 think several of us are excited by the idea of some
18 additional subsequent changes like especially
19 reducing the overall--the contribution limit--

20 SUSAN LERNER: Right.

21 COUNCIL MEMBER LANDER: --and I just
22 wonder if you have perspectives on other cities where
23 Common Cause has been able to help achieve that--

24 SUSAN LERNER: [interposing] Right.

25

2 COUNCIL MEMBER LANDER: --and what that
3 looks like and--

4 SUSAN LERNER: So, you know, I-I think,
5 you know, every city has different campaign
6 contribution limits, and lowering the limits to a
7 practical level that helps to control the negative
8 impact of too much large dollar contributions is a
9 long-term goal of ours. I don't have in my mind
10 right now what the limits are in some of the other
11 cities. I know that's been an issue that we've
12 worked with in Los Angeles as well when we sought to
13 upgrade the system, which my colleagues in California
14 Common Cause worked on two years ago and passed an
15 initiative to increase the matching funds in Los
16 Angeles, which stated one-to-one for over 20 years,
17 and really hobbled the system. Now it's four-to-one,
18 and I believe that also included bringing down some
19 of the campaign contribution limits. We are very
20 active in Montgomery County--because I know you
21 mentioned that--in trying to structure an appropriate
22 public funding system for Montgomery County, and I
23 think the example is that every city and every
24 jurisdiction has to look at their own situation. We
25 certainly are supportive of bringing down the

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2 campaign contribution limits in general, as I think I
3 said in my testimony.

4 COUNCIL MEMBER LANDER: That's great and
5 I mean I would just encourage us. I think this is a-
6 this is a moment to be in ambitious. We should pass
7 this bill, and we-we shouldn't wait too much longer
8 because if we're going to change rules for the next
9 cycle, it has to be done before the next cycle
10 starts. You couldn't—it would be very difficult to
11 change the contribution limits in the middle of a
12 cycle. That would be unfair to candidates who hadn't
13 yet started before--

14 SUSAN LERNER: [interposing] Right.

15 COUNCIL MEMBER LANDER: --that. So, you
16 know, it's just a-and-and given the election, the
17 federal election I think plenty of us hoped maybe we
18 could have, you know, stronger direction in federal
19 campaign finance reform, and obviously we are going
20 to be--

21 SUSAN LERNER: [interposing] We are not
22 going to.

23 COUNCIL MEMBER LANDER: --able to achieve
24 it, and not going to be able to achieve it for a
25 long, long time--

2 SUSAN LERNER: Yes. COUNCIL MEMBER

3 LANDER:

4 COUNCIL MEMBER LANDER: --and we should--
5 so I would just ask--

6 SUSAN LERNER: [interposing] Yeah.

7 COUNCIL MEMBER LANDER: --of you as a
8 follow-up to today could take a little more look. I
9 think these ideas of reducing contribution limits,
10 increasing the match is a set of steps, and this is a
11 good one, and we should take it, and we should push
12 ourselves to do as much as we can--

13 SUSAN LERNER: [interposing] I totally
14 agree.

15 COUNCIL MEMBER LANDER: -- in this
16 moment.

17 SUSAN LERNER: There is certainly room in
18 the New York City campaign contribution limits to
19 bring them down. Even with a hostile U.S. Supreme
20 Court, there is a stretch here. When you have a
21 \$4,950 limit for citywide you can lower that
22 substantially, and not worry about the U.S. Supreme
23 Court going crazy.

24 COUNCIL MEMBER LANDER: That's much more
25 than the federal limit right?

2 SUSAN LERNER: It's almost double yes.

3 COUNCIL MEMBER LANDER: So I think—

4 RAVI BATRA: You know, it strikes me
5 listening to the comments from the—from your side of
6 the aisle that what you're really doing is the
7 anecdote to Citizens United because this bill could
8 easily be called uniting citizens because that's what
9 you're doing. You're really giving the government
10 back to the people by lowering the threshold to
11 become part of the government and given term limits
12 that's really what it is because you're able to
13 revolve citizens really through government, and so
14 on. So you have citizen legislators.

15 SUSAN LERNER: Thank you.

16 CHAIRPERSON KALLOS: Before we lose you,
17 I just—one of the reasons—Ravi, one of the reasons I
18 want to have you here is just because of you—your
19 strong role at Jay Cope, and the fact that you
20 probably know more than anyone in this state other
21 than perhaps Preet (sic). So in terms of it—what is
22 the influence of large—what—what influence—to the
23 extent you're able to disclose anyone—anything
24 without—

25 RAVI BATRA: [interposing] Well—

2 CHAIRPERSON KALLOS: --spotlighting
3 anyone in particular, what--what is the influence of
4 these large shots of on the state level \$4,100 or on
5 the city level comparably \$4,950 and what--why
6 wouldn't a check of \$175 just be as--be as corrupting
7 as that check for \$4,1000?

8 RAVI BATRA: Well, let me just preface by
9 saying as I told the FBI unless I got a subpoena I
10 could not disclose confidential information. So I
11 have not done that with my family, in the officer or
12 anywhere else. But big money is much bigger than
13 \$4,950. In fact, I don't know how much bigger--how
14 much you can imagine, but millions move, and
15 sometimes it get \$1 billion in terms of, you know, in
16 terms of our national politics. So the--the--the Koch
17 Brothers, for example, you know, a shift--the casino
18 maven Sheldon Adelson, Wright Sagworth (sp?) and B.B.
19 King, you know, there's a billion dollars. So money
20 at some point having been accumulated wants to power
21 that you have and by you I mean the City Council,
22 Albany and Washington because big money wants to
23 dictate the terms of the game, and what--what is
24 happening in New York City and New York State and I
25 join in Bill Samuels' comment that New York City is a

2 model for the—for the country in terms of good
3 government is in the right direction. Albany is
4 exactly the opposite. Albany understands that for
5 example 421-A, the—the, you know, the Real Estate
6 Development Program, I once said to Preet, I said,
7 why don't we treat public corruption like we treat
8 the drug war? In—in the drug war, we don't go after
9 the user of the drug, we go after the supplier of the
10 drug. How about if we start—stop looking for
11 headlines of corrupt-catching a corrupt public
12 official who to a little bit of money, whatever that
13 little bit of money was whether it was a dollar or a
14 million dollars or ten million. Whereas the real
15 estate development—developer for example who made a
16 billion profit. So, don't we want to go to the
17 supplier of graft rather than the graftee? I think
18 the graftor is the more culpable one, and yet they
19 get immunity. So we have a—a criminal justice system
20 I think dysfunction because we're constantly going
21 after what gets everybody excited including the media
22 when the media really should be focusing on who's
23 giving the graft just like we deal with a drug
24 trader.

2 CHAIRPERSON KALLOS: I—I would just echo
3 that and ask the media and I'm watching on line that
4 why—why are we—you're correct that's—there's—there's
5 no penalty for those who are engaging providing
6 campaign contributions in exchange for getting things
7 from the government and the risk needs to be on both
8 sides.

9 RAVI BATRA: I mean Glenwood Management
10 got immunity, you know. Shelly got convicted, Dean
11 Skelos got convicted. I don't agree with what Dean
12 did, but you can understand the family, you know,
13 situation, and it—it shouldn't not have been done.
14 I'm not suggesting that, but the people who gave the
15 money, they were looking for more money, and those
16 are the people we need to take care of. Instead, you
17 know, we go after—no offense--but we go after a
18 little fish, which is the one taking a little bit of
19 money, when the people making the profit of
20 corruption go immune. That is a real problem.

21 CHAIRPERSON KALLOS: And thank you for
22 being here to—to state that, and I just want to—a
23 question to—to Bill Samuels. What should be more
24 important for candidates? Should it be who has more
25 money, and can—can win? Are there other things that

2 are more important to you when you're evaluating
3 candidates?

4 BILL SAMUELS: Well, I think that what we
5 forget about is the people that go into—people that
6 go into public service, a vast majority want to enjoy
7 it. They want to be able to think about issues.
8 They want to feel that they don't go to Albany for
9 example, and there's no committee hearing. They
10 don't want to most of them, meet with rich people
11 because they need to raise the money. So one of the
12 things the City Council I think has done and this
13 advances, it lets people that get elected really feel
14 they're doing a great job. They're free. They can
15 think. They don't feel the pressure of meeting with
16 the lobbyists, and if we want to keep good people in
17 government, people got to enjoy their jobs, and
18 that's one of the benefits of—and of your bill. So
19 when I back candidates, frankly, I look for someone
20 enthusiastic with a lot of ideas that is just
21 thrilled to have the opportunity to serve their
22 community, and this bill lets people that are
23 enthusiastic and really want to be in public service
24 feel that if they do win, they can do what their
25 dreams are.

2 CHAIRPERSON KALLOS: Thank you, you can-
3 you're allowed to leave now.

4 BILL SAMUELS: Okay. [laughs] Thank you.

5 CHAIRPERSON KALLOS: So our next panel
6 Brent Ferguson from Brennan Center, Alex Camarda from
7 Reinvent Albany, Morris Pearl from Patriotic
8 Millionaires and Emanuel Caicedo from Demos and Marta
9 McDermott from 21 in 21. [pause, background
10 comments]

11 CHAIRPERSON KALLOS: My mic was not on,
12 but if you come to Gov Ops hearing there's free pizza
13 so-- [background comments] Whoever would like to go
14 first, we welcome your testimony. Please make sure
15 to share your name.

16 BRENT FERGUSON: Is it on? Hi, I'm Brent
17 Ferguson from the Brennan Center for Justice.
18 Council Member Kallos, we really appreciate the
19 opportunity to speak on the bill today. The Brennan
20 supports this bill for a lot of the reasons that have
21 already been stated. We think it's very important to
22 allow candidates to rely more heavily on small
23 donors, and while we agree that the system is one of
24 the best in the country and serves as a model, we
25 also agree that we should look for areas where it can

2 be improved especially at the mayoral level. Recently
3 we've seen too much reliance on max contributions,
4 contributions, you know, \$2 or \$3,000 that partially
5 defeats the purpose of the program, and we should do
6 all we can to fix it especially with the increase in
7 outside money that can't be limited, I think there is
8 a good possibility that in Council elections, more
9 candidates that want to rely on small donations will
10 need to raise more money. Of course, we don't know
11 the full consequences of this bill yet or how much it
12 will encourage candidates that have big donors to
13 rely on more small donors. So we urge the Council
14 and the committee to explore some of the options that
15 have already been talked about to make sure that that
16 happens. In addition to this bill, we agree that
17 lowering contribution limits for citywide candidates
18 is-is one way to do that. Most New Yorkers, you
19 know, can't give almost \$5,000 so we want to
20 encourage citywide candidates to raise money from
21 people that can give smaller contributions. A couple
22 other ideas that I think are worth exploring are
23 introducing some geographic requirements for
24 fundraising on the citywide level. That would mean
25 candidates for Mayor have to raise their

2 contributions from a certain number of council
3 districts or from all other boroughs, something like
4 that and then possibly offering enhanced matching for
5 very small contributions. Candidates could have the
6 option to get a—something like a nine-to-one match if
7 they agree to only accept small contributions. So
8 those are the general ideas. One logistical point
9 that was mentioned by the Campaign Finance Board in
10 my written testimony is that we urge you to work with
11 the Board to—to figure out how this will work
12 logically. I think that is a real skinless bill
13 that a lot of candidates may raise more money than
14 the spending limit, which would create a situation in
15 which they would have to pay a lot back afterwards.
16 So I think talking about to the Board about how
17 likely that is, and whether it can be tweaked to make
18 sure that doesn't happen is one thing that would be
19 worth doing. I'll stop there and I'm happy to answer
20 questions.

21 CHAIRPERSON KALLOS: So, I'll just point
22 to two important facts. One, Economic Behavior—
23 Behavioral Economics finds that people are less upset
24 about missing something than losing something.

25 BRENT FERGUSON: Yeah.

2 CHAIRPERSON KALLOS: And when Christine
3 Quinn ran for Mayor she actually raise \$8 million.
4 She only needed \$7 million. She got the money from
5 the city, and then paid it all back.

6 BRENT FERGUSON: Yeah.

7 CHAIRPERSON KALLOS: So, that's actually
8 a good thing because it means that anyone who raised
9 more than they were supposed to, which is more than
10 \$175, once the public match came, they'd actually to
11 pay it back, and it would actually reduce the costs.

12 BRENT FERGUSON: Right. Yeah, I think if
13 the system of paying back works well, then that's
14 fine. I—I don't know enough and—and I'm just saying
15 I think consulting with the board about whether
16 they're able to do that in a way that—that's easy it
17 makes sense.

18 CHAIRPERSON KALLOS: I promise you that
19 conversation continues. Onto our Patriotic
20 Millionaires.

21 MORRIS PEARL: Okay. Thank you. My
22 name is Morris Pearl. I represent a group
23 called the Patriotic Millionaires. We're a
24 group of a few hundred business people and
25 investors around the country, and we're
promoting the case that the system of some

2 people having so much more economic and
3 political power than others doesn't work the
4 them and doesn't work for the others either.
5 Nobody wants that. People want to build
6 businesses, invest in places where there's
7 people that can participate in their businesses
8 and the economy and in the civic life of their
9 countries. Politicians, as you know, well, are
10 too often beholden to donors instead of their
11 constituents, and even without the
12 accountability, there's a necessary part of
13 democracy. When money becomes speech and
14 candidates must spend their time fundraising
15 with a small group of wealthy groups of
16 citizens, the voice of the common people are
17 drowned out. You know, we've-we've had
18 political discussions over pizza with people
19 younger than my kids and political discussions
20 over fine food at Gracie Mansion and they're not
21 the same talking to young activists and talking
22 to billionaire hedge fund owners. They have very
23 different discussions, and we need more of the
24 former and less of the latter I think in this
25 country. The New York City Campaign Finance
system had done a great deal to shift power to
the people, and it has literally changed the
face of this building or at least the faces in
this building, and that is good, but until a
candidate can come up with only small dollar

2 donations, and only can fund his campaign that
3 way, the—the influence of the few big money
4 people in New York City politics is still
5 causing a problem. For far too long the
6 influence of money and politics destroyed a
7 policy and rightfully diminished the public
8 trust in government. New York City has been a
9 leader in this important issue, and it's time
10 for us to lead again here in New York. Now
11 other states are doing—are doing what New York—
12 are following the path that New Yorkers have
13 set. I actually testified in Jefferson City,
14 Missouri invited by Republicans to talk about
15 how they need campaign finance reform in their
16 state legislatures, and that's a very different
17 conversation than we have here in New York City
18 believe me. But by passing this bill, you can
19 lead the way to increasing the political power
20 of your constituents.

21 CHAIRPERSON KALLOS: Thank you.

22 EMANUEL CAICEDO: Hi. Thank you for
23 having me here today, Chair and Members—Members of
24 the committee. [pause] Chairperson, [laughter] my
25 name is Emanuel Caicedo. I'm a Senior Campaign
Strategist with Demos. Demos is a New York based
public policy organization working for an America
where everyone has an equal say in our democracy and

2 equal chance in our economy. Passing this
3 legislation is going to ensure that New York City
4 remains a leader in addressing the big money in
5 politics. Since New York created its matching
6 program, several localities around the country have
7 acted to empower small donors. This trend has picked
8 up in recent years with innovative program passed in
9 Seattle, Washington and Montgomery County, Maryland
10 and a few other places. The program is also under
11 serious considerations in Miami, Dade County,
12 Washington, D.C. and other jurisdictions. New York
13 must continue to improve its program to stay ahead of
14 the curve. Intro 1130-A builds upon the historic
15 leadership by allowing New York City candidates to
16 run campaigns that are entirely driven by small donors
17 without the need to depending upon large sects.
18 While the New York program is innovative and
19 successful, the system is not perfect. One
20 shortcoming is that public matching funds are capped
21 at 55% of the-of a participating candidate's total
22 spending limit. This means that candidates have to
23 raise the other 45% through private funds. Some of
24 this is accounted through the small donor funds they
25 raised to qualify by the public match. Basically,

2 this all cuts against the program's biggest
3 strengths, which is incentivizing candidates to seek
4 out and depending upon small contributions from
5 constituents that they may not otherwise prioritize.
6 Essentially, this all about equality of voice and
7 making sure that those with less income and less
8 connections to wealthy networks have an equal say in
9 our democracy. Even at an increased cost, the
10 program remains an incredible bargain for the people
11 of New York City, and for less than 1% of the city's
12 budget, the public is going to get a more accountable
13 and more representative government. We are pleased
14 to support Intro 1130-A and urge the Council to pass
15 this important legislation to keep New York in the
16 forefront of reducing the power of big money and
17 profits.

18 Thank you, Chairperson. My name is Moira
19 McDermott. I'm the Executive Director of the newly
20 launched 21 in 21 Initiative. Across the nation
21 women are underrepresented in all levels of
22 government. New York is, of course, no exception
23 especially when it comes to the City Council. More
24 currently only 13 of the 51 members are women. I
25 believe this—I say this but, and with this year four

2 of the seven Council Members who are term limited out
3 are women. Leaving a smaller number of nine out of
4 51 or 18%. This still—21 in 21 doesn't just aim for
5 the quantity, but to recruit and prepare women for
6 the candidates and hopefully future Council Members
7 will be the most qualified and hard working, and this
8 is where money becomes a significant barrier. There
9 was a 2014 study that said 62% of women said they
10 felt fundraising was the biggest barrier to running
11 for office. Additionally, women with the two-to-one
12 ratio over men received small dollar—small donations
13 I mean under \$200. A lot of these statistics come
14 from the congressional because of the SBS (sic) thing
15 hasn't broken down as well for the city, but—and
16 there are—for first time candidates to receive the
17 quote, unquote "buy in" to prove their viability or
18 path to victory, there's not step 1 and step 2 then
19 step 3. Typically fundraising is involved at every
20 point, and contributions come in giving way for
21 endorsements. Endorsements need more money, which
22 more money means more endorsement, and the amounting
23 bills causing a snowball. So creating the viability
24 with small asks of friends and friends, expanding
25 those networks and that's where CFB is a great

2 program. However, I know that it's the 55/45 right?
3 I did the numbers for the way they are currently of
4 \$100,000, and the \$82,000 gap. Thinking about how
5 much can be done, and how many voters could be
6 reached without additional money, and how—and how
7 inconceivable it is to expect one to raise up to the
8 spending limit through small individual contributions
9 since really wealthy donors, political institutions,
10 tax, special interest, and it's something after
11 decades of male dominated structure, very few women
12 have those same connections, and even fewer women of
13 color. So, I'll state the obvious. Elections are
14 essential to our government. Political campaigns are
15 inevitable, can create a better democracy, and while
16 fundraising is a necessary evil to run a success
17 campaign, it's also just deters many qualified
18 candidates from running. So hopefully this will
19 encourage more candidates and more women especially
20 in 2021 to want to get involved. Thank you.

21 CHAIRPERSON KALLOS: Thank you.

22 ALEX CAMARDA: Good afternoon. My name
23 is Alex Camarda. I'm here today on behalf of
24 Reinvent Albany. For them I'm a Senior Polity
25 Consultant. Reinvent Albany, as the name suggests,

2 is primary—directors its advocacy at Albany for open
3 and accountable government, but we do weigh in on
4 issues before the city particularly important ones
5 like this bill is. We support this legislation. Put
6 simply because it incentivizes candidates to raise
7 more money from small donors, and I think it's
8 important to look back the changes in campaign
9 finance regulation over the last 15 years to
10 understand why that principle is so important. Going
11 back 15 years to when McCain Feingold passed at the
12 federal level there was real emphasis on getting big
13 money out of politics. So there was much regulation
14 directed at candidate committees with soft money
15 going to parties and so on. That has changed
16 dramatically because of legal decisions over the
17 years culminating in Citizens United, and now the
18 emphasis really is much more on getting money into
19 the system preferably in the form of small donations,
20 which the public matching system here in this city
21 already facilitates in this bill would improve. We
22 did look at the data for the system currently as the
23 CFB did in deciding our position on the legislation,
24 and what found for the city races was that in many
25 instances particularly for the races for Mayor and

2 for Public Advocate and for Comptroller the public
3 funds relative to the private funds are a smaller
4 proportion than for City Council races. So for the
5 Mayor's race for instance, \$63 million was raised by
6 the major candidates, \$15 million of that was public
7 funds or 23.81% and as Chair Kallos pointed in his
8 chart there behind me, 50% was of the maximum
9 contribution of \$4,950 while just 5% were from small
10 contributions that were matchable of \$175 or less.

11 For the Public Advocate and Comptroller races
12 combined \$19.6 million was raised, \$6.9 million was
13 for-allocated in public funds just 26.16% of the
14 total. I think you can look at this data in
15 different ways. Some people might look at it and say
16 well, this shows that the public match cap is
17 currently adequate, but we believe that candidates
18 should have the option of approaching their campaign
19 with the strategy of maximizing the public funds that
20 they raise, which this bill would enable them to do
21 or to have a different mix that would be appropriate
22 between public and private funds. I should point out
23 that for the citywide races, there were candidates
24 who did rely heavily in the past on public funds. In
25 the Mayor's race, Joe Loda (sp?) relied-relied

2 heavily on public funds in his race. In the
3 Comptroller-in the Public Advocate's race Dan
4 Squadron did, he approached the public funds cap, and
5 also in the borough presidents race, which we did not
6 deeply analyze but for the Democratic Primary in
7 Manhattan, almost every candidate hit the public
8 match cap. Robert Jackson actually reached it.
9 Julie Menin fell short by \$130, but all-all the-all
10 the major candidates came very close to reaching it.
11 For the City Council, the-the picture is quite
12 different. The public funds as compared to the
13 private funds is \$10 million, \$10.7 million in public
14 funds compared to \$13.8 million in private funds. So
15 48--43.8% of the funds that candidates was at-raised
16 were in public monies, which I think is 20 points
17 different from the-20 points different from the
18 citywide raises, and so I think that points to the
19 potential that this bill could-what the bill-what the
20 bill could potentially do for citywide candidates who
21 orient their campaigns toward-toward raising the
22 small funds, and I think the Mayor currently, as
23 you've seen, he is raising more and more funds from
24 small donors, and I think that speaks to the
25 potential of this bill. I also wanted commented

2 briefly on some of the other proposals that have been
3 raised on lowering contribution limits. I would
4 suggest the Council exercise great restraint with
5 that and--and caution and the reason for that is the
6 change in Campaign Finance Regulation that I
7 mentioned earlier. Any time you lower contribution
8 limits, even the ones that are relatively high here
9 in the city, there's the potential for that money to
10 go out elsewhere, to go to less transparent and
11 accountable vehicles like independent expenditure
12 committees, 501(c)(4)s, and if that was the
13 unintended outcome, that would be unfortunate. So
14 you really—it's really about finding the right
15 balance. I'm not saying that lowering the
16 contribution limits somewhat would cause that to
17 occur, but I think it has to be done with great care.
18 We also would support an effort to consider raising
19 the spending limit, which I think really complements
20 this bill in raising the public funds limit. [bell]
21 So, that candidates don't opt out of the system
22 because of-of that cap, as we've heard. I should
23 mention that for the City Council candidates, in the
24 review that we did of 168 candidates that ran—that
25 ran for City Council in 2013, 51 of them reached the

2 public matched funds cap of \$92,400 in the Primary
3 and 15 did during the General Election. That's 30%
4 of the candidates. So I think this bill would also
5 alleviate that reality, and then lastly, on a
6 technical note Section 2 of the bill amends a section
7 of law that is likely unconstitutional because of the
8 trigger provisions. There may be reasons for leaving
9 that in the law in the Administrative Code, but I
10 would suggest the Council look carefully at that in
11 considering this legislation. Thank you for the
12 opportunity to testify today.

13 CHAIRPERSON KALLOS: Thank you. So, I
14 guess the first question, and I've—I've known some of
15 you for a very long time and they—including in
16 previous roles. Have any of you had occasion to ask
17 somebody to run for office particularly a person of
18 color or a woman, and what was—what was their concern
19 about running for office?

20 MOIRA McDERMOTT: So I have not until
21 this role—I have not actively asked anyone to run,
22 but I've spoken with many people. Yeah, [laughs]
23 sorry.

24 CHAIRPERSON KALLOS: No, no, go for it,
25 please.

2 MOIRA MCDERMOTT: Yes, I've spoken with a
3 lot of people who have debated running, and a lot of
4 the concerns have been for women of the-the
5 speculation especially the scrutiny, and I've heard a
6 lot of women running now of-they get knocking on
7 doors, they get people like oh, why are your heels so
8 high? Why is your skirt so short? Why is your hair
9 in a ponytail? You know, very typical things that
10 I'm sure happen on a daily basis while running for
11 office, but like the things that deter women when
12 they don't want that scrutiny on there, and that's a
13 huge deterrence, but where fundraising has become a
14 big thing and also just most women don't feel like
15 they're qualified enough, or that they can do it,
16 that they can—that they're smart enough, but I'm sure
17 that there other people in the district who deserve
18 to run that are better than me, and women have to be
19 asked six times where it versus where a man is
20 usually one time.

21 CHAIRPERSON KALLOS: Thank you for going
22 through a lot of the factors. Do you think that if
23 there were a—a—a lower—if—if instead of having to
24 raise \$81,000 to max out, they only had to raise

2 \$26,000 that women would be more likely to say yes to
3 you--

4 MOIRA McDERMOTT: Yes, definitely.

5 CHAIRPERSON KALLOS: --in at least 21?

6 MOIRA McDERMOTT: Definitely. I mean I
7 think because asking for money is very scary
8 especially asking for yourself, and it's a huge thing
9 in the wage gap that women are much less likely to
10 ask for a raise. Never mind asking for a political
11 contribution with especially where politics is so
12 frowned upon. Women hate that ask.

13 CHAIRPERSON KALLOS: Is a--

14 MOIRA McDERMOTT: [interposing] So I
15 think this is less they have to do with the smaller
16 amounts they have to ask for, would be more likely.

17 CHAIRPERSON KALLOS: Thank you. So
18 Emanuel, you've--you've engaged in campaign activity
19 prior to working with the current organization. Can
20 you speak a little bit about that?

21 EMANUEL CAICEDO: So just to be clear,
22 I'm here representing Demos. Demos is a 501(c)(3).
23 In previous roles, in the progressive infrastructure,
24 in the progressive roles, I've had an opportunity to
25 work for organizations that helped to elect

2 candidates to office, and something that I can say
3 for sure then that's it a total fact is we know that
4 the government of the United States is not
5 representative. So if you look at elected officials
6 are overwhelmingly male and overwhelming white and
7 there's a reason for this, and at Demos our analysis
8 is this has to do with the role of the big money in
9 politics. Communities of color, people of color
10 usually don't have the same access to the wealthy
11 networks that—that it requires to—to run for office.
12 So money is certainly absolutely a big obstacle and
13 programs like New York City's Public Financing system
14 certainly helps to even the playing field, and it
15 allows more people to talk to regular people in their
16 community as opposed to if you—the elite white—
17 usually white wealthy donors.

18 CHAIRPERSON KALLOS: In a Demos report,
19 it was noted that one of the concerns with this
20 specific—with public matching was funds coming
21 outside of a community specifically a low-income
22 community of color. Why does Demos think that it's a
23 problem for somebody to run in one community, but get
24 their money from another?

2 EMANUEL CAICEDO: I'm not sure if this
3 report that that's what referring to. I can get back
4 to you, but generally our position is we're for
5 strong public financing of the licensed programs. So
6 it's—ideally you can get the money from the people
7 closest to you in your community, your neighbors,
8 your—your family, your friends as opposed to going
9 outside of the community. I don't know if they're
10 talking about geographic boundaries or they're
11 talking about neighborhoods, but more important than
12 that is that the money comes from people who are of
13 the district and not from people who are not
14 representative of the district or who have different
15 interests or preferences like the wealthy. And so,
16 there is Demos study where we showed that the elite
17 in this country, the—the 1% basically don't align
18 with the majority of the public when it comes to
19 important economic issues like raising the minimum
20 wage or how jobs should be—be developed. The—the
21 really wealth are—are over here, and everyone else
22 is—is independent centers. So, I think it's less
23 important about where—where geographically that money
24 comes from and it's more important to focus on the
25

2 money not coming from one main source, wealthy
3 corporate interest.

4 CHAIRPERSON KALLOS: So a couple of you
5 were—were looking at some of the numbers. So one of
6 my colleagues felt that if you have a \$100,000 that's
7 enough to communicate. Others including myself
8 disagree. We said no you have to have the full
9 funding. Is there a difference in how people treat
10 candidates who have only received their public match
11 versus our—the full spending amount? Is there is a—
12 have you seen anything in the numbers about how
13 competitive people can be if they have almost—likely
14 just about half what their—what folks with big money
15 have.

16 BRENT FERGUSON: I—I think what's
17 desirable this bill is that it creates options for
18 candidates. You want candidates to have the option
19 of being able to raise more small donors, raise more
20 money from small donors and be incentivized to do so.
21 At the same time, if there are candidates who want to
22 raise a proportion of private funds for donations
23 that are big beyond the \$175 threshold that's fine,
24 too. I mean I—I don't think we should be so
25 prescriptive as to say what the right balance is, but

2 I think we want to incentivize more small dollar
3 contributions, but also allow for a mix that's going
4 to enable candidates from different stripes to run
5 for office and—and come up with a strategy that works
6 best for them.

7 MORRIS PEARL: If—if I can add. We live
8 in a city of eight million people. We have roughly
9 what, 5,000 of them who make these large donations,
10 and what I'm concerned about is the other 7 million
11 955, you know, thousand people, and those—the
12 influence of those people not the—not the few hundred
13 that are actually running for office. You, I—any of
14 us can run for office. I can run for office if I want
15 to, but I'll have to move to a different district I
16 guess. But, any of us can run for office with
17 \$100,000 or \$200,000, but we're going to end up
18 making friends with those 5,000 people who are real
19 estate developers. And who are the real estate
20 managers, and who are the hedge fund managers, and
21 what I'd like to do is have whoever runs for office
22 not have to have make friends with those guys, but
23 have to make friends with the couple hundred thousand
24 people who actually live in their districts.

2 CHAIRPERSON KALLOS: Thank you. Do you—
3 that is—that is well said, and again you are—you are
4 a Patriot Millionaire, and some of these 5,000 people
5 are actually involved in your organization?

6 MORRIS PEARL: Yes, yes, some of those—
7 some of those 5,000 people are the members of my
8 organization I represent. Yes.

9 CHAIRPERSON KALLOS: And—and you—why
10 would you want elected officials to be talking to the
11 people in their districts instead it's—it's been—it's
12 said other Patriotic Millionaires?

13 MORRIS PEARL: Well, you know, I love
14 talking to elected officials, but I think what I need
15 in order to have a robust city is where everyone gets
16 to participate. I—to make money, I can't money in a
17 city with a few thousand rich people and lots of poor
18 people. I—I need to make money in a city with lots
19 and lots of middle-class people who can afford to buy
20 stuff and pay for stuff, and feel like they're
21 participating. I don't want to live in a place—as my
22 personal preference—I don't want to live in a place
23 that's like South Africa under apartheid or something
24 with lots of people who will sort of walk around like
25 drones. Not that they walk like drones in South

2 Africa, but you know what I mean. I want to live in
3 a city with everyone who feels like they're part of
4 the city. That's more fun. That's where I want to
5 bring up my kids, and where you want to bring up your
6 kids I hope.

7 CHAIRPERSON KALLOS: And by drones you
8 mean people who are disenfranchised and aren't able
9 to play role in the--

10 MORRIS PEARL: Yes, the--yeah, people who--
11 who don't just feel like they're not playing a role
12 who actually are not playing a role. You know, I--you
13 know, it's--it's a better place where everyone is
14 playing a role. That's why there's much innovation
15 and people want to live in New York and San Francisco
16 and a place like that, and there's fewer people that
17 are moving to other places that are less diverse and
18 have a different kind of society than we do.

19 CHAIRPERSON KALLOS: And with regards to
20 Brennan Center for Justice, in your supporting
21 testimony, we--we--we had heard from the Campaign
22 Finance Board that they would actually like to see
23 the thresholds lowered. You're advocating and as is
24 the is the testimony from the Campaign Finance
25 Institute to--to add additional requirements for

2 people running in order to force them to seek money
3 in new communities, do those work together? Would
4 you support requiring folks to raise less money than
5 meets the threshold that they have to raise it for
6 more places? Is there a concern that raising money
7 from multiple Council Districts only empowers people
8 who have relationships with Council Members or
9 Assembly Members or senators who can get them that
10 limited amounts of money from those districts?

11 BRENT FERGUSON: Sure. So I'll try to
12 answer each part of that question, but I--so I think
13 that your--your first point about raising qualifying
14 contributions from different districts and whether
15 the amount of money could be lowered in that
16 circumstance, is that what you're asking? Yeah, I
17 think that's something to consider. I--so, we at the
18 Brennan Center haven't done a full enough analysis of
19 the amount of the--of the threshold to express an
20 opinion on it today, but I do think that the main
21 goal, as several people have discussed, is making
22 sure candidates are serious when they get public
23 money, and that they have broad public support. And
24 other systems often allow candidates to do this by
25 going around and getting signatures and things like

2 that, and so I think that if you reduce the amount of
3 money that's fine as long as the candidate is getting
4 a lot of money from different areas of the city.

5 CHAIRPERSON KALLOS: Thank you very much
6 for being here. Thank you for your support. Thank
7 you for all that you are doing for various
8 communities in the city, and for being very honest
9 about how politics work in the city. Thank you. Our
10 next panel includes Gene Russianoff. Thank you for
11 your patience. Gene is usually on our first panel,
12 and we've been trying to shake things up a little
13 bit, and I appreciate it and thank you. [background
14 comments] Yes, thank you. We also have Rosemary
15 Faulkner on behalf of Public Citizen all the way up
16 from D.C. Thank you. We also have Mel Wymore (sp?)
17 who is—we—we know well through his work at TransPAC,
18 but is here in his—his individual capacity, and we
19 also have Rachel Bloom who is here representing both
20 Citizens Union and—and Citizens Union. [laughter]
21 Just filled out two different slips. So I'll forgive
22 that, and please start when you are ready.
23 [background comments] Okay, we're going to recess for
24 exactly two minutes. I am going to excuse myself.
25 I'll be right back. Thank you. [background comments]

2 pause] We are back from recess, and you are free to
3 begin.

4 GENE RUSSIANOFF: Good afternoon. I'm
5 Gene Russianoff. I'm with the New York Public
6 Interest Research Group. We played a really critical
7 role we think in the drafting of this legislation,
8 and hope some—put some of the language including the
9 process by which the Board reviews each election
10 after the election occurs, and I think that post-
11 election report has provided great information to the
12 public. The genius of this program, New York City
13 Campaign Finance Program as it changes and grows as
14 the city changes and grows. So Susan Lerner said
15 there—there were 18 changes to the laws since 1988.
16 Many of them are really important like the one that
17 requires citywide candidates to debate if they take
18 public funds, or the one that poses a disclosure and
19 contribution limits on non-participants in the
20 program and, of course, all of the generous matching
21 funds that are not into the law. So the laws is—is a
22 constantly moving target and it's—it's even if
23 awarded, you know, knowledge is that. In its recent
24 2013 election report it said, "Since its inception in
25 1988, the Campaign Finance Program has set the

2 conditions for City Council representation that
3 reflect the demographic diversity of the city. The
4 2013 elections ushered in some new milestones with
5 the election the first African-American on a citywide
6 basis, an African-American woman, and the first
7 Mexican-American elected to the City Council. My
8 testimony repeats what everybody else who's come
9 here. It says, you know, this is good—this is a good
10 statute proposal, and it deserves our support, and I
11 think making it a program and have incentives to be
12 more generous, it will allow more people to run, and
13 to look at the city office. I think you captured the
14 attention of the Campaign Finance Board. They take
15 this as serious thing. They don't—they don't slough
16 it off, and they did mention several idea, which I
17 think merit equally serious study like not having
18 thresholds as they exist now because they discourage
19 people from running, and different matches of smaller
20 or larger contributions to encourage people to go
21 into the program. So we look forward to working with
22 you, and all the other groups here, and I thank you
23 for the opportunity to talk. [pause]

24 ROSEMARY FAULKNER: Thank you for the
25 opportunity to speak here, to testify here. My

2 name is Rosemary Faulkner. I'm a local volunteer
3 democracy leader for Public Citizen, which is a
4 national non-profit. They are based in D.C., but I'm
5 based in New York City. They have operations around
6 the country in different states. So I'm probably in
7 New York effort, and I bring a petition that they
8 sent out to New York City residents, and I think you
9 already have a copy of it showing all these people,
10 583 people who signed a petition supporting this
11 bill.

12 CHAIRPERSON KALLOS: Wow. Thank you.

13 ROSEMARY FAULKNER: Yes, so we—they—you
14 have them, I hope. [laughs] If you don't, I can
15 email it to you again. So there is a lot of support
16 out there for this kind of thing, and I'll just read
17 some of my written testimony. Income and wealth
18 inequality in our nation is distorting and
19 undermining our democracy. One important way which
20 big money works is by influencing our elections, our
21 most basic democratic process. This results in
22 legislatures that do not represent the people. The
23 New York City election system is held up as a model
24 for the country on how the pernicious effect of big
25 money can be controlled using a small donor matching

2 system. Much of this was accumulated to show that
3 the system as it exists now already encourages voter
4 participation, enables those who without access to
5 large funding can run for office, and I'll put in a
6 word for women being better representing throughout
7 all governments, and encourages candidate engagement
8 with voters, the very people they're supposed to
9 represent. You have before you now a piece of
10 legislation that will bring us to full realization of
11 the power of this kind of system or at least
12 somewhere near. We have heard about the possible
13 limit. So, I will just add a comment on one or two
14 things that I've heard about. I can't say what
15 Public Citizen would feel. I had—since it didn't
16 come up in the discussions we had before, but I feel
17 quite certain that along with me they would be in
18 favor of making a system in—in which each—anyone is
19 able to—to run for office without adequate funding
20 only with small contributions. To me the idea that
21 you need a balance, a choice. Choice is everything,
22 a choice between going for large contributions, and
23 running only on small contribution is not a benefit.
24 I support those who—who have said that they feel it
25 should be a system based only on small contributions,

2 which allows that at least, but may require that.

3 Okay, thank you.

4 RACHEL BLOOM: [off mic] Good afternoon
5 to you. [background comments] [on mic] Okay, hi.
6 Good afternoon, Chair Kallos and thank you for the
7 pizza. My name is Rachel Bloom, and I'm the Director
8 Public Policy and Programs at Citizens Union.
9 Citizens Union bring New Yorkers together to
10 strengthen our democracy, and improve our city. Over
11 the last three decades New York City's Campaign
12 Finance Program has positioned itself at the
13 forefront of efforts to empower the electorate in the
14 face of the ever-increasing influence of big money
15 and political campaigning. It is a claim throughout
16 the country as a groundbreaking example of how
17 municipal a campaign finance system can transform
18 elections. It holds this position as a nation model
19 for two reasons: (1) The principles of independence
20 and populism, and by extension anti-corruption that
21 inform its mission; and (2) the deliberative-
22 deliberative steps by which it is developed through
23 Council action and with Campaign Finance Board.
24 Intro 1130-A certainly embodies the first of these
25 principles. By lifting the 55% public funds cap, it

2 arguably creates a more level playing field for
3 candidates who may have varying access to donors when
4 fundraising and have the capacity to go beyond the
5 cap. And many candidates already struggle to meet
6 even the 55% threshold. It also brings us to a system
7 of near full public financing, a goal that Citizens
8 Union neither supports or opposes involving the use
9 of more taxpayer funds. Citizens Union currently
10 supports and values the partial system as it has
11 allowed many more candidates to run and produced a
12 more diverse and representative of City Council.

13 Changing the financing of the program is a
14 significant matter that serves more public analysis
15 and scrutiny. Changing the funding—the funding
16 source mix may result in a more diverse range of
17 candidates than New York's—New York's experience in
18 2013 showed a very diverse field of candidates for
19 Council. We are not sure what data—what specific
20 data supportive problem this legislation is seeking
21 to resolve. Despite it's intent, the introduction of
22 the bill at this late stage in the municipal election
23 cycle is a deviation of the carefully measured
24 process by which the program is updated and revised.
25 Traditionally, the Campaign Finance Board makes

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2 recommendations to the City Council and its

3 Quadrennial Report at the first year following a

4 municipal election based on their evaluation of the

5 program's recent performance and impact. The Council

6 then conducts its own hearing to evaluate the program

7 and considers the CFB's recommendation. Our program

8 has succeeded in New York City because the Council

9 and the CFB work together to improve the program

10 every four years. Because Intro 1130-A would not go

11 into effect until after the upcoming municipal

12 elections, we see no reason why the Council should

13 stray from its customarily deliberative approach, and

14 to take up this reform outside of the context of what

15 will be the most recent election. For this reason,

16 Citizens Union neither supports nor opposed Intro

17 1130-A. Rather, we are here today to express our

18 concerns over the timing and potential impact of the

19 proposed legislation with a goal of preserving the

20 integrity and mission of New York City's Campaign

21 Finance Board and its allotted Matching Funds

22 Program. On an implementation level, CU has deep

23 concerns about the financial constraints and

24 documentation requirements the candidates will be

25 subjected—will be subject to if matching funds rise

2 from 55% to 85% constituting a full match. And
3 regarding qualified expenditures, matching funds from
4 the Campaign Finance Board can only be used for
5 qualified expenditures dictated by law. For
6 instance, matching funds cannot be used in advance of
7 the calendar year of an election, today family
8 members or for ballot litigation. If a candidate
9 relies entirely on matching funds, they will be left
10 with only 15% of their budget for these costs, and
11 could potentially find themselves severely hamstrung.
12 For a City Council race with a total cap of \$182,000,
13 that will leave only \$26,000 to cover unqualified
14 expenditures. Documentation requirements are also
15 another concern of ours. A candidate relying upon
16 the CFB for matching funds is required to keep
17 detailed receipts about qualified expenditures that
18 matching funds are used for, and to submit them for
19 review. Candidates must maintain and may be required
20 to produce original copies of checks, bills or other
21 documentation to verify contributions, expenditures
22 or other transactions reported in their disclosure
23 statements. CU has concerns that if the amount of
24 matching funds rises so will the justifiably heavy
25 burden of submitting all required paperwork to the

2 CFB. It will be a considerably heavier lift for
3 candidates to keep all of these needed records in
4 smaller and smaller matchable amounts. There are
5 serious issues being raised by this bill that need
6 greater time to evaluate. We think they would be
7 better off looking at the issue right after the 2017
8 city election. In an era of ever-increasing money
9 and politics, we strongly believe that New York
10 City's Campaign Finance Law program is more important
11 than ever, and is a program that all New Yorkers
12 should be proud of. Thank you.

13 MEL WYMORE: Thank you. In light of the
14 previous testimony, I'm actually really only
15 testifying with respect to the intent of the bill,
16 and the details of working out what that means as,
17 you know, I think sub-prop (sic). Not a matter of
18 investigation and deliberation in it. I do think
19 that the intention of the bill is going in the right
20 direction. My name is Mel Wymore. I appreciate the
21 opportunity to speak. I'm speaking both as the
22 Executive Director of TransPAC which is a political
23 action committee that supports state senate races,
24 and as myself an individual currently running for
25 office and who has run for office. In the time of

2 Trump—in a time when our communities and families are
3 increasingly under attack, encouraging civil—civic
4 participation is our single best resource and
5 recourse. There's nothing more wrong with—there's
6 nothing wrong with marches and rallies and forums,
7 but at the end of the day the best and only answer is
8 for people for to run for office and win. This is
9 especially important for young people and minorities,
10 voices we desperately need at all levels of elected
11 government, and for example, in the transgender
12 community, which—of which I'm a member, there are
13 only seven elected officials nationwide, and that is
14 be—largely because of a lack of—of resources in that
15 community, and none of them are at the level of a
16 major city or a major state level. All at level of
17 community—of school boards or an elected judge, and
18 maybe a couple of constables, and—and the mayor of a
19 really small town. So this is one community which
20 exemplifies the need for more access to resources in
21 order to be a representative at large. The good news
22 is that we've seen an incredible outpouring of
23 Americans of all stripes expressing the intent to run
24 ever since November 8th. The Roll Call recently
25 reported that Emily's List, which supports women

2 running for office, has been contacted since the
3 election by over 10,000 women interested in running.
4 More than ten times the number they heard from in
5 2015 or 2016. The bad news is that running for
6 office presents difficult barriers to unfree (sic)
7 especially if you're not well connected and affluent
8 to begin with. Let's be honest. In most cases that
9 means that unless you're straight, white and male,
10 born, I should say now born as opposed to just male,
11 you have major built-in handicaps. As for the most
12 important of these handicaps, it's money. Raising
13 money for a campaign is difficult. It is time
14 consuming and it puts a heavy pressure on those
15 running for office to give into pressure for big
16 money special interest who can help them complete-
17 compete. Here in New York I have seen this first
18 hand, as you-as probably you have as well. The
19 pressures to run for office and raise the-the
20 appropriate amount of money come largely from real
21 estate here in New York that has the power of the
22 purse. The ability to sway elections is something
23 with which every New York politician has to-to
24 grapple, and real estate interests in New York are
25 especially prolific. Today, we have a State Senate

2 also at the state level within Republican hands
3 because of a group of Democrats who decided that they
4 needed to sell out their—their souls essentially,
5 their—their elected values in order to get elected,
6 and it really comes down to money every single time.
7 There's a fundamental principle here at stake and
8 that's the Democratic Republic. Running for office
9 should be available to everyone in our Democracy.
10 Our elected officials should be chosen based on their
11 ideas, their values, and their skills and not on
12 their pocketbooks or their Rolodexes or their
13 willingness to bend to special interests. I live and
14 I'm running for office in the most affluent—one of
15 the most affluent neighborhoods, the Upper West Side,
16 but even with the base of potential donors, it takes
17 a lot of effort to avoid donations from the real
18 estate industry, which I've made it a campaign policy
19 to refuse. Wherever—wherever you go, there are
20 potential donors with money and agendas trying to
21 compete with small donations and organic support is
22 the right thing to do, but let's be honest, it's
23 really a handicap. Every minute spent trying to
24 raise money is a minute where the candidate has less
25 success—has less access to voters. Every minute of

2 fundraising is a minute where our candidates should
3 be making themselves available and accessible to
4 people they want to represent, and that's what Morris
5 was saying earlier. You really want to focus your
6 attention on the electorate not on the special
7 interests. The more the city can match, the more
8 accessible elections become both to be-to would-be
9 candidates and to voters. Increasing the public
10 matching to a full match would go a long way to
11 closing the gap and making campaigns more accessible
12 to every New Yorker. I support this—the intention of
13 this bill, and I agree that we need to work out some
14 of the details to make sure that it's effective—
15 effectively applied to all New York. Thank you so
16 much.

17 CHAIRPERSON KALLOS: Thank you for being
18 honest about what fundraising is like between Kewin
19 (sic) Morris and also some of the remarks I've made.
20 Gene, in your testimony or at least one of the drafts
21 I had a chance to see, there was an honest and frank
22 assessment of why we went with a smaller match
23 initially, and why we've gone with the 55% match. If
24 could just share that as somebody who has been
25 intricately involved in the negotiations. Is it

2 because of any specific policy, or is it because of
3 the concerns?

4 GENE RUSSIANOFF: No, it's-it's-I think
5 it's a legitimate concern on the part of the-the
6 Council-then Council and the Campaign Finance Board.
7 They're afraid that if you spend too much money on
8 this program you'll turn it into a target for people
9 who don't think money should be spent on elected
10 officials, and should be spent in politics. And so,
11 it-it was their attempt to seem reasonable and, you
12 know, they have a very good track record of
13 uncovering waste and inefficiency and illegal-illegal
14 or quasi illegal activities by candidates. So the
15 money is spent properly because there's a lot of
16 people living in the city who say, wow, you know,
17 it's-it's going down a drain even though they don't
18 know. So, that-that was the heart of their-their
19 concern I think.

20 CHAIRPERSON KALLOS: And-and now that
21 we're in 2013, do you think that residents are still
22 concerned? Which do you think residents are more
23 concerned about it? A couple of additional million
24 for campaign finance or are they more concerned about

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2 checks for \$4,950 that are—or—or more \$2,750 that are
3 going to elected officials.

4 GENE RUSSIANOFF: Well, the latter. I-I
5 think many New Yorkers who were skeptical about this
6 program in 1988 are fans of it, believe that it's
7 given the city a cleaner more honest government, and
8 that they—they resent what appears from your
9 calculations to be a pretty modest increase in public
10 expenditure to provide the general—the more general
11 this matching fund. So, I-I-I think there's a lot of
12 this resentment to—about it. I think the program has
13 proven to be what it said it was.

14 CHAIRPERSON KALLOS: Thank you. With
15 regards to Public Citizen, how did you get so many—
16 how long did it take you get that many signatures?
17 You'll need the mic.

18 ROSEMARY FAULKNER: I know. The—we only
19 heard about this relatively recently. I think this
20 bill came. So it's within the last three to four
21 weeks I think.

22 CHAIRPERSON KALLOS: And over—and how
23 many hundred signatures so far?

24 ROSEMARY FAULKNER: 538.

25

2 CHAIRPERSON KALLOS: Wow. Thank you and
3 hopefully others. I-I know that we actually have a
4 position on my side, and we've been getting a lot of
5 those signatures, and I guess to-to-now if you can
6 just-so you were saying only six-

7 ROSEMARY FAULKNER: There's seven elected
8 but there's some contributors and it's seven or
9 eight, but it turns over to elected officials in the
10 United States or less than ten.

11 CHAIRPERSON KALLOS: And so, why did you
12 feel the need to start a political action committee
13 and is fundraising an obstacle for members of the
14 Trans community?

15 MEL WYMORE: Absolutely. You're talking
16 about the majority of trans people are living in the
17 highly depressed or low-income communities, and even-
18 even if they're not, they're often rejected from
19 those other more affluent communities. So, and, you
20 know, especially trans people of color are-are
21 extraordinarily excluded, and-and attacked. And so
22 the-the ability for that population to actually raise
23 the money to run for office is-is prohibitive. I'm
24 one of the few people who like kind of have the-the
25 capacity to do that in the country.

2 CHAIRPERSON KALLOS: Sure and I guess
3 just for Citizens Union, Rachel, I-I've been in your
4 shoes and I've had to deliver tough testimony even
5 neutral testimony, and so to the extent the executive
6 director is able to deliver that testimony, we would--
7 we would welcome it, and we will continue the
8 conversation. I appreciate that Citizens Union is
9 neutral. I hope to have a chance to go before your
10 Municipal Affairs Committee, and to work within your
11 system of evaluation, and I will say just thank you
12 to Citizens Union, and NYPIRG the original version of
13 the bill was amended based on feedback from both
14 organizations, and I also appreciate the work that
15 both organizations did along with--that we did
16 together in trying to protect the campaign finance
17 system from some of the people who sat on this side
18 of the table, and I think we were largely successful
19 in--in large part to your advocacy as well as the
20 advocacy from our good friend Cy Vance at the
21 District Attorney's Office. So, I appreciate it, and
22 I appreciate everything you've been doing for
23 fighting for full public matching, and any other
24 things that I haven't had a chance to follow up with
25 anyone on or--?

2 ROSEMARY FAULKNER: Thank you.

3 CHAIRPERSON KALLOS: Thank you very much.

4 ROSEMARY FAULKNER: Have a good day.

5 CHAIRPERSON KALLOS: Our next panel is
6 Elliott Skip Roseboro from New York Communities for
7 Change; Tony Schley (sp?) from Citizen Action New
8 York, and we have Adrian Untermeyer from Historic
9 Districts Council. We also have two candidates for
10 the City Council in District 18, Elvin Garcia and
11 Amanda Frias. [background comments] and there may
12 still be pizza left if anyone needs it. If anyone has
13 a time limit, that's forthcoming, please do let us
14 know, and we'll our best to accommodate that.

15 Whenever you wish. [background comments, pause]

16 TONY SCHLEY: My name is Tony Schley, and
17 I'm a board member of the New York City Chapter of
18 Citizen Action. You know, first the Citizen Action
19 an organization that works on many social, economic
20 and racial justice causes, public financing campaigns
21 is an essential issue. Year after year, our
22 organization has fought hard for common sense
23 legislation that would establish a more just, secure
24 and prosperous New York. Legislation that would
25 produce—protect consumers and the environment that

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2 provide for the education of our children and

3 healthcare for the sick, but year after year so many

4 of the bills we have tried to move through

5 legislation—through the legislature have been met by

6 the brick wall of wealthy campaign contributors. Our

7 system of government is adversely impacted by wealth

8 individuals and organizations that are able to make

9 large donations in the pursuit of their own interests

10 at the expense of the citizens of our state. Our

11 cities would—our city would benefit from an election

12 system in which many small donations really count,

13 where candidates could run for office using public

14 dollars, and would never have to think about or feel

15 beholden to large donors who gave them money for

16 their campaigns, or wonder if they would be able to

17 receive the contribution again if they voted a

18 certain way or signed onto sponsor a certain bill.

19 It seems the impact of large corporate giving in

20 campaigns isn't the only reason Citizen Action's

21 grass root membership has worked to promote public

22 financing of elections. It's because for many years,

23 we've worked in the trenches of political campaigns

24 fighting to get City Council candidates, county

25 legislators, district attorneys, Assembly members,

2 senators, elected to office in this state. We've
3 guided and helped with fundraising the money chase of
4 running a candidate for office. And you know, I'm
5 sure from your own experience and watching your
6 colleagues who have had a tough race that fundraising
7 is a lot of work. It takes a tremendous amount of
8 time and energy and connections to raise that
9 sometimes hundreds of thousands of dollars needed to
10 run for office. We believe that this time and energy
11 would be better spent governing, talking to your
12 constituents, working to solve the issues in your
13 districts, getting the word out about where you stand
14 on issues instead of funding potential donors and
15 hosting fundraises. So we support the adoption of
16 1130-A in order to remove the cap on matching funds.
17 It represents an important step towards establishing
18 a campaign system that rewards activities that lead
19 to equitable and effective governments. But to
20 achieve the goal, further changes are required. To
21 that end, we recommend lowering the contri-
22 contribution limits on citywide and Council races and
23 increasing the matching rate. So to effective
24 leaders, candidates' efforts must be focused on their
25 districts and the constituents. They must not be

2 depending on large contributors to fund their
3 campaigns. They need to be able to rely on small
4 donations and receive enough public funds to be
5 competitive without having to seek large contributor-
6 contributions from those who can afford it. This
7 additional subsidy will help achieve that. This
8 concludes my remarks. Thank you for your time and
9 patience.

10 CHAIRPERSON KALLOS: Thank you for being
11 here.

12 SKIP ROSEBORO: Alright. I would like to
13 thank Member Kallos for this legislation, and the
14 committee for hosting the hearing today. My name is
15 Skip Roseboro and I'm a resident of Bed-Bedford-
16 Stuyvesant and a member of New York Communities for
17 change. The bill has the potential to have a
18 profound long-term impact on future policymaking in
19 New York City when it comes to that emerging moment.
20 For decades New York has been a real estate town.
21 The industry writes its own rules and cashes its own
22 checks thereby having an unfair advantage in
23 elections, rules and legislation. New York City real
24 estate moguls are some of the most powerful people in
25 the country including Donald Trump. [coughs] Trump

2 is repugnant in many ways, but there was a moment
3 during the Republican Primary Debate that gave us a
4 rare view into developer honest—a developer honestly
5 speaking about how to do—how they do business. On
6 the stage that night, Trump talked about how he gave
7 donations to elected officials and candidates. He
8 said, and I quote, "I give to everybody. When they
9 call I give, and you know—and you what, when I need
10 something from them, two years later, three years
11 later, I call them, and they are there for me." This
12 is the real estate developers' modus operandi.
13 Political contributions are a part of the cost of
14 doing business. They are down payments on future
15 projects and deals. They themselves know it, and in
16 this case—and in—and in this case, said so publicly
17 on a national stage. What has this system gotten us?
18 Here in New York we see reckless homelessness—record
19 homelessness, master displacement for communities
20 like Crown Heights and Bed-Stuy, and huge amounts of
21 public land being turned over for private profit. We
22 see deed restricted non-profit nursing homes allowed
23 to be sold and turned into luxury condos. We've seen
24 the wholesale rezoning of low-income neighborhoods,
25 and the majority of housing that is set to be built

2 will not be affordable to the same neighborhood
3 residents, and now in Crown Heights we see exactly
4 where the city housing policies are headed in a tale
5 of two developers. One, the Crown Heights Bedford
6 Armory that is one—that is on public land and is
7 dominated by luxury condos for newcomers, and the
8 other homeless shelter, which is quickly becoming the
9 only long—the only thing long-term residents can
10 afford is they're pushing out—being pushed out by
11 politically connected developers. The only hope for
12 much of this population is a dramatic change in New
13 York City politics that protect residents from the
14 wealthy real estate invest—from wealthy real estate
15 investors that have ruled the roost for decades. This
16 bill will go a long ways towards shifting power to
17 regular New Yorkers and away from people like Donald
18 Trump and other shady developers who are putting
19 profit over the health of our neighborhoods and the
20 vibrancy of our city. I have something I'd like to
21 say, but I think about how this is going for on this
22 and other things, but we have a number of people
23 here, and I'd like to give them a chance to have
24 their piece first.

2 CHAIRPERSON KALLOS: You—you have another
3 two minutes if you'll take it. You've waited a
4 while.

5 SKIP ROSEBORO: Oh, okay. Alright.
6 [coughs] Excuse me. This is a personal suggestion
7 and not from our organization or anyone else. I've
8 been looking at how to solve many problems in
9 government. I've been fighting for the last 22
10 years. I've headed one of the major organizations,
11 and I've taken—one the things—one of the things I've
12 taken away is that we have to look at ways of solving
13 this and a myriad of other problems. The key to
14 take—is to take incentives away to do the wrong—
15 excuse me. The key is to take the incentives to do
16 wrong out of the process. So I'd like to give two
17 quick examples. You have a landlord that doesn't fix
18 things, who doesn't take care of mold, doesn't fix
19 elevators in a high-rise, alright. Well, the thing
20 there is after so many times of going to court, if
21 the courts or the government would have a lot of
22 tenants to put money in an escrow account or
23 something of that sort, and fix the—fix whatever has
24 to be fixed from that account, and whatever is left
25 goes to the landlord. If nothing is left, then that's

2 what he gets. Then there's no incentive for him to
3 take advantage and not do the work, alright. Another
4 example is--

5 CHAIRPERSON KALLOS: Well, well, we will--
6 you're going to come to Brainstorming with Ben. I
7 offered it to anyone in my district. I hereby offer
8 it to you as a non-constituent to go over it, and we
9 will sit together and come up with some of the best
10 ideas--

11 SKIP ROSEBORO: [interposing] We'd love
12 to.

13 CHAIRPERSON KALLOS: --that I-I love.
14 Thank you.

15 SKIP ROSEBORO: We'd love to. So I have
16 one other quick one.

17 CHAIRPERSON KALLOS: If-if it's on the
18 bill, yes. If it's a great idea let's meet on the
19 second Tuesday of every month where you can meet with
20 me in person about any idea you have.

21 SKIP ROSEBORO: Alright, good enough.

22 CHAIRPERSON KALLOS: And-and just for
23 those watching at home, you have to live in my
24 district unless you come to hearing, and you have
25 really great ideas, too. [laughter]

2 ADRIAN UNTERMYER: Good afternoon,
3 everybody. My name is Adrian Untermyer. I'm Deputy
4 Director of the Historic Districts Council, and we
5 are citywide advocates for New York City's Historic
6 Neighborhoods. We're dedicated to preserving the
7 integrity of the Landmarks Law, and to further the
8 preservation ethic, which is really what we come here
9 to do today, to further the preservation ethic by
10 supporting this bill, and strengthen the voices and
11 votes of individual citizens. As Council Members
12 know too well, running for public office is not an
13 inexpensive undertaking. Candidates are forced to
14 compete in two separate arenas simultaneously. On
15 one hand for votes without which they cannot be
16 elected, and on the other for contributions without
17 which they cannot run a campaign. This double
18 competition can leave at the very least to scattered
19 intention, which doesn't well serve the candidate or
20 the constituents who they go to represent. But at
21 worst it can lead to an ethical conflict as a
22 candidate, and they're exposed to undue influence
23 potentially angling for personal gain in return for
24 needed financial support. Our political history is
25 unfortunately rife with examples of this. In 1963

2 William Reardon wrote Plunkitt at Tammany Hall: A
3 Series of Dictated Reminisces by legendary ward boss
4 George Washington Plunkitt on honest and dishonest
5 craft. The difference being whether or not the
6 community was being served while the politician
7 enriched himself. While it might seem unfair to
8 judge the actions of a previous century by today's
9 morals, we should start with the premise that these
10 kinds of practices should be encouraged or contained.
11 Furthermore, it's only factual to observe that the
12 serious money in New York City resides in the real
13 estate industry, which is something I had hoped to
14 remind Mr. Greenfield or Chosen His Highness
15 Greenfield of before he left the hearing today, an
16 industry with a vested and specific interest in
17 gaining access and influence in elected government as
18 well as a long and continuous history of attempting
19 to enhance that influence through perfectly legal
20 financial contributions. The Historic Preservations
21 community is not reflectively at odds with the real
22 estate community. In fact, we are ultimately
23 dependent upon property owners to care for the
24 historic buildings that New Yorkers hold so dear.
25 However, the Historic Districts Council feels

2 strongly that the scales of governance must be
3 adjusted to better account for the common good in
4 relation to the individual gain. This proposed
5 amendment will go a long way toward meeting that
6 goal. If passed, it will empower individual citizens
7 to better compete with vested interest by enhancing
8 the financial impact of small donations. It will
9 also be a source of strength for candidates enabling
10 them to serve the two goals of community engagement
11 and fundraising with the same audience, the voters.
12 As the Beatles said, money can't buy you love, but it
13 certainly can buy you a better shot if you're a
14 grassroots candidate to help to make a difference.
15 So thank you so much, and we strongly support his
16 bill.

17 CHAIRPERSON KALLOS: Thank you. I'm
18 going to hold off on two candidates just because of
19 the fact that the camera won't actually go past that
20 right column. So I'm going to just ask so we can
21 either switch or I can ask questions of the first
22 three people. Look, you will switch. [laughter]
23 [pause] I-I approve of this game of musical chairs.
24 I do not approve of musical chairs if elected office.
25 [background comments, laughter] I-as Chair of the

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2 Committee on Governmental Operations, I tried to each
3 out to as many folks as possible. We cast a much
4 wider net than an atypical committee hearing, and in
5 Council District 18, there is a large field, and I
6 had an opportunity to meet two of the candidates and
7 both of them are running against State Senator Ruben
8 Diaz, Senior, who I believe represents the worst that
9 Albany has to offer. I ran against an Assembly
10 Member. My—I did not actually have access to fill
11 that gap until that Assembly Member was featured in
12 the New York Times not in a good way, and ultimately
13 my concern is the musical chairs that might happen
14 where people are able to keep switching from Council
15 to Assembly to Senate to Council to Assembly to
16 Senate. There is a similar problem in Los Angeles
17 where half of their City Council according to
18 Anthony—to—to Michael Malbin of Campaign Finance
19 Institute are previously from the State Legislature.
20 However, in California, they only serve one term once
21 per body per lifetime. In New York City, of course,
22 you can take time off and come back. So at least in
23 California you can—the career director is Assembly to
24 Senate to Council to God. Here we might end up
25 seeing lifetime elected officials, which is a concern

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2 to me. Whichever of you would like to go first, and
3 feel free to scooch back, but just make sure that the
4 camera has everybody. Okay.

5 AMANDA FRIAS: [off mic] Chair Ben
6 Kallos--

7 CHAIRPERSON KALLOS: [interposing] Make
8 sure that the mic is red.

9 AMANDA FRIAS: Yes, Chair Ben Kallos and
10 members of the Committee of Governmental Operations,
11 thank you for the opportunity to testify before you
12 today on Intro 1130-A. My name is Amanda Frias, and
13 I would like to start off by thanking Ben Kallos for
14 introducing this bill, and the seven other council
15 members who co-sponsored it. Now more than ever
16 before we have seen a surge in activism throughout
17 New York City. Being one of the most progressive
18 cities in the nation, as well as having one of the
19 most progressive campaign financing systems, Intro
20 1130-A is needed more—is needed in order for
21 interested people to run an impactful competitive
22 campaign. Currently, I am a candidate running for
23 local office, and I come from a modest background. I
24 don't necessarily have the financial backing or the
25 wealthy network to run a campaign without using the

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2 Campaign Finance Board's Matching Funds Program.
3 Though the six-to-one Matching Program is extremely
4 beneficial and creates the space where I am able to
5 compete with other candidates running, it ultimately
6 does not set someone like me up to win the race
7 without a financial burden. Intro 1130-A would amend
8 provisions of the Campaign Finance Board's Small
9 Donor Matching Program by raising the matchable
10 amount of contributions from a donor from \$175 to
11 \$250, which would increase the amount of public funds
12 available to a participant. This could dramatically
13 influence how competitive one could be in a race
14 whether in an open seat or against an—an incumbent
15 because it would allow equal opportunity for reaching
16 the spending limit. Increasing this threshold would
17 make a major difference in whether or not candidates
18 have a substantial chance in running a competitive
19 race against others that may already be politically
20 established or have current—or have different means
21 and financial networks. Candidates who are running
22 to represent the true interests of their districts
23 and who are only able to run grassroots small dollar
24 campaign efforts should be capable of funding
25 competitive campaigns without the pressure of being

2 out-raised and/or out-spent by others running. The
3 increase not only encourages candidates that come
4 from lesser means to run for office, but it also
5 increases the power of low-dollar contributors in
6 which in turn helps voter participation and activism.
7 This bill will also decrease the funding gap and
8 limited access for women and minorities running for
9 office. As we know, there are many difficulties
10 women and minorities have while looking for funding,
11 and it's evident a great push needs to be made to
12 break down these barriers where women and minorities
13 repeatedly encounter closed doors. This isn't part
14 of my testimony, but I wrote it as you were asking
15 questions. I just want to share that I was the small
16 dollar donor leader last major filing with the
17 Campaign Finance Board, and to me, being a
18 participant in this program, having the higher
19 citywide percentage was the goal of running my
20 campaign, and my viability is questioned because I
21 have not raised to my spending limit per se as other
22 people in my race. Again, I just want to say thank
23 you to the Council Members for your leadership and
24 for introducing this bill. I hope this legislation
25 will push the city and Campaign Finance Board to lead

2 the path of women of color like myself to run for
3 office in our city. [background noise, pause]

4 ELVIN GARCIA: [coughs] Thank you,
5 Council Member Kallos again for the invitation, and
6 thank you to my fellow contenders for—for running.
7 We need more Millennials running for office
8 especially in—in dynamic that we find ourselves in
9 being lifelong residents of this community where
10 there is a musical chairs system, a very closed
11 system in the Bronx. I want to start off by saying
12 that I think running for City Council as opposed to
13 on the State side gives folks like us who don't have
14 the sort of privileges of being an established
15 candidate already, the fighting chance to—to compete
16 to—to get the—the minimal financials whether it's a
17 \$100,000 or the full \$182,000 that you need to run a
18 full fledged campaign to get your name out there. I
19 do want to say that the current CFB system that
20 includes the threshold of industry contributions is a
21 good thing. One of the things that I have not heard
22 much of during—throughout the course of this
23 discussion is as a way to increase industry
24 contributions and low dollar contributions to empower
25 low-income residents to maybe increase that minimum

2 threshold of the \$75 to maybe \$175 or more so that
3 candidates are more reflective of the support that
4 they have in their district, and—and whether it's a
5 low-income district or a high-income district, it's—
6 it's—it's something that I think we should consider
7 in-in—in proposing the final version of this bill.
8 Though I do want to say that I take no pleasure in
9 saying that I have four fundraisers lined up between
10 now and May 11th because we do have a competitive
11 race and this State Senator is going to have the full
12 reign and support of the established forces up in the
13 Borough of the Bronx. And so, in order to compete
14 with that, several of ours was to be achieving
15 including raising these funds. Great news about this
16 proposal, and again, thank you Councilman for—for
17 leading the charge to get big money out of—out of
18 politics is not. Right now, as the—as the CF—as the
19 CFB proposal stand, I'm at \$35,000 to close the—the
20 big money gap. Under this new proposal where the
21 maximum—the match percentage goes from 55 to 85 I
22 would only need to raise \$6,000 to get to the \$182
23 max. So from \$35,000 to \$6,000 that is the impact
24 that this bill would have, and I would rather be
25 talking voters 24/7 than having to split my time

2 raising money and talking to voters. The system is
3 what it is, and I'm optimistic and hopeful with
4 leaders like Councilman Kallos pushing this kind of
5 reform that assessed the desperately needed to ensure
6 that you have new voices across all Council
7 districts, but especially in this particular one.

8 Thank you so much.

9 CHAIRPERSON KALLOS: So I'm going to
10 focus a lot of questions on the candidates because
11 you're-you're living through it. So one of my
12 colleagues indicated that if you get \$16,000 that you
13 will get \$100,000. It sounds like both of you have
14 raised \$16,000 in matching contributions so let the
15 record reflect that they are not in. Yes.

16 [laughter] So you have all--according to my
17 colleague, you have all the money you need. Why
18 can't you just run an effective campaign against this
19 sitting senator with half the money that he will have
20 to spend?

21 ELVIN GARCIA: I think it's going to take
22 a lot, not just money, especially as-as first-time
23 candidates on the ballot, and I'll let Amanda speak
24 for herself, but because being a first time candidate
25 you have to get your name out there, and that

2 includes paid canvass, mail, other ways and means to
3 get your name out there. For someone who has decades
4 of--of experience already being on the ballot, and so
5 it's a necessary resource to sort of get your name
6 out with someone who's been on the ballot so-so
7 frequently.

8 AMANDA FRIAS: And I just ant to also
9 note that, and I'm--the same--the same thing. I think
10 it's really about visibility at this point when it
11 comes to running. I know someone that's already
12 politically established, but for someone like me that
13 I only last year I really was asked to run, and then
14 made the decision. I don't have that long-term
15 planning that, you know, some folks may already have
16 of two or three years building up that network or
17 being able to have, you know, the--those checks
18 already lined up to come in. I'm really working in
19 my community. I'm working my networks. So, it's
20 great to be around a "competitive campaign" in
21 quotations with \$100,000 because we reached that max,
22 but being out-spent is really the--the issue at hand.

23 CHAIRPERSON KALLOS: Has anyone--has
24 anyone indicated to you that, has anyone told you
25

2 that unless you reach the full spending limit that
3 you're not a serious or competitive candidate?

4 AMANDA FRIAS: Absolutely. I have been
5 told that the only way—like despite the experience
6 or, you know, relation to the community, money equals
7 viability in—in this race.

8 ELVIN GARCIA: I would—I would just add
9 to that is it's one of three or factors. It's an
10 indicate organization, credibility within whether
11 it's the industry contributions and whether it's your
12 network of—of support within the district, within the
13 borough across the board, the petition process right,
14 is sort of another variable organization. Obviously
15 the performance in the primary and in the general.
16 These are sort of various indicators, but typically
17 they're sort of the—the traditional cycle of a—of a
18 campaign. The—the early money raises some articles
19 have published is sort of that first sort of
20 indicator of organization, credibility and strategy.

21 CHAIRPERSON KALLOS: Has anyone that you
22 solicited a contribution from in the district refused
23 to give it to you because they were afraid of the
24 incumbent?

2 ELVIN GARCIA: Yes. I had a longstanding
3 community leader from Public Housing and Development
4 whose seen me mature through my time as an intern in
5 the State Assembly in 2011 to where I am now who—she
6 is part of the established county machine would get
7 in trouble if she were to donate the \$10 minimum, and
8 so this is someone who has said she would prefer the
9 incumbent to stay in his current role or to retire
10 because someone like myself that she's—that she's
11 know for so many years instead the elective community
12 has the opportunity to be a decent candidate in that—
13 in that.

14 AMANDA FRIAS: Yeah, I would say the
15 same. I've had plenty of people more scared or
16 deterred from getting negative pushback from the
17 community.

18 CHAIRPERSON KALLOS: I'll assert just in
19 my own race when people were on my host committee
20 they were threatened for being on my host committees,
21 and were pushed off, and requested refunds. So I
22 couldn't count them for in the district. So, I—I,
23 you know, amongst the peer group of other folks who
24 are running is this something that you've heard from

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2 other candidates like yourselves who are running
3 against an incumbent from the Senate or Assembly?

4 AMANDA FRIAS: I think overall money is
5 definitely something we all speak about, and I
6 wouldn't be able to speak about it on behalf of like
7 whether or not people are getting pushback.

8 CHAIRPERSON KALLOS: And—and so, Amanda,
9 how much money have you raised for office?

10 AMANDA FRIAS: Sure. So I've raised over
11 \$20,000.

12 CHAIRPERSON KALLOS: And what is the
13 average contribution or what's—what are those?

14 AMANDA FRIAS: I think the average
15 contribution is around \$70.

16 CHAIRPERSON KALLOS: And so that's
17 \$20,000 that some of the folks have said well, if
18 you're only raising \$20,000 they're giving \$100,000
19 and you might not be credible. You might be running
20 for name recognition. You're—you may not be
21 interested in-in beating your opponents. Is any of
22 that accurate? Does that pertain to you?

23 AMANDA FRIAS: Yeah. Folks have
24 definitely pushed back in-in discussing my viability,
25 and whether or not have a chance to run with the

2 \$100,000 of matching. A little bit different in
3 discussing whether or not I'm just doing it for like
4 notoriety or-or name recognition. People have
5 actually proposed to hold back now, and-and use what
6 I've done so far to wait for later, but yeah.

7 CHAIRPERSON KALLOS: And-and so, do you
8 want to beat Ruben Diaz, Senior?

9 AMANDA FRIAS: Absolutely. [laughter]

10 CHAIRPERSON KALLOS: Okay, and so Elvin-
11 and Elvin, how much money have you raised?

12 ELVIN GARCIA: I raised a little over
13 \$46,000.

14 CHAIRPERSON KALLOS: And that you're
15 still pretty far from filling out-from maxing out.
16 Are-do you believe that you're a-a credible
17 candidate?

18 ELVIN GARCIA: I believe so. I mean just
19 based on the endorsements of your colleague, Council
20 Member Dromm, and Assemblyman O'Donnell, and some of
21 the other grassroots organizations, and especially
22 folks in the district. I think speak volumes.

23 CHAIRPERSON KALLOS: Are-are you running
24 to beat Senator Ruben Diaz, Senior?

2 ELVIN GARCIA: The great thing about this
3 race and, you know, I'm pushing my candidacy is that
4 I'm not just running against someone, but I'm also--
5 I'm running for my community, and to usher in new--new
6 leadership. So in short, yes, but on my research of
7 folks who ran against this man and his high
8 negatives, in the past they get too--too stuck on
9 that. It's important they're doing this in 2016 and
10 to run for something not just against someone, and
11 the good news is I'm having house parties in--in the
12 district [ringing phone] as a--as a great ways and
13 means to--to get the industry contributions. The
14 voters are logged on, and they realize the musical
15 chairs, and they do welcome new leadership, and they
16 do see me as a critical candidate.

17 CHAIRPERSON KALLOS: Are--are there any--
18 can you tell--tell me a little bit about your--your
19 identity, your--your--

20 ELVIN GARCIA: Sure.

21 CHAIRPERSON KALLOS: --your immigration,
22 and any other things you wish to share.

23 ELVIN GARCIA: Sure, sure. I'm a first
24 generation Dominican-American, English as a second
25 language learner candidate. I grew up in this

2 community. My mom is from the Dominican Republic,
3 two other sisters, one of which started helping
4 paying the bills at the Burger King in the Port
5 Chester. So when I speak to the grassroots workers,
6 and activists, it's something that—that is very, very
7 near and dear coming from over—over a working class
8 community, I'm also a gay candidate. You know,
9 proud—proud of it. In the Bronx, you know, we—we
10 need more progressives across the board, but also
11 more LGBT representation as—as well as more women
12 running.

13 CHAIRPERSON KALLOS: Do you find that
14 based on where your identity is coming that you face
15 any challenges in terms of fundraising either real or
16 perceived and the same question for--

17 ELVIN GARCIA: I think I would have
18 already been wrapped up with fundraising if Senator
19 Diaz wasn't running, quite frankly. There—there have
20 been a lot of potential allies, potential donors,
21 supporters or whatever you want to call it that have
22 been blocked, that have been swayed from—from—from
23 not supporting myself as an insurgent, so to speak.
24 The LGBT community is—is fired up, and they are
25 grassroots, you know, rent stabilized middle-class

2 folks who—who—who are giving—are chipping in small
3 dollar donations and being very supportive of my
4 campaign, and again, this is Dominican-American.
5 They—the Bronx is—has the highest percentage of
6 resident of Dominicans. Upper Manhattan has the
7 highest percentage of voters, but we are under-
8 represented in the Bronx in terms of having Dominican
9 elected officials. So that's also a variable that is
10 part of the narrative.

11 CHAIRPERSON KALLOS: Amanda, do you face
12 any similar challenges whether or perceived relating
13 to your identity?

14 AMANDA FRIAS: Well, I come from a
15 similar background. I'm Puerto Rican and Dominican,
16 and we are definitely underrepresented. I am
17 Dominican half of me. [laughs] But I definitely
18 think coming from the women's perspective where right
19 now we are nationally, and even in the city rallying
20 to get more women in office. There's lots of groups
21 and organizations that want to train all of us, and
22 want to train everyone to get ready, but then there
23 is no second step. So for me, when it comes to
24 fundraising or representing, you know, half of the
25 population throughout the city, getting those

2 contributions or small dollar contributions from
3 women is important and has been viable to my
4 candidacy, but from an organizational standpoint or a
5 group related standpoint, and it's a little more
6 difficult because everyone is like on that non-profit
7 part of the sector trying to organize the women
8 investors fundraising for the women so—

9 CHAIRPERSON KALLOS: So thank you. I
10 have other questions for the other panelists. I just
11 wanted to make one—one item to—a couple of items very
12 clear. So as—as a government official, I'm not
13 endorsing any specific candidates. I am not
14 endorsing for or against. I—I will say that as a
15 government official, I disagree with Senator Diaz
16 Senior's position on that quality, manager quality,
17 and on choice, and that is part of the reason I hold
18 him up as an example. But in my official government
19 capacity the purpose of having two candidates here
20 and actually a third and hopefully a fourth, is
21 trying to get a—a representative sampling, and we do
22 have CFB here, and I hope they are hearing some of
23 the challenges and the very real challenges of
24 candidates who aren't just me with regards to the big
25 money gap, but this is not an endorsement. This—it

2 can be a little bit confusing given that we are
3 talking about the electoral process with people who
4 are engaged in it at a government hearing, but that
5 is literally what the Campaign Finance Board does.
6 With regards to-to New York Communities for Change,
7 and the Historic Districts Council, I think both of
8 you have indicated that your—if you can just—how—how
9 can concerned are you with the influence of real
10 estate? I guess the first question is: What power
11 does the city really even have over real estate? If
12 you can help that—those who may be watching on line
13 or at home, lets— So-so, real estate gives money.
14 What are they going to get back for it? What is—what
15 in—in the quote Donald Trump was giving what kind of
16 things? I think you gave some illustrations of some
17 places where you may have questions, but what—what do
18 believe real estate may be getting back for this
19 money? What concerns do you have for that? [pause]

20 SKIP ROSEBORO: Well, one of the current
21 things is the example of what has been going on for
22 many years. [coughs] I mentioned the Bedford Union
23 Armory [coughs] and this was a gift to File Hatch
24 (sic) community supposedly from the Governor, and the
25 way that has been set up is the—I can't think of the

2 term for it, but the new moniker a name, but the
3 process just run for it. Now, the plan is that there
4 will be mostly luxury housing. The affordable
5 housing means you have to make close \$50,000 and
6 that's only about 18 our 340 or so apartments, and
7 the argument that we're having is that first of all,
8 this is not the Mayor's property to give away to a
9 developer, and so not only is the [coughs] part of
10 the land is being given away, but there's also tax
11 incentives and money that's going to be given towards
12 this project. So, people who are not involved at all
13 are going to help fund—fund this in some ways, and at
14 the end of the day, with everything that's offered in
15 this project, which is only two basically small
16 incentives I won't go into, they go away. Those two
17 incentives go away within a few years. So at the end
18 of this, there's no long-term benefit to this—to the
19 area, and it will gentrify the area more quickly than
20 it's already been gentrified.

21 CHAIRPERSON KALLOS: And so, to be clear,
22 a real estate developer is actually going to be
23 getting city property under the city.

24 SKIP ROSEBORO: Right.

25 CHAIRPERSON KALLOS: So-so--

2 SKIP ROSEBORO: [interposing] Free
3 property and tax rights, money as an incentive as
4 well.

5 CHAIRPERSON KALLOS: So-so what you're---
6 you're-just-just to be clear, real estate can
7 actually get land from the city of New York. A real
8 estate developer can actually-and-and do you know if
9 that real estate developer is actually giving
10 contributions to the city, or--?

11 SKIP ROSEBORO: I don't know personally,
12 but I know he has a-a horrible track record of
13 projects with the city for many, many years where the
14 city has come up short in the thing as well. One of
15 the things that we're suggesting is that why can't
16 this be a land trust where community actually
17 controls this besides how-what the rents will be and--
18 and-and it would not be that most of them would be
19 luxury apartments and so on, and they can control
20 this into perpetuity.

21 CHAIRPERSON KALLOS: Well, for argument's
22 sake, why can't the community just give checks of
23 \$4,900? Why can't community members [laughter] give
24 checks of \$4,000?

2 SKIP ROSEBORO: Because they don't have
3 that type of money. [laughs]

4 CHAIRPERSON KALLOS: If—if we match the
5 community's—if we matched every small dollar from the
6 community, do you think the community's voices would
7 outweigh those checks of \$2,750 or \$4,950?

8 SKIP ROSEBORO: I don't know if we'd
9 necessarily outweigh it, but I've—I've—it moves us
10 closer to where we need to be, and if we allow the
11 community to control this—to control, you know,
12 control this particular project, I think it would be
13 a great starting point for this to be an example
14 throughout the city. I don't think that you should
15 have public lands in a particular community that are
16 taken away from that community only to benefit big
17 developers, and the community winds up actually with
18 nothing at the end of the year.

19 CHAIRPERSON KALLOS: Thank you.

20 TONY SCHLEY: Yeah, so for the benefit of
21 the people watching at home, you know, the city of
22 New York has a tremendous amount of influence over
23 land use decisions, and so people make contributions
24 in order to contribute to that influence. I would
25 make a point about the history of New York City. We

2 had a Board of Estimate for a time, and this was
3 struck down by the Supreme Court because it violated
4 the principle of one person one vote, and a similar
5 analogy could be applied to the situation now where
6 if you're giving a tremendous amount of money to
7 individual candidates, and you have an inordinate
8 amount of access and influence, you outweigh the
9 little guy, the people in our communities who also
10 have an equal amount of the say by virtue of their
11 very humanity. So it's sort of a higher level point,
12 but for the benefit of the people at home, people
13 need to know this. They need to know what's going
14 on. When you write a check, you're buying access to
15 a room. You're buying the ability to say to
16 somebody, hey this is a great idea, not necessarily
17 because it's in the public interest, the community's
18 interest, but it's in your interest. I think, you
19 know, without mentioning any names, I think there
20 were a number of bills that—that were very—very
21 dangerous to—to our preservation community in New
22 York City recently, and they didn't just come because
23 it was a great idea, and I think I'll it at that.

24 CHAIRPERSON KALLOS: Citizens Action has
25 been a leader of fair elections for—for New York

2 State. We welcome you here in the city. Why are—why
3 does the campaign finance matter—public campaign
4 finance matter so much to Citizen Action?

5 TONY SCHLEY: We're a grassroots
6 organization and we promote legislation that benefits
7 the citizens of the state, and we found ourselves
8 blocked in many instances at the state level through—
9 by legislators that are—whose campaigns are paid for
10 by many time a real estate interest. In the city we
11 have members who would like to get more involved in
12 the political process for whom finances are problem.
13 It wasn't part of my statement, and I don't have any
14 direct experience, but over the years we've worked
15 for many people who have faced this challenge, and
16 this type of legislation will open the doors to more
17 involvement of the people that you see to my right
18 that will help transform the city, and keep it a
19 vibrant place.

20 CHAIRPERSON KALLOS: Thank you very much
21 for this panel. Thank you for answering questions so
22 very honestly about how real estate works in the
23 city, and also asking some very deep and personal
24 questions about identity and challenges of running
25 for office, and thank you for your testimony and for

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2 spending so much of your time with us today. We have
3 more panels coming. We have Pamela Vandermullen.
4 from New York Democratic Lawyers Council. We have
5 John Fox from Friends of the Earth, Benjamin Singer
6 from May Day America and we have Karen Barband (sp?)
7 representing herself. Thank you, and-and we have one
8 more panel coming. [pause] [door closes]

9 CHAIRPERSON KALLOS: Feel free to start
10 whenever you wish. Thank you very much for-for
11 staying with us with this long. I hope you had a
12 chance to have some pizza. [pause]

13 PAMELA VANDERMEULEN: [off mic] I'm
14 Pamela Vander Mullen

15 CHAIRPERSON KALLOS: Your mic needs to be
16 on. [background comments]

17 PAMELA VANDERMEULEN: Is it on now?

18 CHAIRPERSON KALLOS: Yes.

19 PAMELA VANDERMEULEN: Yes. Okay. Good
20 afternoon, again. My name is Pamela Vandermeulen. I
21 am a resident of the Upper East Side of Manhattan,
22 and a member of the New York Democratic Lawyers
23 Counsel, which strongly supports Council Member
24 Kallos' proposed bill Introduction 1130-A to reform
25 New York City Campaign Finance Law. The New York

2 Democratic Lawyers Council is a coalition of lawyers
3 and voting rights advocates dedicated to fostering
4 universal participation and trust in the electoral
5 process. They seek to ensure that all eligible
6 persons can register to vote easily, that all
7 registered voters are able to vote conveniently,
8 fairly without intimidation, and that all votes are
9 counted accurately by open and reliable voting
10 systems. We cannot emphasize enough the importance
11 of getting big money out of New York City politics
12 and encouraging small money donors and donations.
13 1130-A's mission to match every single dollar and
14 increase the New York City Public Matching Grant from
15 its current 55% partial match to a full public
16 matching grant is essential to ensure greater
17 diversity in our elected officials. Greater
18 diversity in terms of gender, race, ethnicity and
19 financial status. Council Member Kallos' bill would
20 also increase the required number of small donors to
21 a minimum of 50% for candidates for candidates to
22 receive a full matching grant thereby encouraging
23 bigger money candidates to seek a broader base of
24 support. Introduction 1130-A would clearly
25 incentivize and enable many more individuals to run

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2 for office regardless of financial means, and
3 encourage broader participation of voters and
4 community members. This represents an important step
5 to safeguard and improve our democracy. The New York
6 Democratic Lawyers Council strongly urges passage of
7 Intro 1130-A. Thank you very much.

8 BENJAMIN SINGER: Thanks so much. Hi,
9 I'm Benjamin Singer. I'm here representing a
10 national grassroots cross-partisan reform
11 organization called May Day America where I recently
12 served as National Campaign Director dedicated to
13 electing campaign finance reformers to office at
14 every level of government across America. Our past
15 CEOs include Zephyr Teachout and Harvard Law's Lauren
16 Sausage. Thank you to some members of this committee
17 for graciously appearing in one of our videos, which
18 lifted up New York City's Small Donor Match Program
19 as a national model. What we didn't put in that
20 video is that even here we need improvement. We
21 thank the Campaign Finance Board for administering
22 the wonderful system and adapting it order to meet
23 changing political realities. I think we all know
24 that political reality demands that we adapt yet
25 again. So we support Bill 1130-A as a step forward

2 to make New York City's system work for all New
3 Yorkers. To speak to the importance of passing this
4 bill, I want to tell what is quite literally a tale
5 of two cities. I used to live in Chicago. Chicago
6 politics are dominated as New York City's once were
7 by big money donations. The wealthy and powerful
8 call the shots, and the results have been cut to
9 schools, anti-violence programs, affordable housing
10 and mental health services. As we all know, the
11 results has been a huge increase in crime and
12 violence in Chicago as the people have very little
13 say in making sure the city works for all its
14 residents. I say this as a reminder of how critical
15 this bill is to the lives of New York City residents.
16 We have seen trends in New York for better policy
17 that saves lives, but I'm sure we all agree that we
18 can do even better. Since we're bringing up religion
19 in this hearing, I'm a person of faith and the Bible
20 specifically in the Book of Torah, called Vieka or
21 Leviticus, it says do not pervert justice. Do not
22 show partiality to the poor or favoritism to the
23 great, but judge your neighbor fairly. And in our
24 nation's secular documents, James Madison and our
25 founders wrote that we should have a government

2 dependent on the people alone, not the rich more than
3 the poor. So I think we can all agree that in a
4 system like this that is intended to decrease the
5 influence of big money in our politics is broken. If
6 it has a loophole that incentivizes candidates to
7 raise checks of nearly \$5,000 for the wealthy. If we
8 want to adhere to our personal faith and to our
9 nation's ideals of a government that does not
10 represent the rich more than the poor, then we must
11 fix this loophole as soon as possible. Now, New York
12 City residents are lucky to at least be on the right
13 path. We think Chairperson Ben Kallos and other co-
14 sponsors for your leadership on this. Every American
15 should be so lucky to have public servants fighting
16 this hard on this issue. I worked on a campaign to
17 get the small donor match system onto the Chicago
18 ballot and 79% of voters—79% voted yes on the
19 advisory question. A bill has been introduced that
20 would create that system for Chicago. A New York
21 system has the potential to unleash tremendous
22 innovation and connectivity among New Yorkers. We're
23 organizing and collaboration can help New Yorkers
24 lead their own city. A software engineer and I are
25 working on a tech solution so candidates can more

2 easily obtain the confirmation documentation from
3 their supporters so that they can obtain those
4 matching funds. We're also working on a tech
5 solution where candidate supporters can automatically
6 donate any time a big money opponent takes a big
7 check or Tweets. These will make it easier for more
8 everyday New Yorkers to run a grassroots campaign
9 raising small donations, and get them matched so that
10 they can take on big money opponents and big money
11 interests. However, until and unless we fix this big
12 money gap, New Yorkers will not be able to easily
13 match the influence of the wealthy and powerful, and
14 ensure that New York City works for everyone. And as
15 we can see from Chicago, our lives depend on it.

16 Thank you.

17 JOHN FOX: Hello. Hi, my name is John
18 Fox. I'm the Senior Democracy Campaigner for Friends
19 of the Earth, and I'm also a resident of Queen, and
20 you may be wondering why Friends of the Earth, which
21 is a leading national environmental advocacy group is
22 doing here. I know I didn't walk into the wrong room
23 to talk about Indian Point. (sic) The reason we are
24 here is, and the reason I'm here is our entire work
25 is based on the assumption that our political system

2 is responsive to the quality (sic) to the people who
3 are part of that political system, and unfortunately
4 that's just not true. Most Americans today agree
5 that big money is having too influence in our
6 political system, and one of the key solutions to
7 that is really through public campaign finance. We
8 support and I've personally worked on campaigns
9 expanding and instituting public campaign programs
10 across the United States literally from Maine to
11 California, and I always look back and give New York
12 as an example. Over the nearly three decades that
13 we've had this system here in New York we've seen it
14 work and do what it was designed to do, which is
15 increase diversity in representation. But also—and
16 while also increasing accountability. I think it was
17 mentioned earlier it's a good system, but everything
18 can improve, and there is no need to—and maybe some
19 people in the Supreme Court will disagree with us
20 that what worked 30 years ago isn't working today any
21 more. And, you know, I can say my family has been in
22 the—I'm a sixth generation New Yorker, and only
23 recently were we able to really engage in public
24 service. That is not an option that is available to
25 many Americans when right now the situation is you

2 have these money barriers. And so, one of the great
3 things Public Campaign Finance Program that has been
4 mentioned, it increase the diversity and
5 representation of our elected officials. And only if
6 we have elected officials that actually come from the
7 communities and represent their communities, do we
8 have any hope of passing laws and regulations and
9 processes that those community members are interested
10 in. In the current situation the donor class both
11 here in New York, but across the United States has
12 been majority white and male, and has the political
13 representation as majority, white and male. And we
14 see that the policies that are enacted and pursued
15 benefit mostly—surprise, surprise—you know, the Koch
16 brothers of the world, the Sheldon Adelsons of the
17 world and I think the entire country is now realizing
18 the down side of giving real estate moguls too much
19 influence over our public policy. So that's why we
20 encourage this bill, and the great work of Council
21 Member Kallos on this, and to expand the public—
22 Public Campaign Finance Program here in New York from
23 the arbitrary 55% to the full 100% to ensure that our
24 political representation here in the city of New York
25 at least is as diverse as the city, and accountable

2 to the thousands of people that live in their county,
3 or district, and not just a handful of mega-rich
4 special interest donors. This will make them more
5 accountable, and pursue the policies that we all want
6 to see protecting our health, and our communities.
7 And so while obviously throughout this process many
8 changes will probably be made, we do want to
9 encourage that you stick to the working towards a
10 fully funded Public Campaign Finance Program. How we
11 get there, that's what this process is all about, and
12 I—and I'm very pleased to see the time and effort
13 gone into including public input. So, thank you very
14 much. [background comments, pause]

15 KAREN BARBANELL: Yeah, so that's on.

16 Hi. I'm Karen Barbanell. Susan Lerner at Common
17 Cause introduced me to this process, but I'm
18 fundamentally here as just a regular voter. I'm
19 keenly aware that any place else in the country I'd
20 be wealthy, and here I'm middle-class. Imagine
21 you're going to the Macy's Thanksgiving Day Parade.
22 Imagine you are a tiny person, and by the time you
23 get there, there are three rows of people ahead of
24 you. You can't see. So you can see the big bar
25 stuff, but all the action that's happening on the

2 ground, the clowns, the fun stuff, the interactions,
3 you're out of the game. You're not seeing it. You
4 can climb up on a ladder. You can stand on
5 something, there's no way in, and that's how it is
6 for voters. We have no way in because the big money
7 has the voice. If I give a paltry sum that has been
8 matched and my neighbor does and my other neighbor
9 does, it doesn't matter because we're already out-
10 funded, and money is what talks. Money is power. So
11 all of-as Mr. Pearl said, all of the other
12 realistically 8 million, 355 thousand people or so of
13 New York City are disenfranchised. Because if we
14 can't choose the people who are actually running for
15 office, by the time we vote, number one we've already
16 lost a bunch of candidates. Number two, we don't
17 care, and I think that this disempowerment shows in
18 the numbers of people who don't vote. People just
19 don't feel it's useful. The biggest argument I ever
20 had with my oldest child was when he said to me my
21 vote was pointless, and I am going to organize
22 community service rather than vote because community
23 service counts and voting doesn't. This-and this was
24 literally the biggest fight I've ever had with this
25 kid, and he is 37 years old. So, I think that that

2 says how much I care about it. In terms of record
3 keeping, here's the deal: I don't know if any of you
4 know about rebuilding. So, when you build and you
5 want to get those credits, those great government
6 credits, for building a sustainable building, you
7 have to be accountable. Literally, you have to
8 account for every can of caulk, for nails, for every
9 little tiny thing that goes into that building,
10 everyone of them regardless of how big it is. So, if
11 you can have day laborers who barely scraped through
12 high school and they can keep track of that stuff,
13 especially with the great tech coming on, you can't
14 tell me that somebody who is competent to run for
15 office can't hire a staff that can do this. And if
16 they can't hire a staff to do this, and they can't
17 meet the match because it's too easy to take big
18 money, then how are they really going to take care of
19 the people for whom they're suppose to be working?
20 So that's it. Thank you so for doing this.

21 CHAIRPERSON KALLOS: Thank you to Common
22 Cause for inviting you, and thank you for being here
23 as just a New York City resident. Your analogy is
24 absolutely beautiful and [pause] I-I-I-I feel bad
25 because I may agree a little bit with your son based

2 on the current situation because when people come to
3 me and say how can I get involved, actually I usually
4 direct them to get involved in your local civic or
5 block or neighborhood association because I'm an
6 idealist, but I'm really cynical. [laughter] And so,
7 I guess you—you mentioned not feeling like you're—
8 you're small dollar contribution mattered especially
9 when have to compete against the big dollars. Do you
10 think that in a system where elected officials could
11 go all the way with \$175 contributions that your
12 contribution—your voice would have as loud a voice as
13 others?

14 KAREN BARBANELL: Yes, and I think that's
15 the thing. We all give to PTAs. We give to our
16 houses of worship. We give because we feel that we
17 fundamentally make difference, and we improve it, and
18 we help it, and I can't imagine people will be
19 different on that. You know, we are who we are as a
20 community.

21 CHAIRPERSON KALLOS: So, for—for the City
22 Council races right now the max says \$2,750, and so
23 you need to get 95 people to give you \$175, and then
24 after that you just need 24 people to give \$2,750,
25 and if they're married or have--

2 KAREN BARBANELL: [interposing] Right.

3 CHAIRPERSON KALLOS: --adult children,
4 you just need to one or two families. So, who--do
5 you feel that those who can give the 27--those 24
6 people have a louder voice than the 95 that gave
7 \$175?

8 KAREN BARBANELL: Well, yeah, yeah, yeah
9 absolutely. Of course.

10 CHAIRPERSON KALLOS: Now, if this
11 legislation--

12 KAREN BARBANELL: [interposing] And-and
13 something else I want to say on that. Because that
14 voice is heard, that louder voice is heard, you get
15 fewer of the softer voices because they don't want to
16 bother. They want to put their money where it's
17 going to count. So you're not even going to get to
18 the 55% as easily or the other the 45% is out there.

19 CHAIRPERSON KALLOS: Now, under this
20 policy, if you got 149 people who gave you \$175, we'd
21 be done if you are one of those of those 149.
22 Doesn't that feel like that's a lot? That's 148
23 other people at the Macy's Day Parade.

24 KAREN BARBANELL: Right, so what you--what
25 you have is a broader spectrum of viewers, and you

2 have more voices who can speak to the lives that
3 those voices afford.

4 CHAIRPERSON KALLOS: Okay, and in terms
5 of—for—for May Day why does it matter to have—why do
6 you want to elect people who care about campaign
7 finance reform? Nobody should care about Campaign
8 Finance Board. It's really nerdy and wonky. I've
9 been reading—reading the Tweets today about how
10 [laughter] the nerdiest hearing ever. This is really
11 wonky. Who cares about campaign finance? Why does
12 this—why does campaign finance matter? Why is that
13 your top issue?

14 BENJAMIN SINGER: Well, first of all, we
15 support the principle of one nerd/one vote so, I, you
16 know, nerds a people, too?

17 KAREN BARBANELL: Yes.

18 BENJAMIN SINGER: But, you know, in
19 seriousness, you know, the issues that we all care
20 about, you know, whether it's climate change or it's
21 affordable housing, are all affected by this issue.
22 So we think it's something that everyone really cares
23 about because any issue that any of us care about
24 most emotionally are connected to the Campaign
25 Finance Board. So-so, you know, maybe it's climate

2 change here, but it's campaign finance up here. So,
3 you know, for example, you know, I talked about when
4 I was in Chicago, I worked for the largest provider
5 of homeless services in the State of Illinois. The
6 State of Illinois owed us \$2 million for services we
7 had already done. We were under contract. \$2
8 million. So, the Democrats were in charge of
9 everything in Illinois at the time, and said well the
10 only way we can keep funding human services in
11 Illinois is if we raise the income tax. You know,
12 classic. You know Democrats, right, raise the tax to
13 help the homeless. It's great, but they raise the
14 income tax, and then they still slashed funding to
15 human services, and gave an \$80 million annual tax
16 credit to their campaign contributors at the Stock
17 Exchange, which had just given \$200,000 to a certain
18 candidate for Mayor for the City of Chicago back in
19 2011. So, you know, I—I think we see this kind of
20 thing everyday, and now in New York under, you know,
21 the new higher match system, you know, we see an
22 inclusionary zoning law, right, which is important
23 and a step toward affordable housing. But, you know,
24 as we're all saying we can do better. Imagine if we
25 were able to do that, and paid sick leave, you know,

2 and reforming Stop and Frisk, you know, other things
3 like that under the current system, image what we
4 could do under a system that's even better.

5 CHAIRPERSON KALLOS: And—and so we have
6 Friends of the Earth here. So how—you've—you've
7 already given some great testimony. Does it give you
8 pause if elected officials are taking money from
9 executives at oil companies or fossil fuel companies
10 or fracking companies or nuclear power companies?

11 JOHN FOX: It gives me more than pause.

12 [laughter] I mean it should give us—it should
13 instill deep fear into all of us. Anyone—any human
14 being that has the habit of breathing air or drinking
15 water should be very concerned about this because we
16 see that the policies that elected officials have put
17 in place in the past have tended to benefit the
18 people they are most accountable to, which is
19 alright. Now, the question is who are our
20 politicians accountable to? Someone needs to, you
21 know, support our politicians. Do we want a handful
22 in New York? There's 5,000 people in the United
23 States. It's less than 400 people that are, you
24 know, providing the support politicians need to get
25 elected, and they're accountable to those less than

2 400 people, or do we want them accountable to people
3 like us to everyday Americans who are worried about
4 the environment, who are worried about environmental
5 justice, who are worried about social justice, who
6 are worried about housing, or do we want it to go to
7 a handful of people? And so, that's why we feel that
8 in cities like New York and Los Angeles, and most
9 recently in Berkeley and in Portland where public
10 campaign finance programs are working and have been
11 working, we see that realignment of the interests of
12 lawmakers and policymakers to match up to what people
13 actually care about because they've become
14 accountable to those constituents. Moreover, it also
15 breaks down the barriers for either people of color
16 or immigrants that we heard earlier today, and other
17 minority groups to get into public office to run
18 viable races. Without that, we don't have the
19 representation, and if our political institutions
20 don't represent the people that they're supposed to
21 be representing in a representative system, clearly
22 we have breakdown, and I think that's what people
23 have been seeing happening. And why proposals such
24 as this that would strengthen public campaign finance
25 especially in the-in the major player like the city

2 of New York, which has over 8 million, which is
3 essentially a small country if you think about it.
4 And the fact that it works, and it does such a great
5 job, makes it a lot easier for campaigners like me
6 when we go to other places and say hey, you should be
7 thinking about these, and making it work for you and
8 your population status and your budgets. But, this
9 is a viable program that works, and it could be
10 working much better, and that's why we're encouraging
11 the passing of 1130-A.

12 CHAIRPERSON KALLOS: Thank you very much.

13 So we have a final panel, which is Pascali Tusance,
14 Peter—Peter G. and Kitty—Katherine Wilson—Willison.
15 [background comments] Williston. Thank you and thank
16 you for your patience, and thank you—and—and CFB
17 will—will remain in attendance. I wanted to just
18 take a moment to thank Executive Director of Common
19 Cause Susan Lerner for staying with us for the entire
20 hearing. [background comments] The CFB is excused to
21 pick up heir kids. [laughter] But thank you for
22 staying to hear the testimony, and that it's not just
23 me who feels as I do about the large money and the
24 difficulties running against incumbents from Albany.
25 [pause] Turn—turn on—turn—turn on your mic.

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2 KITTY WILLISTON: Okay.

3 CHAIRPERSON KALLOS: Say it again. She
4 inspires me to--

5 KITTY WILLISTON: She inspires me and she
6 told--

7 CHAIRPERSON KALLOS: [interposing] Well--
8 well, start over with a full sentence.

9 KITTY WILLISTON: Okay, Susan Lerner
10 inspires me, and she said it's going to be a long
11 slog right as we work to repair our representative
12 democracy. I'm Kitty Williston. I'm what Leona
13 Helmsley called-called one of the little people, and
14 I live on the Upper West Side. In the 2013
15 Presidential race, I donated \$75 to candidate Bill de
16 Blasio. That was \$100 short of the \$150 I was
17 allowed to give under the Public Financing, but it
18 was what I could give on my pension. So, John
19 Zuccotti, the real estate developer with the park
20 that bears his name donated \$4,950 to candidate de
21 Blasio. Mr. Zuccotti, as I understand it was
22 allowed to give that much because the—the match has
23 been made through the—as they reach the 55 cap and he
24 could give that much money towards it to make up for
25 the difference towards the cost of the campaign.

2 Fast onto May 18, 2016, I wrote to Mayor de Blasio to
3 urge that prioritize saving a vanishing stock of--of
4 rent regulated apartments. My rent stabilized
5 apartment for the past 43 years has saved me from
6 joining the ranks of the homeless. On July 28, 2016,
7 I received a response to my letter. Here it is. It
8 was nicely printed on City Hall stationery and signed
9 robotically I assume by Mayor de Blasio. It
10 contained that one word about the Mayor's position of
11 plans to protect vital rental-rent regulations. When
12 Mr. Zuvaz--when Mr. Zuccotti had gotten--wrote--would
13 Zuccotti have gotten a--would Mr. Zuccotti have gotten
14 a--a--would have gotten a staff drafted kiss off
15 letter, or would he have gotten a phone call from the
16 Mayor or a highly placed surrogate ready to explain
17 the Mayor's position on rent regulation? I ask you
18 that. I urge you to pass 1130-A to allow for a full
19 match with public for candidates. It's a step toward
20 a better democracy, and more representative democracy
21 and for the little people like me to have half a
22 chance at getting our word in. Thank you. [applause]

23 CHAIRPERSON KALLOS: To you--so--so I
24 guess just the same question to you. So currently,
25 somebody running for mayor whether it's de Blasio or

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2 somebody else, they need to get—in order to reach the
3 full public match, which only one candidate did, they
4 need to get to get 3,650 to give them \$175, and then
5 you need about 500 or so people to give you checks of
6 \$4,950. If this passed tomorrow, the next mayor
7 would need to get 5,689 checks for \$175 or 10,000
8 checks at \$100. Would you feel better about being
9 one in 10,000 versus being the 3,650 versus those
10 500?

11 KITTY WILLISTON: You know, my math is
12 not so good, but I think the more money have to give
13 to the system, the more money you have to give the—
14 the better you got to be heard.

15 CHAIRPERSON KALLOS: So—so do you think
16 you'd be better in a system where everyone was giving
17 small dollars versus some people--

18 KITTY WILLISTON: [interposing] Ab—
19 absolutely, absolutely. You know that way—in fact it
20 should be that you're only allowed to give this.
21 There should be a cap on how much you give. Although
22 Citizens United would probably argue with me on that,
23 though.

24 CHAIRPERSON KALLOS: Well, we can—we can
25 do the cap, but I think a lot of folks have pushed

2 for a lower cap. It's just a question of whether or
3 not I think if that passed, but I guess—and in terms
4 of the rent stabilized housing, do you—are you
5 concerned about money being received by elected
6 officials from the Rent Stabilization Association,
7 and landlords versus tenants?

8 KITTY WILLISTON: I'm concerned because
9 it seems to be they're little worried about rent
10 stabilization and saving the vanishing stock of rent
11 regulated housing. That's hasn't been a priority
12 that the mayor has mentioned as much as he's
13 mentioned developing and—and having the—the lower
14 income housing within development. He's really
15 stressed development of housing, and I think that is
16 because Mr. Zuccotti gets more time—face time with
17 him that I would ever get.

18 CHAIRPERSON KALLOS: And in terms of
19 elected officials, should they be talking to the—the
20 Zuccottis and the—the Patriotic Millionaires of the
21 world, or are they—should they be spending their time
22 talking to 6,000 residents about whatever their
23 concerns are?

24 KITTY WILLISTON: Well, I—I am—I don't
25 live in a fantasy, but I assume that they will meet

2 Mr. Zuccotti at cocktail parties, but I also hope
3 that they would do outreach to communities, and do
4 more—more town hall, which have become dangerous now,
5 but apologies, and do more out—outreach and speaking
6 to ordinary guys like me, and that when I get a
7 letter that I get an honest answer not a kiss off
8 when I know Mr. Zuccotti would have gotten a better
9 explanation of the Mayor's position on rent
10 regulation.

11 CHAIRPERSON KALLOS: I—I will just tell
12 you I—I have not had a chance to meet Zuccotti yet.

13 KITTY WILLISTON: Okay.

14 CHAIRPERSON KALLOS: Fair—fair enough.
15 It's been noted that he—he may have passed, but—
16 [coughs] I—I will say that I don't take money from
17 real estate developers--

18 KITTY WILLISTON: Alright.

19 CHAIRPERSON KALLOS: --and that residents
20 of my district are welcome to meet with me. I do
21 pretty a monthly town hall--

22 KITTY WILLISTON: Uh-huh.

23 CHAIRPERSON KALLOS: -the first Friday of
24 every month. The meeting is at 10:00 a.m. I do
25 policy night. We brainstorming with them where

2 residents come and talk to me about whatever their
3 ideas might be for legislation, and we work together
4 to make it happen. And last but not least, if you
5 get a minion together for those who don't know that's
6 when you gather ten people--

7 KITTY WILLISTON: Oh, I heard about it.

8 CHAIRPERSON KALLOS: --and it--I actually
9 don't--I--I'm not Orthodox about it. So, it can be
10 men, women, or gender non-conforming.

11 KITTY WILLISTON: Okay.

12 CHAIRPERSON KALLOS: I'll show up at your
13 house.

14 KITTY WILLISTON: Okay.

15 CHAIRPERSON KALLOS: But you have to be
16 in my district for now until I--

17 KITTY WILLISTON: Okay.

18 CHAIRPERSON KALLOS: --represent more,
19 but the--the point being that I--I agree with you, and
20 hopefully we can do it, and I hope that we can pass
21 this and get to a place where elected officials
22 choose to take one step--one--contributions of \$175 and
23 less, instead of having to spend time chasing down
24 the Zuccottis of the world, or digging them up as it
25 were.

2 KITTY WILLISTON: Is he dead?

3 CHAIRPERSON KALLOS: He is apparently
4 dead.

5 KITTY WILLISTON: Oh, my goodness. I
6 missed that news story.

7 CHAIRPERSON KALLOS: It-it doesn't stop
8 them from getting it. Don't worry.

9 KITTY WILLISTON: Okay. Well, he got the
10 park, you know, so

11 CHAIRPERSON KALLOS: Thank you so very,
12 very much--

13 KITTY WILLISTON: Okay, thank you

14 CHAIRPERSON KALLOS: --for joining us
15 today--

16 KITTY WILLISTON: [interposing] Okay.

17 CHAIRPERSON KALLOS: --and being a
18 participant in this hearing, and clapping and
19 laughing and joining us.

20 KITTY WILLISTON: Okay. Thank you.

21 CHAIRPERSON KALLOS: I just want to thank
22 everyone who participated. We had a very diverse
23 group of folks for a Good Government hearing. I
24 want to thank our partners in Good Government.
25 Typically, the Good Government groups are the

2 featured panel, and we spread our Good Government
3 colleagues and friends across multiple panels.

4 Overall, it seems like the overall—everyone but—I
5 think everyone seems to be pretty supportive, and
6 there were just some questions about implementation,
7 and we look forward to working with folks towards
8 this and whatever else we can get done before the end
9 of 2017. Thank you for joining us and this committee
10 is hereby adjourned. [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date May 9, 2017