

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON GOVERNMENTAL OPERATIONS

----- X

April 15, 2019
Start: 1:00 p.m.
Recess: 3:00 p.m.

HELD AT: 250 Broadway - Committee Room, 14th
Floor

B E F O R E: Fernando Cabrera
Chairperson

COUNCIL MEMBERS:
Ben Kallos
Alan N. Maisel
Bill Perkins
Keith Powers
Ydanis A. Rodriguez
Kalman Yeger

A P P E A R A N C E S

Ayirini Fonseca-Sabune
Democracy NYC, Mayor's Office

Amy Loprest
Campaign Finance Board

Frederick Schaffer
Campaign Finance Board

Dawn Smalls
Boies Schiller Flexner

Tom Speaker
Reinvent Albany

2 CHAIRPERSON CABRERA: [Gavel] Good afternoon. I
3 am the Chair of the Committee on Governmental
4 Operations. Council Member Fernando Cabrera. We
5 have been joined by Council Members Powers, Yeger and
6 Kallos.

7 Today, we are having a first hearing on
8 Legislation by Council Member Ben Kallos proposed
9 Introduction 732-A of 2018, relating to establishing
10 a full public match campaign finance system.

11 Since 1988, New York City's Campaign Finance Act
12 administered by the Campaign Finance Board has
13 provided candidates who chose to participate in the
14 city's public financing program will funds to help
15 finance their campaigns. In exchange for limits on
16 expenditures and other requirements eligible portions
17 of matchable contributions to participating,
18 candidates are matched at eight for every dollar
19 contributed by a New York City resident. The intent
20 of the public financing programming is to prevent
21 corruption to enhance public confidence in local
22 government by reducing improper influence on big
23 dollar campaign contributions and to increase
24 engagement with local communities by encouraging
25

2 candidates to raise small dollar contributions from
3 average New Yorkers.

4 Data for the CFB's 2017 Post-Election Report,
5 strongly indicates that the public financing program
6 has successfully incentivized reliance on small
7 donation. The vast majority of candidates in 2017
8 cycle participated in the program. 84 percent in the
9 primary and 64 percent in the general and the
10 percentage of contributions under \$175 increased to
11 73 percent, up from 62 percent in 2013.

12 Proposed Introduction 732-A of 2018 will amend a
13 Campaign Finance Act current cap of matching funds
14 available to candidates participating in the public
15 financing programs. Specifically, will allow
16 candidates to receive matching funds in amounts such
17 that a candidate could reach the expenditure limit
18 solely through a combination of matchable
19 contributions and public funds. The current eight-
20 to-one match, this will functionally be a public
21 funds cap of 88.89 percent on the expenditure limit.

22 The new full public funds cap will be available
23 to participating candidates who select the options
24 for new contribution limits and fund-raising
25 thresholds in the 2021 primary and general elections.

2 Participating candidates who do not select this
3 option, will continue to have the existing public
4 funds cap of 55 percent of the expenditure limit
5 applied through 2021. Starting in 2022, the full
6 public match cap will apply to all participating
7 candidates.

8 The bill will make several other amendments. It
9 will increase the number of the dates on which CFB
10 will disperse public funds, will confirm such dates
11 to New York State new June primary date and will
12 require a first payment on December 15th preceding
13 the election year.

14 The bill moves the deadline by which candidates
15 wishing to participate in the public financing
16 program must file a certification with the CFB from
17 the tenth day of June to the 9th Monday preceding the
18 primary election. This will also be the last day by
19 which candidates could resend a prior certification
20 as long as they have not set their public funds.

21 The bill will move to the Administrative Code,
22 provisions added to the Charter by the November 2018,
23 Ballot Proposal Question number one a by Local Law 1
24 of 2019.

2 In addition to increasing the public match to
3 eight-to-one, those provisions lower contribution
4 limits, increase the individual donor amounts
5 citywide candidates can use to qualify for receipt of
6 public funds has the qualifying the threshold dollars
7 amount for special elections to fill a vacancy for
8 citywide offices. The bill will permit participating
9 candidates to use public funds for costs related to
10 defending a challenge to the validity of candidates
11 petition to get on the ballot.

12 The bill will also adjust the contribution limits
13 for Transition and Inauguration Entities to match for
14 the non-participating candidates under the
15 contributions limits to be in effect in 2022.

16 Finally, the bill will also remove portions of
17 the Campaign Finance Act that have expired or being
18 rendered unenforceable.

19 I would like to thank our staff whose work made
20 this hearing possible. Brad Reed, Daniel Collins,
21 Elizabeth Kronk, Emily Forgione, Zach Harris,
22 Charlette Marden as well as my own legislative
23 director Clair Mclovene[SP?].

24 I will now ask the Sponsor of the bill to speak
25 on this legislation, Council Member Kallos.

2 COUNCIL MEMBER KALLOS: Good afternoon. I am
3 Council Member Ben Kallos. I am hoping that folks
4 who are watching at home will participate in this
5 hearing. You can tweet me, Instagram me, Facebook me
6 at benkallos and please use the hash tag BIG MONEY
7 OUT. I want to start by thanking Chair Fernando
8 Cabrera. We have known each other now for five and a
9 half years.

10 When I first started working on this legislation
11 back when I first got elected, he was my co-prime for
12 Introduction 1130 of 2016 and he remains a co-prime
13 of Introduction 732-A, perhaps it was foreshadowing
14 but the truth is that the Chair of this Committee
15 Fernando Cabrera has been a long proponent of
16 anything that can improve the democratic process and
17 open the campaigns to more people and participation
18 by more people. So, I really, really thank you from
19 the bottom of my heart.

20 This legislation now has 33 Council Members
21 sponsoring it and we had a 34th who has since become
22 public advocates who are back down to 33 and I really
23 appreciate the fact that the Council has honored the
24 34 members triggers a hearing rule.

2 Incidentally last term, we had more than 34
3 sponsors. We were able to force a hearing and
4 despite having a super, a veto proof majority and a
5 chairman who was interested in voting it out of
6 Committee, somehow, we did not have the support to
7 vote the legislation out of Committee. I want to
8 thank the Chair who has gone into a lot of the
9 details of this but there are folks are in this room
10 who can likely testify to the fact that this has been
11 something I have been looking to do going back to at
12 least ten years to at least 2008. And my concern has
13 always just been that there is a lot of big money in
14 politics and my feeling was that all too often, you
15 look at government and feel like its not doing what
16 you want it to.

17 And when that happens, you will often look to
18 things that might be having a corrupting influence
19 and when I say corrupting, that's small c corruption
20 in the sense that Professor Lawrence Lesley would
21 apply. It is not doing exactly what it should.

22 The rules aren't really being followed the way
23 you thought, and no small part elected officials
24 running for citywide office can take contributions of
25 \$5,100. And regardless of whether you are getting a

2 fair shake when you see an elected official who is
3 taking \$5,100 with somebody you disagree with and you
4 cannot afford \$5,100, it feels inequitable.

5 It creates at best an appearance of propriety and
6 if you read the New York Post, I want to thank the
7 New York Post political and Gotham Gazette, but
8 Gotham Gazette in particular for being here today.
9 But if you've been reading the New York Post, they
10 have been asking questions about real estate deals
11 where the developers have been getting paid \$30
12 million more than the appraised value and when you
13 see campaign contributions along with that, that can
14 raise a lot of questions.

15 So, Campaign Finance, a lot of folks would say
16 that it's not the most interesting issue, but I would
17 actually disagree with them. And I think that 1.1
18 million New Yorkers would agree with me as well. To
19 put that into reference, that is more people who
20 voted in favor of campaign finance reform in
21 November, then voted for all candidates for Mayor in
22 2017. So, it is a big issue and we have to get it
23 done that way because we couldn't get it through the
24 Council at the time or at least that Council.

2 I am so grateful to be a part of this Council
3 with our Speaker Cory Johnson during the speakers
4 race. He said he supported this legislation and he
5 has put his money where his mouth is, in that, he is
6 continuing to support it and that's a big deal.

7 Following the great turn out, we applied this,
8 what was on the ballot, not even this which is a
9 little bit more aggressive as Local Law 1 of 2019,
10 which I had the privilege of authoring and the
11 results are in, Campaign Finance worked. We have
12 flipped how elections are financed upside down.

13 An analysis that was published in Gotham Gazette
14 showed that these changes resulted in an election
15 powered by small contributions for citywide office
16 the first time ever and as of the last and final
17 filing in March, 61 percent of the contributions were
18 small dollars. Nearly more than doubling the 26
19 percent of small dollars in 2013.

20 Now, Introduction 732 would just go a little bit
21 further. So, we're at 75 percent and that means
22 about 75 percent of the small dollars get matched,
23 but at a certain point, it stops getting matched and
24 when that happens, if you are running for citywide,
25 that's a \$1.8 million that won't be matched and that

2 is quite a lot of money under this system. It would
3 change that to about \$800,000. The previous match
4 was 55 percent. The current match under option B is
5 75 percent. This sets a ratio between the eight-to-
6 one.

7 So, at the eight-to-one match it actually changes
8 it to an 88.88 repeating, which we will call it 89
9 percent. This will apply the available until 2021 as
10 an option when it will become an option in 2022. The
11 Chair went into a lot of the summary, but it will
12 also quotify what was in the Charter. Because right
13 now if you read the Charter, it says one thing on the
14 Administrative Code it says another.

15 While the Charter is free to overrule the
16 Administrative Code, it is best for it to be together
17 and I will just say that I have always wanted to get
18 to rewrite the Campaign Finance system and get to run
19 under that system, which I intend to do. I think
20 this is a game changer. We have already seen the
21 changes.

22 In 2013, I refused real estate money. I have
23 never taken corporate money. I have refused
24 Corporate Pac money and when I did it, it was weird.
25 No one else was doing it, I got mocked for it openly

2 and I know behind my back as folks have told me and
3 now it's kind of the thing to do and I think it's the
4 thing to do because it's being empowered by a
5 Campaign Finance system that works.

6 I want to do a couple of thank you' s. The
7 biggest thank you to Robert Newman, Brad Reed who is
8 not the head of the Infrastructure Division and no
9 longer really gets to work with the Governmental
10 Operations Committee; Elizabeth Kronk our Committee
11 Analyst; Zach Harris who we will miss; and this will
12 be his last hearing.

13 ZACH HARRIS: Wednesday will be my last day.

14 COUNCIL MEMBER KALLOS: This will be his second
15 to last hearing; and Daniel Collins; and then I also
16 want to thank because of how long we have been
17 working on it, Matt Guob[SP?] who worked on this
18 legislation. The Council worked on this as the
19 Executive Director of the Mayor's Charter Revision
20 Commission and David Sitzer who worked on this as the
21 first Committee Council on this Committee, who is not
22 working on the Council's Charter Revision Commission.
23 I am sorry for such a long statement. It is just
24 something I have been working on for a decade of my
25 life and I hope we can get it done. Thank you.

2 CHAIRPERSON CABRERA: Thank you so much Council
3 Member Kallos and we are proud of you. We are proud
4 of this work. I have to tell you, I was going to
5 call it a side note, but it's an important note.

6 In districts like myself, which I represent,
7 which is very, very difficult to raise money, funds
8 for campaigns. This is a game changer that puts
9 everyone in an equal floor, and this is going to
10 incentivize people to run for office. We want to see
11 more people running. And you got a head of me with
12 Zach Harris, but I will wait until the very last one
13 for the big thunder.

14 So, with that, lets get started here. We are
15 going to ask Ayirini Fonseca-Sabune, Democracy NYC,
16 Mayor's Office.

17 AYIRINI FONSECA-SABUNE: Good afternoon.

18 CHAIRPERSON CABRERA: Welcome.

19 AYIRINI FONSECA-SABUNE: Good afternoon.

20 CLERK: And I will just need to swear you in.

21 AYIRINI FONSECA-SABUNE: Oh, yeah.

22 CLERK: Do you affirm to tell the truth, the
23 whole truth and nothing but the truth before this
24 Committee and to respond honestly to Council Member
25 questions?

2 AYIRINI FONSECA-SABUNE: I do.

3 CLERK: And if you can just introduce yourself.

4 AYIRINI FONSECA-SABUNE: Good afternoon Chair
5 Cabrera and Council Members. The Committee on
6 Government Operations.

7 My name is Ayirini Fonseca-Sabune, I am the Chief
8 Democracy Officer for the City of New York. First,
9 I'd like to thank you for holding this hearing and
10 for the opportunity to testify before you today. I'd
11 like to give you a brief overview of DemocracyNYC and
12 then discuss our view on public financing.

13 The DemocracyNYC initiative is aimed at
14 increasing voter registration, voter participation,
15 and civic engagement in New York City. It was first
16 announced in 2018 by Mayor de Blasio as part of a
17 robust ten-point plan to make it easier to
18 participate in elections in New York City.

19 In fact, the first point of that plan was taking
20 big money out of politics, underscoring the
21 importance of this issue for the administration.

22 Another initiative of our program is engaging
23 young people in voting and last week, working with
24 partners across government and nonprofit sectors, we
25 coordinated a Student Voter Registration Drive

2 including hundreds of schools all around New York
3 City.

4 Since I began in the role of Chief Democracy
5 Officer, I have heard from New Yorkers from every
6 walk of life. New Yorkers young and old, rich and
7 poor, high schools, community centers, faith
8 communities. Through these conversations, I've
9 learned a great deal about how the public feels about
10 our democratic process and what I've learned has been
11 concerning. Many people are cynical, many don't
12 believe elections are fair, and some believe that
13 they are not valued by elected officials as much as
14 those who can make large contributions.

15 DemocracyNYC was founded by the Mayor with a
16 guiding principal of increasing public engagement in
17 the democratic process. In order to accomplish this
18 goal, we must first build trust between the people of
19 New York City and our electoral system. Establishing
20 this trust begins with rooting out corruption and
21 even the appearance of corruption by getting big
22 money out of politics.

23 As I mentioned earlier, this issue is so critical
24 that it was the first point of our ten-point plan.
25 Indeed, as has been discussed, the Charter Revision

2 Commission, that the Mayor constituted last year
3 proposed a plan to deepen public financing of local
4 elections with the goal of elections being primarily
5 funded by public dollars.

6 This proposal grew out of the idea that the way
7 to address persistent cynical perceptions of politics
8 was to significantly lower contribution limits for
9 all candidates and increase public matching funds.
10 These changes were overwhelming adopted as Council
11 Member Kallos noted, by the voters in November of
12 last year and more than 80 percent voted in favor.
13 As you know, included in those changes was an
14 increase to the matching ratio from 6 to 1 to 8 to 1
15 and an increase in the total amount of public
16 matching funds available from 55 percent to 75
17 percent.

18 New York City has been a leader in the country in
19 robust campaign finance reform and with our public
20 financings system. Since adoption of the new system,
21 and it's incorporation into the special election,
22 early feedback has been positive in the special
23 election for Public Advocate, the majority of the
24 candidates opted in and the most common contribution
25 was just \$10.

2 I'd like to reiterate how impactful it is in a
3 citywide election to have \$10 as the most common
4 contribution. In the prior Public Advocate race, the
5 most common contribution had been \$100. IN a world
6 of Super PACs and dark money influencing elections,
7 in this city we have worked to make our elections
8 accessible to all New Yorkers. This administration
9 believes strongly in matching funds so that smaller
10 donations can have a greater impact for all
11 candidates.

12 DemocracyNYC aims to restore public faith in our
13 democratic process. As a result of this commitment,
14 we are supportive of initiatives to strengthen
15 campaign finance reform and reduce the potentially
16 corrupting influence of large donations in our
17 elections. We share the values guiding Intro 732-A
18 and look forward to further discussions on this
19 legislation. Its potential to impact our city and
20 ways we can work together with stakeholder to
21 continue to improve New York City's public financing
22 system.

23 Thank you again for hearing from me today and I
24 look forward to your questions.

2 CHAIRPERSON CABRERA: Thank you so much. Let me
3 recognize that we have been joined by Council Member
4 Maisel. Let me turn it over to the sponsor of the
5 bill.

6 COUNCIL MEMBER KALLOS: Thank you very much for
7 all of your work and thank you for having me for
8 student voter registration day. The high school
9 students were very impressive and definitely gave me
10 a run for my money.

11 AYIRINI FONSECA-SABUNE: It was great to have you
12 there Council Member.

13 COUNCIL MEMBER KALLOS: Thank you and just thank
14 you for taking on this issue of democracy and trying
15 to improve it.

16 Can you tell me a little bit and I don't know if
17 I made it strong enough, but I don't think we would
18 be here if the Mayor hadn't called a Charter Revision
19 Commission on democracy and if the members of that
20 commission hadn't already gotten us the 75 percent
21 and had we not been able to show that it worked.

22 So, I also thank the Mayor for signing Local Law
23 1. Can you tell me a little bit about any
24 involvement you had in the Mayor's Charter Revision
25 process and how we got to that 75 percent as well as

2 any additional impact even anecdotally from the
3 public advocates race and whether more people that
4 you ran into participated?

5 AYIRINI FONSECA-SABUNE: Sure. I began in this
6 role on October 1st of 2018, so much of the work and
7 the credit goes to the Charter Revision Commission
8 staff who worked tirelessly to pass that charter
9 amendments.

10 I will say that in going all around the city and
11 in my reaching out to young people in particular,
12 people are cynical about the role that someone can
13 play in the electoral process if they don't have deep
14 pockets and hearing from individuals you know, from
15 high schools all the way up to senior centers. Those
16 are two of the places where I go to talk to people
17 and across the board, people are interested in making
18 sure that smaller donations can matter and so, I
19 think you know, taking that opportunity to build
20 trust in the electoral system I've heard from people
21 anecdotally that that does make a difference.

22 CHAIRPERSON CABRERA: Okay, any other question?
23 Council Member Yeger.

24 COUNCIL MEMBER YEGER: Thank you Mr. Chairman. I
25 haven't seen your testimony that the administration

2 supports this bill. I didn't see you say that you
3 oppose it either.

4 AYIRINI FONSECA-SABUNE: That's correct.

5 COUNCIL MEMBER YEGER: So, you neither support
6 not oppose it?

7 AYIRINI FONSECA-SABUNE: We fully support a
8 robust public financing system. It is very important
9 to the administration as evidenced by the charter
10 revision commission and following the lead of the
11 voters, 80 percent of whom supported the increase to
12 the public match.

13 With respect to the specifics, we look forward to
14 hearing from others who will be testifying today
15 including the CFB as well as advocates from the
16 community and we look forward to sitting down with
17 you and your staff to get into the details more in
18 the impact of this bill.

19 COUNCIL MEMBER YEGER: Well, not me, it's not my
20 bill.

21 AYIRINI FONSECA-SABUNE: I meant generally.

22 COUNCIL MEMBER YEGER: Councilman Kallos wants
23 this bill, given his druthers, I believe he would
24 have a vote on it tomorrow and it would be on the
25 stated in a couple of days. So, that's not going to

2 happen, but if that happened, are you saying the
3 Mayor won't sign it?

4 AYIRINI FONSECA-SABUNE: We will sit down tonight
5 if we need to.

6 COUNCIL MEMBER YEGER: Okay, gotcha, alright.
7 Let me ask you a different question. The proposal is
8 75 percent of the cap, 88, 89 percent of the cap,
9 excuse me.

10 AYIRINI FONSECA-SABUNE: Yes.

11 COUNCIL MEMBER YEGER: 75 percent is the Charter
12 Revision that the voters wisely or not wisely
13 adopted, and we are coming in six months later and
14 saying we have a better idea than the voters had six
15 months ago. But if we are at 89 percent, why is 89
16 percent the right number, why not 100 percent? Why
17 not anybody who wants to run for City Council or any
18 office, Mayor, just go down to say your office, and
19 fill out a form, show a driver's license, say I live
20 in New York, I'd like to run for Mayor. You write
21 them a check for a couple million dollars and call it
22 a day. Why should anybody raise any money?

23 AYIRINI FONSECA-SABUNE: I'll just say that with
24 respect to the administration of the public financing

2 system, the campaign finance board does administer
3 the system and will be here to speak to that.

4 With respect to the exact percentage that's
5 right, I think that's exactly why we would want to
6 sit down with the Council, Council Member Kallos and
7 dig into this as well as with the relevant
8 stakeholders.

9 CHAIRPERSON CABRERA: I'm going to let Council
10 Member Kallos - there is a particular reason why it
11 is 89 percent.

12 COUNCIL MEMBER KALLOS: Yeah, sure.

13 CHAIRPERSON CABRERA: Go ahead.

14 COUNCIL MEMBER KALLOS: So, this is a little
15 unorthodox. So, the reason it's at 89 percent is
16 that a candidate would raise 11 percent and then they
17 would get 89 percent and that would actually be a
18 full public match. If a person raised more than
19 that, they would end up paying back that money to the
20 city to help pay for the process and that would go
21 back to the fund. If it went up to a one to ten
22 match, from the eight to one, then that number would
23 go up from 89 percent. So, that is how we came to
24 the 89 percent number.

2 COUNCIL MEMBER YEGER: But if the goal is getting
3 private money out of campaigns and not having
4 candidates solicit funds to run their campaigns, why
5 not just have a form, people fill it out, say, hey,
6 here I am, I am ready to run for something, give me
7 my check. Why ask them to raise any money?

8 COUNCIL MEMBER KALLOS: We have a public matching
9 system in New York City. I am a fan of clean money,
10 clean elections which actually does – a person goes
11 out and they ask 50 people for \$10 which is a very de
12 minimis contribution and then they get the rest. But
13 given the current system that we are working with, I
14 think this is a step in the right direction.

15 COUNCIL MEMBER YEGER: So, the goal ultimately is
16 to just have people come and fill out a form and not
17 have to raise anything?

18 COUNCIL MEMBER KALLOS: I would say clean money,
19 clean elections, which is a little bit more work than
20 that. But we want to have a robust democracy with
21 people able to run and not bared because of money.

22 COUNCIL MEMBER YEGER: Okay.

23 CHAIRPERSON CABRERA: Thank you so much.

24 AYIRINI FONSECA-SABUNE: Thank you so much.

2 CHAIRPERSON CABRERA: Fantastic. Now, we'll have
3 CFB.

4 CLERK: If you could both raise your hands to be
5 sworn in.

6 Do you affirm to the tell the truth, the whole
7 truth and nothing but the truth in your testimony
8 before this Committee and to respond honestly to
9 Council Member questions?

10 PANEL: I do.

11 CLERK: You can begin if you could introduce
12 yourselves.

13 AMY LOPREST: Good afternoon Chair Cabrera and
14 members of the Committee on Governmental Operations.
15 My name is Amy Loprest, I am the Executive Director
16 of the New York City Campaign Finance Board. With me
17 is the Board Chair Frederick Schaffer.

18 Thank you for the opportunity to provide
19 testimony on Intro 732-A, sponsored by Council Member
20 Ben Kallos, which would raise the cap on public funds
21 available to candidates, incorporate the language of
22 the last year's ballot questions into the Campaign
23 Finance Act and make changes to conform to the June
24 primary date, including making public funds payments
25

1
2 available to candidates as early as the December
3 prior to an election year.

4 The CFB is supportive of the goals of this
5 legislation, which are to encourage small dollar
6 fundraising and reduce the risk of corruption
7 associated with large contributions to candidates for
8 city office.

9 After reviewing the administration and impact of
10 the program during 2017, we reported that the program
11 has worked differently for citywide candidates than
12 it has for City Council candidates. IN prior
13 elections, candidates for mayor have been
14 considerably more reliant on large contributors than
15 candidates for Council seats. To address this
16 disparity, we made a series of recommendations aimed
17 at reducing the amount of large private contributions
18 in city elections by lowering the contribution limit,
19 increasing the incentives for small dollar
20 fundraising by increasing the matching formula and
21 enabling candidates to rely more heavily on public
22 matching funds by increasing the public funds cap.

23 As you know, the 2018 Charter Revision Commission
24 looked at these issues closely. After their
25 deliberations, the proposal that last year's

2 Commission put before voters increased the matching
3 formula to eight to one and boosted the amount of
4 public funds available to candidates from 55 percent
5 of the spending limit to 75 percent.

6 Additionally, the proposal made funds available
7 starting in February of the election year to
8 candidates who could demonstrate that they faced a
9 serious opponent. Voters went on to overwhelmingly
10 support the measure, with over 80 percent voting yes.
11 New Yorkers made it clear they want publicly financed
12 elections to continue playing a role in their
13 democracy.

14 Under the new system, we are already seeing
15 changes in fundraising at the citywide level. Local
16 Law 1 of 2019, also sponsored by Council Member
17 Kallos, put the parameters approved by the voters
18 into effect for February's special election for
19 public advocate. Early data from that special
20 election shows that this new iteration of the program
21 is working as intended. The most frequent
22 contribution size as was mentioned before across all
23 candidates was just \$10, compared to \$100 in previous
24 selection cycles.

2 A strong public matching funds program for city
3 elections helps New Yorkers elect a government that
4 is more inclusive, representative, and responsive.

5 The CFB looks forward to working with the Council
6 to ensure that the public matching funds program
7 continues to play a significant role in our
8 elections. While the CFB shares the broad goals of
9 Intro No. 732-A, we have some practical concerns with
10 the bill as drafted and we would like to highlight
11 some of the potential risks that we hope to work with
12 the Council to mitigate.

13 The CFB originally proposed making early payments
14 to candidates before the final ballot determinations
15 in our 2013 Post-Election Report. Making payments
16 earlier and more frequently in the election cycle
17 mitigates the stress of waiting until just five weeks
18 before the election to receive a first public funds
19 payment. An earlier payment schedule also gives
20 candidates more time to address any compliance issues
21 that can prevent them from receiving public funds.

22 That said, the risk associated with candidates
23 who do not face serious oppositions or who do not end
24 up running serious campaigns increases when payments
25 are available so early in the election cycle. The

2 Board takes this risk seriously, as an increase in
3 the amount of such payments could undermine public
4 support for the program. Local Law 168 of 2016, also
5 sponsored by Council Member Kallos, addressed this
6 risk by setting a cap on payments made before final
7 determinations on the ballot.

8 The 2018 Charter Revision Commission sought to
9 address this increased risk by prohibiting any early
10 payments to candidates who could not submit a valid
11 Certified Statement of Need to demonstrate that they
12 were opposed by a candidate who met one of the
13 criteria laid out in Section 3-705 of the Campaign
14 Finance Act. Submission of a valid Certified
15 Statement of Need capped any payment to 35 percent of
16 the maximum amount. However, Intro No. 732-A removes
17 this prohibition which we believe the bill should
18 find a way to address.

19 To protect taxpayer dollars from misuse, the Act
20 sets clear standards for how campaigns may spend
21 their public matching funds. Another serious risk is
22 that candidates rely heavily on public funds and may
23 be unable to show that their funds were used for
24 "qualified expenditures" and will have to return
25 their funds once the election is over.

2 We raised these concerns in April 2017, when this
3 committee heard an earlier version of this
4 legislation. As you know, to be able to use public
5 funds for an expenditure, the campaign must show that
6 an expenditure was in furtherance of the campaign,
7 made in the year of the election, reported in a
8 timely fashion to the CFB, and fully documented.
9 Increasing the amount of available public funds will
10 also limit candidates ability to spend campaign funds
11 on non-qualified expenditures, including cash
12 expenditures, payments to family members, spending
13 related to holding of public office and post-election
14 spending.

15 For 30 years, the program has helped keep big
16 money out of politics and provided public matching
17 funds that engage and empower more New Yorkers to
18 make their voice heard in city elections. The
19 program remains strong because of our work with the
20 Council over the years to ensure that it evolves to
21 meet the challenges of an evolving political
22 landscape. We look forward to working with the
23 Council to address the issues we've raised today.

24 Thank you for the opportunity to testify and I'm
25 happy to answer any questions.

1
2 CHAIRPERSON CABRERA: Thank you so much and I
3 first want to take a moment to thank you for all the
4 work that you did in preparation for the Charter
5 Revision, all the recommendations that you made, that
6 make Campaign Finance a better program.

7 In which previously I have personally benefited
8 from. You know, now being here in the Council.

9 I have one question and then I'm going to turn it
10 over to my colleagues. In the same respect to, if a
11 candidate were to chose option A for the 2021
12 primary. Which match ratio and contribution limits
13 do you believe should apply to contributions received
14 prior to January 12, 2019? So, for example, if a
15 particular candidate had raised money prior to
16 January 12, now they would be forced to return that
17 money and ask for a check or a contribution, however,
18 they receive contributions. Is this like double work
19 for you guys? Double work for the candidate? I just
20 don't think it makes any sense. I'm just wondering
21 where you stand.

22 AMY LOPREST: So, to clarify, the law that was
23 passed by the Charter Revision Commission and adopted
24 by the voters and also this law, wouldn't make any
25 change to the fact that the new programs, the option

2 A, starts only on January 1, 2019. And so, in order
3 to get the full eight to one match, any contributions
4 that were raised for that and were claimed for
5 matching funds, a candidate would have to return that
6 contribution and then get a new contribution, you
7 know, presumably get a new contribution from the same
8 contributor and then that contribution would be
9 eligible for the full eight to one match.

10 I think that because in previous election cycles
11 when the matching rate went from first from one to
12 one, to four to one, to six to one, that match was
13 retroactive to the whole entire election cycle. So,
14 I think that that makes a lot of sense in order to
15 avoid this kind of administrative work for the
16 candidates.

17 CHAIRPERSON CABRERA: Thank you for that, that's
18 huge. Looking forward to speaking with the sponsor
19 of the bill to see if we could work in adding that
20 on.

21 I am going to turn it now over, because I know
22 you have some questions regarding some of the issues
23 that you brought up during your testimony.

24 COUNCIL MEMBER KALLOS: So, I just want to echo
25 the Chair and that was also going to be my first

1 question which is, our current draft is not
2 retroactive, which - Sorry, let me start with one
3 important piece, just for the sake of transparency.
4

5 At the hearing on what would ultimately become
6 Local Law 1, there was vigorous debate between myself
7 and another member, which I appreciate. Democracy is
8 good when that happens and during that debate there
9 was a lot of questions about was there a way to make
10 it better. This is again, we are hoping to make it
11 better and so, working with this in the current draft
12 that we have of the legislation are A version. It
13 does not have it retroactive. What was voted on did
14 not have it become retroactive, Local Law 1 did have
15 it be retroactive. Is there a reason in terms of
16 equity why a candidate who has been accepting
17 contributions for \$5,100 who then can keep the
18 \$5,100 and then opt into a newer threshold of
19 \$2,000. Is that fair or should we just have a
20 simplified, if you're opting into an option B,
21 whether it is this or an improved option B that for
22 the sake of equity, it should be a retroactive
23 application?

24 AMY LOPREST: So, I mean I can see the principal
25 equity there. One way to address that could be to

2 make the contribution limits retroactive to the
3 beginning of the election cycle also, again, with the
4 option A. If you chose option A, make it
5 retroactive. It is very confusing option A, option
6 B.

7 COUNCIL MEMBER KALLOS: You are correct. I am
8 sorry. So, let the record reflect I meant option A.

9 AMY LOPREST: But I still think that because of
10 the values by the higher matching rate and the lower
11 contribution unit that still there would be a valid
12 reason to make the matching rate go retroactive
13 through the entire election cycle, even if the
14 contribution limit was not reduced.

15 COUNCIL MEMBER KALLOS: With regards to your
16 concern about people raising funds and getting a
17 public grant and then not gaining ballot access.
18 This legislation seeks to allow candidates to use
19 public funds to defend a challenge to being on the
20 ballot. Do you think that that would help keep
21 people on the ballot? Do you believe that that might
22 reduce the number of candidates who might otherwise
23 have to pay back public funds, and do you actually
24 have a number of the number of people who get knocked
25 off the ballot? How many participating candidates or

2 people who intended to participate get knocked off
3 the ballot and do you think that it should only apply
4 to defending people who are on the ballot or could it
5 also be used by a campaign to get on the ballot?

6 AMY LOPREST: Well, that's a lot of questions.

7 COUNCIL MEMBER KALLOS: Let me just - I know that
8 the Chair of this Committee is actually in favor of
9 letting people pay a fee in order to gain ballot
10 access without having to do signatures or without
11 having to make public matching, which is another one
12 of my bills. But in a universe where and if he wants
13 to do that bill, that might be a good bill at least
14 for these purposes, but ballot access is a problem
15 and we can't have competitive elections if people
16 can't even get on the ballot to begin with.

17 AMY LOPREST: Well, the proposal to allow the
18 defense of ballot petitions would assist in the issue
19 that I raised about having people have a solution
20 qualified expenditures. Of course, there are other
21 qualified expenditures that - other things that are
22 not qualified expenditures that are common in
23 campaigns like, paying family members and such, but
24 it does help that. What we are concerned about and
25 this is a different issues. It's a concern about

2 paying people before the ballot. Right now, before
3 the charter was changed, payments were only made
4 after the ballot was set except for small C grants
5 that would be made in June. That was the legislation
6 that was passed sponsored by you in 2016 and so, what
7 the charter revision did was allow payments to made
8 before the ballot is set that require candidates who
9 wanted to get any money at all to file a certified
10 statement to show that they had a serious opponent.

11 And this bill takes away that showing to get any
12 money. You would still have to file a certified
13 statement of need in order to get more than 25
14 percent, but you would be able to get some money.

15 I guess there is a lot of different reasons
16 people don't run for office. So, sometimes it's
17 because you were knocked off the ballot which
18 actually because of a Charter change in 2010, it's
19 less common because that significantly lowered the
20 number of signatures that candidates for city office
21 were required to get to be on the ballot. So, it is
22 significantly easier than it had been in the past.
23 I'm not saying that it's easy, but it is easier than
24 it was in the past.

2 COUNCIL MEMBER KALLOS: I remember a candidate.

3 He was running for citywide, his name was Bill de
4 Blasio and I think he got knocked off the ballot for
5 at least a week, if I recall.

6 AMY LOPREST: It affects signatures. I mean
7 again, there are people who can, I mean, yes, this
8 definitely happens. I'm not saying that it doesn't
9 happen at all and I think that definitely being able
10 to defend and have those be qualified would help with
11 the qualified expenditure deficit issue, but on the
12 other hand, there is you know a big risk giving a
13 candidate who before they have shown either that they
14 have significant opposition or serious opposition or
15 have demonstrated that they have made it onto the
16 ballot, giving them the full public you know,
17 matching maximum which would be I think around \$100
18 for City Council.

19 COUNCIL MEMBER KALLOS: You have raised concern
20 about campaigns are currently paying family members.
21 I think that should not be the case and I guess how
22 difficult would you find and I think one of the
23 criticism that has been brought about campaign
24 finance in general and I think even by one of my
25 colleagues predecessors was a concern that folks

1
2 might run simply so that they can enrich themselves
3 their families and their friends. It seems like if
4 folks knew that any money that they might pay a
5 family member or friend might get clawed back where
6 they actually end up having to pay it, that might be
7 an incentive for only serious candidates to run
8 unless somebody ends up taking public money and being
9 personally liable.

10 AMY LOPREST: Well, so it the prohibition for
11 qualifies only applies to family members. So, it's
12 only a certain set of your actual family that you
13 can't pay with public money but there are also other
14 protections to make sure that you have documented.
15 So, with this full match, candidates would have to
16 document more of their expenditures, even down to
17 very, very small dollar amounts because you know in a
18 campaign, there are some things that are big
19 expensive things and some things that are very small.
20 You know, and those are harder to document and harder
21 to keep track of.

22 So, you know, we of course our candidate services
23 staff would be there to help candidates figure out
24 how to document those expenditures. But again, it
25 does put some more pressure on documenting qualified

2 expenditures and perhaps having people have more
3 qualified expenditure deficits than in the past.

4 COUNCIL MEMBER KALLOS: I want to thank the Chair
5 for giving me so much time. I am going to ask two
6 questions and then let other folks jump in. I know
7 other folks definitely have questions.

8 What was the cost for the whole public grant
9 program in 2013? If you happen to know the cost in
10 2017 and what would you estimate the cost be for the
11 next eight-year cycle and what would the difference
12 be in terms of cost between the original 55 percent
13 in the proposed of 89.9 percent?

14 AMY LOPREST: So, this is hard numbers to get.
15 So, in 2013, we paid out about \$38 million in public
16 funds.

17 COUNCIL MEMBER KALLOS: \$38.2 to be exact.

18 AMY LOPREST: Yes. So, it's the easiest model
19 and so I'm going to use this model because predicting
20 the future is a little more tricky. So, predicting
21 what would happen in 2021, so what we did was we just
22 applied both the 75 percent cap to the amount that we
23 paid in 2013. You know, based it on the same claims
24 and the model that's proposed 89 percent. So, we
25 paid about \$38 million in 2013. Under the 75 percent

2 cap, the payments would be about \$55 million and with
3 the 89 percent cap, it would be about \$61.5 million.

4 COUNCIL MEMBER KALLOS: I got \$61.74.

5 AMY LOPREST: Close enough.

6 COUNCIL MEMBER KALLOS: Very much so, okay. And
7 then another question, I'm not sure if you have
8 personal knowledge on this but, do you know how long
9 I've been asking the Campaign Finance Board to
10 support a full public match? There is somebody in
11 the audience who might know.

12 AMY LOPREST: I believe that maybe the first time
13 I ever met you Council Member Kallos, you brought
14 this up. So, I'm not sure how long that was but it's
15 been a long time. I've been doing this for a long
16 time, and you've been at this a long time to, so I
17 think probably 10 - I think you said in your
18 testimony ten years and I wouldn't doubt that figure.

19 COUNCIL MEMBER KALLOS: Okay, that is it for me.
20 Sorry, and then I had a question that was submitted
21 by the New York Post via twitter I believe, which is
22 they would like to know, do you support this
23 legislation, or do you oppose it, it was unclear?

24 AMY LOPREST: So, in general, we are supportive
25 of the goals of the legislation. Again, as I

2 mentioned in my testimony, there are some aspects of
3 it that we look forward to working with the Council
4 in working out to make it better.

5 COUNCIL MEMBER KALLOS: That's it for my first
6 round. Thank you to my colleagues and the Chair.

7 CHAIRPERSON CABRERA: Thank you so much. Let me
8 just recognize we have been joined by Council Member
9 Rodriguez. Also, we have Powers, Yeger, and then
10 Rodriguez.

11 COUNCIL MEMBER POWERS: Great, thank you, thanks
12 for the testimony and I want to congratulate my
13 Council Member Ben Kallos for having this hearing.
14 But I stood out there I think two years ago when I
15 was running for office with Council Member Kallos
16 talking about issues like this one and his
17 persistence is admirable and his ability to add
18 sponsors onto this is something that I am jealous of.
19 In a good way.

20 I wanted to ask a few questions and I just wanted
21 to note you know, I have a number of bills on this
22 that I'll mention as well, but I have sort an
23 accompanied bill to this one that would just do a
24 pilot for special elections as a way to try this out
25 before doing it. That was the advance of the charter

2 changes. I also had a bill earlier that was on
3 childcare expenses to make those exempt from the CFB
4 limits and thank you to your staff for working on
5 that.

6 Oh, I wanted to ask, you mentioned there are some
7 things you wanted with Council Member Kallos to work
8 on to make changes. Could you just enumerate what
9 those might be?

10 AY LOPREST: Well, I think it's again, working on
11 this issue of when the timing of the payments and
12 working perhaps on solution to the issue of making
13 sure that the payments are going to people who are
14 serious candidates in a serious opposition.

15 COUNCIL MEMBER POWERS: Okay, great, thank you.

16 I wanted to ask just some questions related to
17 CFB and somewhat related to this. But the first, I
18 wanted to ask is just more broadly speaking here,
19 which is now we see some deadlines changing around
20 when primaries are happening in New York, where it
21 now a June primary and I was wondering if the CFB had
22 been considering any changes related to deadlines
23 with the out-year and the in-year spending limits
24 start being that you essentially a candidate running
25 in the primary has lost three or four months of in-

1
2 year spending and whether there has been a
3 consideration of moving those deadlines up.

4 I think you had something here at about February
5 as a deadline and whether in light of some changes
6 around when elections occur, whether there would be
7 some changes or some thoughts around changes to how
8 you would handle in-year, out-year spending?

9 AMY LOPREST: So, we've been talking about that.
10 I mean those deadlines are in the law. So, you know
11 this legislation doesn't do anything about changing
12 those and so, again, we would be happy to look at
13 proposals to amend those. I mean, most of the
14 spending still occurs you know, in our experience
15 whether the primary is in September, whether the
16 primary is in June, most of the spending occurs in
17 the month or two before the election.

18 So, even though the primary has been moved from
19 September to June, that does really change that fact
20 that most of the spending will be done in May or
21 June.

22 COUNCIL MEMBER POWERS: Yeah, I actually was
23 thinking about it even the other way, which is that
24 you may have to ramp up your campaign earlier. So,
25 your out year actually may be affected more than you

1
2 in year. I agree with you on the in-year spending
3 which is that you're still going to probably do the
4 bulk of your spending in that smaller window but the
5 out-year for candidates who need to start getting
6 their campaigns running, that would affected.

7 AMY LOPREST: So, without you know doing an
8 analyst of this, I think so, one of the reasons to
9 have that out-year is really just it's kind of a
10 supplement to the primary spending on it. So, that's
11 why those numbers are so small. You know, relative
12 to the primary and general spending limits. They are
13 kind of a supplement to that. So, you still have the
14 full primary spending limit and you have less time to
15 spend it. So, the way the law works is that you
16 don't really exceed those out year spending limits.
17 If you go over the amount of them, it just rolls into
18 the primaries or if you're only in the general
19 election to the general election. So, I'm not sure
20 that there is any to change them because they again,
21 just are intended to just be a supplement and the
22 vast amount of spending is related to the primary
23 spending.

24 COUNCIL MEMBER POWERS: Got it. That is fair
25 point. I just wanted to take a step back and I know

2 this isn't really to the bill particularly but just
3 in general. We just had a public advocates race; I
4 know we're joined by one of the candidates who was in
5 that race and I wanted to just hear any feedback from
6 that race. Obviously, we had done a law change to
7 accommodate candidates ability to take advantage of
8 that.

9 How many candidates use the new system versus the
10 old system? New, being the eight to one, old being
11 the six to one and any feedback you have from you
12 know, needing to implement the new law or accommodate
13 very quick and citywide race with a lot of
14 candidates?

15 AMY LOPREST: So, the vast majority of the
16 candidates chose option A, which is the new program.

17 COUNCIL MEMBER POWERS: Can you give numbers on
18 that?

19 AMY LOPREST: Since I don't have it written down,
20 I think only one of the candidates who received
21 public funds. So, eleven candidates were paid, only
22 one of those candidates received public funds under
23 the old system.

24 COUNCIL MEMBER POWERS: Okay.

2 AMY LOPREST: So, that I am confident of saying.
3 Of the seventeen, all other sixteen were in the new
4 program, I think that that is not true, but I don't
5 know the number. But of the eleven people who were
6 paid, only one was paid under the old system. I
7 would have to confirm with my staff, who know better.

8 So, I think that it worked. I think that you
9 know, special elections are kind of a unique animal
10 and that was the first citywide special election that
11 had ever happened under the program. So, I think
12 that changing the threshold helped a significant
13 amount for having the threshold which is for citywide
14 special elections definitely helped candidates meet
15 that threshold in a short period of time.

16 COUNCIL MEMBER POWERS: Have you thought about
17 any changes since you - you noted eleven candidates
18 out of I think the number was seventeen received
19 public funds, a number didn't. whether the current
20 and the first time doing this as a citywide. So, an
21 opportunity to review but whether there are
22 difficulties for candidates in that short-time span
23 when an election becomes available or a seat is open,
24 and a special election is called about whether the
25 threshold are in the right place to allow as many

2 candidates to have time and ability to get into the
3 public funds? Because that seems like a high number
4 who didn't get in.

5 AMY LOPREST: Well, and I think that again, I'm
6 going to say that most of the candidates who raised
7 any significant amount of money were able to meet the
8 threshold. Now the timing was late because it is a
9 very, very compressed time period. So, it is true
10 that a number of candidates only met the threshold at
11 the last disclosure statement. We're just in the
12 beginning stages of analyzing what happened in that.
13 Again, it was the first one ever. I do think that
14 lowering the threshold helped. I'm not sure, I think
15 none of the candidates might have met the threshold
16 under the old law. So, it definitely helped, but I
17 think that there are some changes that can be made
18 again, in general about how special elections are
19 held and when they are called, and the time period
20 people have to run them in particular for citywide
21 special elections where the 45-day contemplated in
22 the charters in quite a short time period.

23 COUNCIL MEMBER POWERS: Okay, and I just wanted to
24 ask maybe one or two more questions. One is, there
25 also is the debates that the CFB's are having

1 sponsored debates. There is criteria to get into
2 those debates. Can you tell us again what the
3 criteria is for getting into like for the public
4 advocacies. What was the criteria for being eligible
5 for one of the debates?
6

7 AMY LOPREST: The law has that you raised I think
8 it's 2 percent of the spending limit, raise and spent
9 in order to be in the debate, for the first debate
10 and then for the second debate is for the leading
11 contenders. So, it's a higher monetary threshold to
12 raise and spend and also that you had to have the
13 endorsement of an organization of a certain size.

14 COUNCIL MEMBER POWERS: Yeah, for that second
15 one, I'm just curious, why have that in for the
16 second one. I think maybe your saying it's for the
17 leading contenders but also if you're a candidate
18 whose not an elected official running maybe for the
19 first time, you've raised the money, you've been
20 putting your work in and you have to - or you are an
21 elected official. It doesn't have to be it's not the
22 additional, but you know, that requirement, can you
23 talk more about why that's included?

24 AMY LOPREST: Well, so, the debate threshold is I
25 had an occasion to talk at a CLE last week, this is

1 one of the things that's been changed you know,
2 probably most frequently in the law because it is a
3 very, very hard thing to assess. But one, you want
4 to make a non-partisan objective criteria well in
5 advance of the election. So, and you're not gaming
6 the system for one candidate versus another. One
7 criticism that has been raised in the past, is that
8 the criteria are always financial. And so, the board
9 and the sponsors working together thought that it
10 would be good to have this extra non-financial
11 criteria to show that you're a leading contender,
12 that you were endorsed by an organization or endorsed
13 by another elected official.

14
15 Again, I understand that that was thought behind
16 it and again, we revisit this after pretty much every
17 election because every debate, you know every cycle
18 presents a different difficulty and so, we're always
19 trying to make recommendations and come up with
20 objective non-partisan criteria that will let the
21 widest number of people be – at least the first
22 debate which is what the law contemplates and then
23 also really set criteria that are appropriate to show
24 who is a leading contender in any particular race.
25 And again, you do that before you even really know

1
2 who the candidates are setting those criteria and so,
3 again I understand that this happened but the
4 objective behind it was to create a non-financial
5 demonstration of support.

6 COUNCIL MEMBER POWERS: Okay, and my final
7 question which is I have a bill which is sort of the
8 intension here, so I'm just saying with terms of
9 towards the intension of the bill which is one
10 access. I have a few on CFB related to issue, but
11 one that I think is a recommendation about required
12 for every borough actually, so that you can fundraise
13 just from one to three zip codes. But the other one
14 I wanted to talk about was just literally lowering
15 from \$10 to \$5 in terms of what acts is it qualifying
16 contribution and my quick analysis, is that it would
17 help some candidates. It would certainly make it a
18 little bit easier for candidates to be able to get to
19 that threshold and quicker to, which can be helpful
20 to knowing what your spending can look like and plan
21 your campaign out and obviously be able to ask for
22 some more smaller contributions. Does the CFB have
23 any position on that though?

24

25

2 AMY LOPREST: That actually is one of the
3 recommendations, the \$5 one is one of the
4 recommendations in our post-election report.

5 COUNCIL MEMBER POWERS: Okay, great, thank you.
6 Thanks to the Chair.

7 CHAIRPERSON CABRERA: Fantastic, Council Member
8 Yeger followed by Council Member Rodriguez.

9 COUNCIL MEMBER YEGER: Thank you Mr. Chairman.
10 Good afternoon. I am going to ask the question that
11 I asked the previous witness. If the goal ultimately
12 - I'm not actually saying that it is CFB's goal,
13 because I'm not sure that you were clear that it is.

14 But if the goal is to have no private
15 fundraising, why 89 percent than not just go straight
16 to 100? And I see the Chairman is ready to go on
17 that but my point being that somebody simply walks
18 into the Campaign Finance Board, fills out a form,
19 shows there driver's license, says I'd like to run
20 for Mayor, and you write them a check for \$6 million.

21 FREDERICK SCHAFFER: I'm not sure the goal
22 necessarily is no private fundraising. We've had a
23 system of small donor matching for a long time and
24 it's worked very well.

2 People in other jurisdictions have begun to
3 experiment with vouchers where you don't have to do
4 any private fundraising or in other jurisdictions,
5 there are systems where the full amount of you
6 expenditures is funded by the public fisc.

7 Some of those like the voucher program in Seattle
8 is very, very new. They have only been through one
9 election cycle and it was a partial election. I
10 think there were only three positions that were
11 subject of it. So, when I was asked the same question
12 or similar question by the current Charter Revision
13 Commission, my response is, look, we've got a great
14 system and it's improving in each cycle. Major
15 changes now with the lowering of he contribution
16 limit. The increasing of the match, the increasing
17 of how much you can finance out of public funds.
18 Lets see how it works, lets monitor how these other
19 programs are operating. It seemed to me premature to
20 rush to adopt something like a voucher program when
21 we have a good system working in New York, but it's
22 something to keep an eye on.

23 I should add that in none of these systems that
24 I'm aware of whether it's a voucher system or a full
25 public financing program, is just a question of

1 showing up and saying I'm a candidate for Mayor.

2 Even then, there are thresholds that have to be met
3 sometimes by financial contributions before you then
4 get your so-called full financing. So, in any
5 system, you're going to want a threshold to prevent
6 minor or trivial candidates from getting fully
7 financed for their election.
8

9 COUNCIL MEMBER YEGER: So, the voters in November
10 decided to take us on this wild ride from 55 percent
11 to 75 percent and here we are five, six months later
12 asking or suggesting that perhaps it would be better
13 to ignore their desired change from 75 percent then
14 go straight up to about 89. Do you think 75 percent
15 is better or worse than 89? Should we stay at 75?
16 Should we go to 89? I realize that the Board's
17 testimony did not say we want to go to 89, did not
18 say we did not want to go. So, if you just want to
19 keep with that, that's okay, but I want to give you
20 another chance at it.

21 FREDERICK SCHAFFER: But we had proposed a lower
22 limit than 75. The Charter Revision Commission went
23 to 75, we were fine with it. We are supportive of
24 the basic idea of having more public funds in the
25 mix. The difference between 75 percent and 89

2 percent - I mean I don't view this as a wild ride.
3 It's a small tweak in the way the system works and
4 our concerns about going to 89 and you know, we're
5 not expressing adamant opposition, we're simply
6 pointing out the risk is that if you go the whole way
7 and you have a system as we do where there are as Amy
8 had said, certain expenditures which qualify for you
9 know, you can use your public funds for those
10 expenditures and then there are other ligament
11 expenditures that you cant use public funds for. If
12 you went all the way to 89 percent, our concern is
13 that you are laying a trap for the unwary, that some
14 candidates will not understand and will wind up
15 probably inadvertently, perhaps intentionally, but
16 hopefully inadvertently either using public funds for
17 things that they shouldn't be using public funds for
18 or wind up in the end having to give back some public
19 funds. So, our idea of not going beyond 75 percent
20 or not going all the way to 89 percent is really just
21 a risk factor in trying to create a little cushion.
22 A little gap, so that people who which to spend money
23 legitimately but they can't use public funds for
24 that, have that cushion undoubtedly if they
25 absolutely understand the law, they can comply with

1
2 it. But we're concerned that not everybody will
3 understand at that level of detail and that going all
4 the way to 89 percent creates a risk of some people
5 inadvertently violating the law. That's really our
6 only concern in that area.

7 COUNCIL MEMBER YEGER: I appreciate Mr. Chairman
8 that you took the conversation here. This was
9 actually going to be my next question, because I
10 wanted to distinguish the difference between things
11 that you simply can't spend money on in the campaign
12 and things that are 100 percent lawful, however, as
13 in essence a prophylactic measure and to ensure that
14 our public funds are actually going to buy flyers and
15 buttons and real campaign things as opposed to you
16 know, ancillaries.

17 We do have certain kinds of expenditures that are
18 not appropriate for use of public funds. For
19 example, it wouldn't be illegal for a candidate to
20 use a family members print shop and pay market and
21 the exact appropriate amount. However, we don't want
22 to encourage that, so as a matter of public policy,
23 we say you can't use tax dollars to do that. There
24 are a lot of expenditures that are perfectly 100
25 legal. They makes sense even, but we just don't want

1
2 the taxpayers picking up the tab for that because
3 whether it's a good public policy measure, or whether
4 it's a prophylactic measure against corruption, or
5 whether it's just you know, you get that ick factor.
6 There is just certain reasons that we have those
7 kinds of expenditures.

8 When you go too high of a level and I think this
9 had been the concern perhaps that the board, I don't
10 want to put thoughts into your minds or words into
11 your mouth, but when you didn't want to go
12 necessarily to 75 straight away, I think your
13 recognize having seen campaigns struggle over time,
14 that when they get that 55 percent that they have to
15 document and they find that expenditures that they
16 thought were perfectly reasonable, proper, lawful,
17 but simply could not be used for tax dollars and then
18 they end up with a deficit in demonstrating qualified
19 public expenditures which ultimately results in a
20 required repayment. So, that wasn't the question.
21 That was simply to say that I had the question, I was
22 ready to go but you took it out of my mouth.

23 FREDERICK SCHAFFER: I apologize.

24 COUNCIL MEMBER YEGER: No, no, no, that's good.
25 That's why I guess they pay you the big bucks. For

1
2 clarity, the Chairman doesn't get paid. I just want
3 to make sure that that's said, and we appreciate his
4 public service of course.

5 I had a question that I wanted to follow up on
6 Councilman Powers question regarding the caps and the
7 adjustments and we recognize the out-years, in-years
8 and there are reasons why we kind of add on a little
9 bit in the out-year as you build up your campaign.
10 Some spend a little more to build up, some spend a
11 little less to build up, that's the way it is. But
12 we also have an additional problem of that the
13 general election which had prior here to been two
14 months is now three extra months and yet the cap is
15 projected to say the same. I'm not actually even
16 suggesting that perhaps it needs to be increased
17 because it is the exact same cap as the primary cap
18 but is there an intent or desire and I know that it's
19 statutory, not regulatory. But is there an intent or
20 desire or a need in your mind to explore perhaps
21 adjusting the general cap?

22 AMY LOPREST: I would say that you know the caps
23 are set you know, not based on monthly. You know, I
24 think they are set to kind of reflect what seems to
25 be a reasonable amount to allow candidates to be able

2 to get their message out in a significant way. So, I
3 think that going with that, that is the theoretical
4 reason for how the expenditure limits are set that I
5 don't believe the change in the amount of time would
6 necessarily affect that.

7 COUNCIL MEMBER YEGER: Perhaps if someone is
8 running for City Council, that may be the case. All
9 they're really doing is getting their message out but
10 there are staff costs for example, that now you have
11 people who have to be employed for an extra three
12 months on a campaign that would normally have only
13 taken two months and I recognize unstated is that
14 most campaigns don't have general elections, I did.
15 other people at this table actually had robust
16 general elections. And there are members of this
17 body that did have general elections and of course,
18 the Mayor's race can from time to time be a robust
19 general election and that's really where the increase
20 may make a difference. Because if you are running
21 for Mayor, public advocate comptroller, you have
22 offices in every borough, sometimes more than one.

23 You are paying high rent if you have an office in
24 Manhattan and now you have an extra three months that
25 all that money that would have otherwise been charged

2 to your primary cap is now being charged to your
3 general cap. It may actually require you to spend
4 less on you glossy flyers and your TV adds.

5 AMY LOPREST: Those are actually all very good
6 points. And so, I think that's something that we can
7 look at and think about more.

8 COUNCIL MEMBER YEGER: And even perhaps it may
9 not be for City Council that you have to worry about
10 it but perhaps for the senior offices, the citywide,
11 and maybe even for the borough presidents, just maybe
12 something to look at.

13 I am getting towards my fun Mr. Chairman, so I
14 appreciate your indulgence. The statute had
15 provided, it was adjusted I believe several years ago
16 to provide a later certification date and also a kind
17 of get out of the grips of the CFB date and because
18 of the nature of the change, it is being tied to the
19 primary. So, the language being inserted in the
20 statute is the ninth Monday proceeding the primary
21 election to have to certify by and also, you can
22 withdraw from the program by that date. Okay, so
23 that's the premise and I know this had been a
24 conversation in previous sessions of the council
25 about whether or not a candidate ought to be able to

1
2 get out of the program having not received any public
3 funds. If it becomes clear that he or she will not
4 receive public funds, let's say in the case of a John
5 Lu, Sal Albanese and some of the more famous cases,
6 where the candidates realize he is not going to get
7 public funds but now he is stuck in the program. And
8 there was also a candidate for public advocate who
9 had this issue and I don't remember, in a different
10 cycle, who I don't remember the persons name but had
11 this issue where they realized they weren't going to
12 get the public funds. Would have liked to withdrawal
13 from the program so that they could put their own
14 money in and honor obligations that they made and
15 then the result of course was that they could not do
16 that.

17 Is there a reason that once a candidate is in the
18 system and having not received any benefit from this
19 system whatsoever, and now realizes that he or she
20 will not get any money from public funds, must stay
21 in the Campaign Finance System?

22 AMY LOPREST: The goal is so that all the
23 candidates know what system people are running in.
24 You know, so that they know with their opponent that
25 they have agreed to the spending limit. That you

2 know, plenty of candidates have joined the program
3 with the intention of not getting public funds but
4 you know, agreed to the spending limit.

5 So, that there is a date certain that all the
6 candidates in the race will know what program their
7 opponents are running in. What obligations they have
8 made, whether they are obliged to obey by the
9 spending limit.

10 Of course, candidates can continue to try and
11 receive public funds. Part of the idea behind the
12 early public funds payments is so that candidates
13 have more time to resolve any possible compliance
14 issues and longer time to qualify to meet the
15 threshold. So, that they will know earlier under
16 this bill in December, January, February, of March,
17 whether or not you will qualify for public funds and
18 the rescission date is the ninth Monday before the
19 primary, which is towards the end of April.

20 COUNCIL MEMBER YEGER: Okay, I don't want to
21 conflate the Lu situation with the Sal Albanese
22 situation, but they are very different, and I don't
23 think anybody observing the 2013 Mayor's race thought
24 for a second that Sal though being a wonderful person
25 and a tremendous public servant was going to get

1
2 anywhere close to exceeding the spending cap. He is
3 not a wealthy guy and the money wasn't pouring out of
4 him from the donors. And he did sign up for the
5 program because he is a fundamental believer in the
6 system. You know that because you have known him for
7 a long time, but there came a point and time when it
8 was very clear he wasn't going to get public funds
9 and he wanted to get out of the program and couldn't
10 get out of the program and then had having already
11 loaned his campaign money in order to meet his
12 obligations ended up being fined for having exceeded
13 the contribution limit because his loan out of his
14 pocket exceeded what he was allowed to contribute in
15 his own campaign.

16 This is not a criticism because that was the law
17 and ultimately when it came to enforcement, the board
18 enforced the law as it was written. However, does
19 that make sense is the question?

20 AMY LOPREST: So, one of the other factors for
21 citywide candidates is that candidate who are
22 participating in the public financing program and
23 meet the objective non-partisan criteria are required
24 to be included in the debate. So, candidates make
25 their decisions about participating or not

2 participating you know for a variety of factors and
3 so, one of them is for citywide candidates being
4 included in the public debates, being in those
5 televised debates.

6 COUNCIL MEMBER YEGER: Fair enough and I'll go to
7 my race, because I had no required debate. After
8 having certified, I ultimately ended up with a high
9 spending opponent who exceeded my spending my limit
10 by three or more times and I could not pull myself
11 out. So, forget Sal and forget John Lu and forget
12 the nice lady from Staten Island. I have a real live
13 situation of a candidate for City Council stuck in a
14 program, could not pull out. May be would have
15 wanted to but was held down to an artificially lower
16 spending limit than the opponent who was not in the
17 program and was able to spend two or three or four
18 times as much, but I'm stuck.

19 AMY LOPREST: Well, the spending limit, I mean
20 there is provisions in the law to increase the
21 spending limit if you are faced with a high spending
22 non-participant.

23 COUNCIL MEMBER YEGER: It didn't kick in in this
24 case because the spending limit was enough of a
25 multiplier beyond the actual legal limit to give

1
2 somewhat of a relief but not to actually remove the
3 cap. It was that middle window in which you know and
4 I'm sorry to the audience if we are speaking in code,
5 but it happens sometimes.

6 I believe and I would encourage you to explore
7 this with Councilman Kallos as you look at this bill
8 because this bill has this ninth Monday proceeding
9 the primary election and I think there ought to be a
10 way for somebody in a situation where either facts
11 change or the CFB has said you're not going to get
12 public funds or something else and maybe say you
13 know, if you didn't get public funds and also haven't
14 participated in a debate yet, because you're right,
15 that is a benefit of joining the program. But maybe
16 there is a way to I shouldn't say, get out of the
17 grips of the CFB again, but I think you know my
18 point.

19 It's to let the candidate have the relief so that
20 he or she can go out there and do what he or she
21 thinks is necessary, even if that means putting their
22 own money in. I did not have my own money to put in,
23 I'm not a wealthy person but it would have given me
24 an ability, although I did win, it would have given
25 me an ability to try to be in a position to go dollar

1
2 for dollar and continue raising. I just stopped
3 raising money as some point, because I knew where my
4 cap was, and I was going to stop. One of my
5 opponents kept on going because they had the ability
6 to do that.

7 So, I don't want to belabor the point, but I
8 would just say that I believe that's something that
9 should be explored because it is a problem that we've
10 seen in more than one cycle and not just for mayoral
11 races but for public advocate as I described and I am
12 sure this has happened in other City Council races as
13 well.

14 I wanted to ask you a question about candidates
15 being knocked off the ballot. Okay, so, nowhere is
16 being knocked off the ballot at any time the Campaign
17 Finance Board, this is not accusatory in any way.
18 You are not being blamed for this, but it happens
19 because candidates make these choices and sometimes
20 **[inaudible 1:37:45]** as in the case of now Mayor de
21 Blasio. The Board of Elections will make a decision
22 on a primary bases. The petitions are not valid, and
23 the candidate is not on the ballot. And when that
24 happens after a payment is made, you know, the CFB
25 kind of has this conundrum of you know, we don't give

2 people money so that they can plan to run for office,
3 we give people money so that they can run for office
4 and if they are no longer on the ballot, they're
5 clearly not running for office. So, you know, you
6 raised concerns about these early payments dates.
7 Not just now but also three years ago when the first
8 early payment date was being discussed. How much of
9 a concern do you believe this is particularly now as
10 the petition filing time is March. The primary is
11 June, people are going to be getting knocked off the
12 ballot you know in the middle of March I guess or
13 thereabouts, I think that's the way the calendar
14 works.

15 You have payments that are tied prior thereto and
16 Mr. Chair in nodding his head because he already
17 knows the question, so do you see this as a problem.
18 How much money do you think is at stake? Are the
19 taxpayers going to be left holding an empty bag?
20 Well, not bags anymore, because we don't have bags in
21 the city in two days, but an empty box or potato sack
22 or reusable something, whatever?

23 AMY LOPREST: Again, I mean that's one of the
24 reasons the Charter Revision Commission had this
25 requirement that you show that you have a serious

1
2 opponent. That is one of the concerns and its hard
3 to predict how big an issue with would be. Again,
4 there are provision in the law that would, you know,
5 if you really didn't run. Like, say you got the
6 public funds and you didn't file petitions. You
7 know, there's provisions being able to get all that
8 money back that was payed out in public fund. Again,
9 the earlier the payments, the greater the risk.
10 Again, there are some ways to put in some safeguards
11 and we're happy to discuss some ideas that we have
12 for perhaps limiting those early payments to a
13 smaller amount to that you know, there is less money
14 at risk. But again, you know, there is a lot of
15 things at play that we have never experienced before.

16 We have never had the 75 percent; we've never had
17 the 89 percent. We have never had the eight-to-one,
18 we've never had a primary in June. I mean, so again,
19 all of these factors you know its very hard to
20 predict what exactly is going to happen. Not only
21 was the primary moved to June, but the petitioning
22 deadline is even earlier than in relation to the June
23 primary as it was from September, so that does help
24 to some extent but again, all of these things are new

2 and hard to predict until we have gone through an
3 election.

4 COUNCIL MEMBER YEGER: I wondering if you might
5 be in a better position than anyone else to do some
6 kind of wise estimate because the board obviously
7 prior to certifying someone to get paid gets the
8 daily reports out of the board of elections, who's on
9 who's off, and if you're able to look at the last
10 cycle and I don't want to give you homework or
11 anything but I'm just thinking about as you were
12 talking, to look at who was knocked off and what they
13 would have gotten had they not been knocked off and
14 they were getting an early payment. I'm wondering if
15 a simple Kallos style spread sheet can develop that.

16 AMY LOPREST: I mean I think it's something we
17 can look at. I mean, I think we have some
18 information and again, we can look at what happened
19 in the past and if we applied the past that's what I
20 explained with our cost estimates. If that's easier
21 to do than to predict what might happen now that
22 there is all these different changes. That is kind
23 of making predictions from whole - but we could look
24 at in the past, how people were knocked of the
25 ballot. You know, how much money they would have

2 received if they had paid two months or three months
3 before the election.

4 FREDERICK SCHAFFER: One of the uncertainties
5 that can't be known is if someone gets an early
6 payment, how much of that payment have they already
7 spent. Since we have never done this, we have no
8 data on which to base an estimate.

9 COUNCIL MEMBER YEGER: It's on chartered water
10 and I think the concern is that you know, and we've
11 seen this in some races, and I don't want to identify
12 who because you've seen this enough. That a
13 candidate gets a check and goes on a spending spree,
14 really doesn't have a shot to win but they got the
15 check and its free money and you kind of wonder
16 whether or not some level of responsibility almost
17 needs to be instilled on them by the board and you
18 guys do a fine job on the audit, there is no
19 question. But in talking about it at the payment
20 stage, whether or not just giving out this cash well
21 before we know that somebody is going to run is
22 something. I know you've been concerned about it for
23 a long time Madam Director and I just think its
24 something that you ought to look at.

2 AMY LOPREST: And just to answer, I mean, the one
3 thing that we are planning administratively is you
4 know to adjust the trainings and the advice that we
5 give to candidates to kind of give them some guidance
6 about what are the best ways to spend this early
7 money to again, to avoid, we don't want people to
8 have to give money back. That's the purpose of the
9 program is to provide the public funds.

10 COUNCIL MEMBER YEGER: If they spend it they
11 don't have to give it back, its gone forever and it
12 won't have to be given back because as you know, if a
13 campaign is required to make a repayment to public
14 funds and the bank account is empty, you get zero and
15 that's the empty bag that I'm talking about the
16 taxpayer is holding.

17 I'll leave it at that because I've gobbled up all
18 Chairs time. I just want to say one more thing. I
19 know my humor and my delivery is sometimes a little
20 drier, you may have read about that recently, but I
21 do have an enormous amount of respect for the work
22 that the board does and unless you think this job is
23 just hate, it's really love. Ben and I have a lot of
24 fun with the Campaign Finance stuff and we very much
25 appreciate the work that you are doing to try to make

2 a better system and not withstanding that sometimes
3 you have to hustle with us a little bit.

4 AMY LOPREST: Yeah, so we appreciate also the
5 very thoughtful comments and suggestions that you
6 always have to both administration and the program
7 and changing the laws and we're equal partners.

8 COUNCIL MEMBER YEGER: Thank you. Thank you,
9 Madam Director. Thank you, Mr. Chair.

10 CHAIRPERSON CABRERA: Thank you so much Council
11 Member Rodriguez.

12 COUNCIL MEMBER RODRIGUEZ: Thank you, so I'm not
13 going to be asking questions related to my campaign
14 but in general, is there any legal limitation on
15 limiting the amount of dollars a candidate can spend
16 if they don't participate in the Campaign Finance
17 Board?

18 AMY LOPREST: No.

19 COUNCIL MEMBER RODRIGUEZ: So, this is something
20 that we should be able to regulate?

21 FREDERICK SCHAFFER: Well, as a matter of
22 constitutional law, the Supreme Court has said, we
23 can't. So, unless somebody is participating in a
24 publicly funded program, you can't set expenditure
25 limits.

2 COUNCIL MEMBER RODRIGUEZ: So, we not allowed
3 legally to put a limit?

4 FREDERICK SCHAFFER: No.

5 COUNCIL MEMBER RODRIGUEZ: How do you think that
6 this law if approved, will impact our 2021 elections?

7 FREDERICK SCHAFFER: I can't answer that.

8 AMY LOPREST: This is one of these questions that
9 I mean, again, I think that I mean what we saw from
10 the Public Advocate special election the increased
11 amount of matching funds available definitely was
12 probably, I could guess, was a contributing factor in
13 the number of candidates who ran in the election.

14 2021 is already because of the large number of open
15 seats, there is an anticipation that there is going
16 to be a vast increase in the number of candidates
17 from 2017 and 2013 because of the affect of term
18 limits. So, you know, again, it's going to be hard
19 even after the 2021 election. To make a
20 determination of whether the changes in the law
21 increase the number of candidates or whether the term
22 limits change the number of candidates, but I do
23 think that there will be a larger number of people
24 running for office more competitive elections and
25

2 hopefully, I mean as we saw in the public advocates
3 race, you know, more small dollar contributions.

4 COUNCIL MEMBER RODRIGUEZ: What is your
5 experience with C-Smart and why change it? Do you
6 feel based on your experience should we make in order
7 to work better?

8 AMY LOPREST: Well, as you know, I mean C-Smart
9 which is the software that we provide to all the
10 candidates to make their financial disclosure, over
11 the course of time, I mean, it started as you had to
12 have a desk and now it's web based and now you can
13 submit your documentation through it. Again, we
14 always are making changes to that software after
15 every election. We hold focus groups and do surveys
16 of candidates and campaigns to ask them for
17 suggestions on ways that it can be improved and
18 certainly this legislation will require us to make
19 some updates to that software because of the changes
20 in the program reflected in this legislation.

21 COUNCIL MEMBER RODRIGUEZ: Can you share like any
22 of those most important changes that you feel would
23 be necessary in order to adopt in the case of this -

24 FREDERICK SCHAFFER: Council Member, could you
25 excuse me for one minute, I have a family matter I

1
2 have to attend to, I will be right back, but she can
3 answer the question.

4 AMY LOPREST: So, obviously, there will be
5 changes, the deadlines and the filing dates and for
6 the last election cycle, we just finished adding the
7 submission of expenditure documentation through our
8 software, so you know, those enhancements have
9 already been made and there will just need to be
10 tweaks to change the thresholds and the contribution
11 limits and the warnings that are given to candidates.
12 Those are some of the changes that we have planned
13 that will be needed both based on the Charter
14 Revision changes and now this new legislation.

15 COUNICL MEMBER RODRIGUEZ: What about NYC vote
16 contribute, what is your experience? I mean, from my
17 end as a candidate, I can say that I saw something
18 very positive in a way of how a candidate being able
19 to get the money to – the process was completely much
20 better from the candidate point of view. You seen an
21 NYC vote contribute. What is your experience from
22 the Campaign Finance Board?

23 AMY LOPREST: So, I'm glad to hear that you had a
24 positive experience with that. I mean that is an
25 application that we developed for candidates to be

1
2 able to take credit card contributions to make it
3 easier for them to both soliciting credit card
4 contributions and provide the required documentation
5 that those ensure that those contributions could be
6 matchable. We've had an incredibly good experience
7 with that product. A wide adoption at all levels of
8 office, so from you know, the smallest City Council
9 campaign to the biggest mayoral campaign. You are
10 using that software.

11 COUNCIL MEMBER RODRIGUEZ: Great. So, I'd like
12 to end saying that I hope again that first of all,
13 the work that you and the Campaign Finance Board is
14 doing leading our city nationwide to be one of the
15 best. Having the best Campaign Finance Board system
16 is something that we as for in our role as a Council
17 Member, are committed to continue to supporting. I
18 also hope again that as someone with Green Card are
19 allowed to contribute in candidate. I hope that one
20 day we also address the issue of no tax section with
21 our representations. And someone with Green Card who
22 pay the taxes are allowed to contribute. Those
23 individuals should also be allowed to elect the local
24 representative. Thank you.

25 AMY LOPREST: Thank you.

2 CHAIRPERSON CABRERA: Thank you so much. I have
3 just a few questions here and if you could just give
4 me the short version of it.

5 AMY LOPREST: Okay, I will.

6 CHAIRPERSON CABRERA: I know we have been at it
7 for awhile here and we have other people, we have two
8 other witnesses that are going to be testifying. So,
9 in your experience conducting audits. What factors
10 most often led to candidates not being able to
11 qualify expenditure?

12 AMY LOPREST: I think that one of the main
13 reasons people have trouble qualifying is that they
14 don't provide the documentation and we don't ask for
15 expenditure documentation right now for every
16 expenditure. The way we do it is we ask candidate to
17 document the largest to the smallest and so, you
18 know, if candidates can document all the money that
19 they've received with the largest expenditures, than
20 we don't have to reach the small expenditures. So, I
21 think it's actually just one of the most common and
22 again, this is a hard thing to purse out. It's just
23 failure to have documentation coupled with things
24 that are legitimate as we talked about legitimate

1
2 expenditure but that are just not for qualified
3 purposes.

4 CHAIRPERSON CABRERA: What are the most common
5 types of expenditures that candidates fail to
6 document sufficiently to receive public funds. I
7 guess that's related to the previous question. As
8 the CFB considered policies to make it easier for
9 candidates to document this type of expenditures?

10 AMY LOPREST: So, yes, we have begun with the
11 introduction of this bill, we've been talking about
12 ways to look at making it easier to document
13 expenditures. It's in particular small expenditures
14 where it's hard to keep that documentation, so that
15 we've been looking at ways to ease that burden
16 because now candidates will have to document so many
17 more expenditures. You know, even very, very small
18 ones. So, we're trying to explore ways to ease the
19 documentation burdens.

20 CHAIRPERSON CABRERA: And you anticipate those
21 will be put into procedures for 2021?

22 AMY LOPREST: Yes, we would make those changes
23 for the 2021 election.

24 CHAIRPERSON CABRERA: Okay, great. I know you
25 talked a little bit about this but if you could

2 again, it doesn't have to be long, but specific, how
3 common are petition defense expenditures and are you
4 able to estimate an average cost to campaigns for
5 petition defense?

6 AMY LOPREST: Because of the way that these are
7 reported and so they are generally reported as
8 petitions. So, the numbers I am going to give are
9 the total amount spent for petitions, so that could
10 include the people that you pay to collect your
11 petitions as well as challenge or the hiring of
12 lawyers. So, there aren't a large number of
13 expenditures for City Council in 2013. There was
14 about \$411,000 spent on petitions which is very small
15 in the realm of how much money was spent. In 2017,
16 it was about \$350,000 for City Council spending on
17 petitions and that's the kind of whole, not just
18 defending.

19 CHAIRPERSON CABRERA: That is interesting. I am
20 glad you shared that number, I expected more.
21 Alright, I guess people are counting on volunteers.

22 AMY LOPREST: And I guess, I mean, I think people
23 again, I mean, for citywide offices it's much more.
24 I mean, for a citywide in 2013, it was \$550,000 but
25 again, because of the changes, the Charter changes in

2 2010 that reduced the number of petition signatures
3 required, just my completely unapparent our status
4 titian would be so mad at me for doing this, just
5 like my perception, is that there have been many
6 fewer petition challenges since that change in the
7 law.

8 CHAIRPERSON CABRERA: Do you think in your
9 opinion or do you have an opinion regarding, you
10 know, in some states people pay – and this goes along
11 to Council Member Yeger's questioning. In some
12 states you just pay \$1,000, \$5,000, you don't have to
13 collect petitions. If that was the case here would
14 that help the CFB? Would that help with the timeline
15 in terms of giving out funds?

16 AMY LOPREST: Again, I know that there are a lot
17 of – people have a lot of debate about doing that.
18 You know, making people pay. I'm not going to
19 comment on that.

20 CHAIRPERSON CABRERA: Right. I'm not going to
21 put you in that spot. I'm just wondering the affect
22 it would have on CFB?

23 AMY LOPREST: You know, if you didn't have to
24 file petitions and in stead you paid say \$1,000 to
25 get on the ballot and you received your public funds

2 early and then you would have \$1,000 to pay. So, I
3 guess, that would vastly mitigate that concern
4 because you just paid the \$1,000, you would have the
5 \$1,000 because you got the public funds and you would
6 be on the ballot.

7 CHAIRPERSON CABRERA: Do you see potential for
8 abuse since there is only \$1,000, then the person
9 will be getting the matching. You know, some of the
10 concerns that were mentioned before, since it's a lot
11 easier?

12 AMY LOPREST: Still candidates would have to
13 erase the threshold to receive public funds which is
14 part of you know, to demonstrate that you have
15 significant support within your community. So, you
16 would still have to meet the threshold to get the
17 public funds.

18 CHAIRPERSON CABRERA: Council Member Kallos was
19 asking questions related to this question I am about
20 to ask. Are there any time expenditures of the
21 public money cannot currently be spent and that you
22 believe should be qualified for the use of public
23 money?

24

25

2 AMY LOPREST: No, I think all the items that are
3 numerated as not qualified, I think have good public
4 policy reasons behind them to not be qualified.

5 CHAIRPERSON CABRERA: Okay, I want to thank you.
6 I want to thank you so much for your work, you
7 leadership. Oh, I'm sorry, there is some other
8 questions before I do this closing.

9 COUNCIL MEMBER KALLOS: With regard to the
10 question of the debates I had an odd question. So, I
11 think every candidate in their mind believes that
12 they will say something so brilliant that it will go
13 viral and propel their candidacy into the
14 stratosphere. In the special election for public
15 advocate, were there any candidates who did not
16 qualify for the debates but outperformed candidates
17 who did?

18 AMY LOPREST: Yes.

19 COUNCIL MEMBER KALLOS: Can you elaborate and can
20 you I guess, what are the conclusions to draw here.
21 Is that the debates are less important than we
22 thought they were? Or that we need to look at other
23 measures to capture credible candidates or a little
24 bit of both. What is the conclusion at least the CFB
25 is drawing?

2 AMY LOPREST: So, I mean again, let me clarify.
3 The candidates I was thinking of were people who were
4 not in the second debate, but they were certainly in
5 the first debate. So, whether or not that being in
6 the first debate helped their performance is hard to
7 judge. It is again, one of the hardest things to
8 decide, because one, you don't really know when you
9 are setting this criteria, you don't know how much
10 money people are going to raise or spend or you're
11 not thinking about that. You are not thinking about
12 the actual candidates; you're thinking about what
13 makes a rational sense as an objective criteria and
14 then of course you really don't know what the vote
15 totals are going to be. So, now, hindsight is 20/20
16 and I can look and say, oh, maybe there should have
17 been something different, you know, different
18 criteria.

19 We have spent a lot of time thinking about what
20 could be non-monetary criteria that are objective and
21 nonpartisan to be qualifications to be in the
22 debates. I think that if you have an idea that
23 certainly we are looking, we've spent a lot of time
24 on the staff level discussing that and trying to come
25 up with those kinds of criteria.

1
2 COUNCIL MEMBER KALLOS: Along the lines of
3 assigning homework, one of the questions that I had
4 is just looking at and my colleague is correct, Mr.
5 Yeger that it is something that I would do but I'm
6 asking if you could please do it, so I don't have to.
7 Which is just, could the CFB go through the
8 expenditures and try to classify them for us, so that
9 we can see how many expenditures really wouldn't be a
10 qualified expenditure and how real a threat that
11 really is, so we can really take a look at the
12 numbers in past performance?

13 AMY LOPREST: Yeah, we've started to do that and
14 we just you know, there wasn't really enough time
15 before this hearing to get all that information, but
16 we can get our best estimate.

17 COUNCIL MEMBER KALLOS: I would just say that
18 something for consideration as I think my largest
19 expenditure when I ran in 2013 and again in 2017
20 after mailers was probably ballot access. And that
21 is because even if you're not defending, you are
22 still hiring one of a cottage industry of between I'd
23 say a dozen or so election lawyers and you are going
24 to pay them to go through your petitions, make sure
25 that they are spotting anything that could possibly

1
2 be wrong. A comma is missing here, this person
3 wasn't, there are any number of I'd say of 20 or so
4 objections that could raised and so these people are
5 actually going through meticulously to ensure that
6 anything that can be corrected is corrected and that
7 the campaign has a very real count because people do
8 get knocked of the ballot.

9 I had a question for your chair, I guess that I
10 will just point out that I guess one of the things
11 that I found interesting about the public advocates
12 race is it still looked like a standard campaign.

13 Changing to 75 percent did not appear to break
14 the system. You had 27 or 28 candidate, then I
15 believe it dropped down to 17 that made the ballot
16 and then of the 17, you had 11 that received public
17 matching and so, you had a field that narrowed and
18 then you had a candidate that emerged and you had
19 candidates that did fairly well. And I guess, is
20 that a good thing? I know one of my colleagues was
21 asking about well, should there be more.

22 So, I guess, is there an outcome that appears
23 more competitive then not. There is the current
24 pattern that we are used to, is that the right level
25 of competitiveness and I guess the second piece

2 because I don't want to go on to long is, right now
3 as a candidate, I am used to an election cycle where
4 we petition in June, people go on vacation, they come
5 back and then all of the money gets spent right after
6 labor day and then people get buried in
7 communications. They get their voter guide, but
8 everything happens in a narrow ten day to two-week
9 window.

10 Moving to a June election, it seems like it might
11 actually be a better thing if we actually saw a six-
12 month campaign or a three-month campaign or even a
13 45-day campaign like we saw in the public advocates
14 race of just like having something that is longer
15 where voters can actually learn more and gain more
16 information.

17 So, I guess is there a benefit to more
18 communications over a longer period or is it
19 preferred to just do that blitz at the very end when
20 you are sure everyone's on the ballot?

21 AMY LOPREST: So, I mean, I think that we have
22 been overall supportive of the early payments. It's
23 just again, we have some concerns about the amounts.

24 COUNCIL MEMBER KALLOS: I think it was your idea
25 from your 2013 report.

2 AMY LOPREST: Yeah, from 2013, we made the
3 recommendation. So, again, it is definitely - I
4 don't want anyone to leave with the impression that
5 we don't think that there should be early payments.
6 I think there are a lot of value to those but again,
7 I think as I said, we're in a place where we're not
8 sure. I mean, so many things are going to change,
9 that's it's going to be hard to know. I mean, I
10 think you're right, I think that moving to a June
11 primary because you don't have that summer vacation
12 in the middle, it may make some significant changes
13 in the way people campaign. Again, it is hard to
14 predict. I do think that with the public advocate
15 race. I mean 11 candidates receiving public funds in
16 a citywide race was the most candidates that have
17 received public funds in a single citywide race ever.
18 So, I mean, there is definitely some significance to
19 the changes in the law in people getting the public
20 funds.

21 COUNCIL MEMBER KALLOS: Really, final question.
22 Just back to the numbers. In 2013, it was \$38.2
23 million, highest ever. How much did you pay out in
24 public funds in 2017?

2 AMY LOPREST: \$17 million, I would have to look it
3 up, but it's around \$17 million.

4 COUNCIL MEMBER KALLOS: \$17.7 and so, I guess, as
5 we try to figure out exactly how much this might cost
6 over an eight-year cycle, \$38 million plus \$17
7 million, so you have the peak and then you have the
8 off peak as it were because there is fewer
9 competitive elections when people run for reelection.
10 That ended up coming out to about \$55.9 million which
11 is \$6.9875 million a year when you annualize it out
12 over eight years. So, I guess, do you have an
13 estimate for how much it would cost in off years
14 versus on years? So, on year, we agreed that it was
15 you said, \$61.5, I said \$61.7?

16 AMY LOPREST: I mean maybe that I have been
17 sitting here a long time, but I am having a hard time
18 following all of those numbers.

19 COUNCIL MEMBER KALLOS: It's a lot of numbers.

20 AMY LOPREST: So, I mean we can try, I see what
21 you're trying to get at and so, I think we can do
22 that kind of analysis and provide it to you. I think
23 it would probably not be a great idea for me to try
24 and take those numbers and figure out an annualized
25 cost at this moment.

2 COUNCIL MEMBER KALLOS: If I extrapolated the
3 number you created for 2013 where we both agree that
4 \$61.5 that's \$23 million more in 2017 based on the
5 same analysis, it would be \$10.9 million more which
6 would be \$34.4 million over eight years and an annual
7 cost of \$4.3 million to reduce big money in politics.

8 Thank you, that's my question.

9 COUNCIL MEMBER YEGER: There was no way that was
10 a question, but that Madam Director is why I always
11 ask Mr. Kallos to prepare the spread sheets. I had a
12 thought as Mr. Chairman was speaking and talking
13 about the petition of ballot access and expenses to
14 challenge or defend a ballot access and one thought I
15 had was that and I don't know if people take
16 advantage of this but there is the ability to exempt
17 certain expenditures related to defending the
18 validity of your petitions. Do you see what those
19 number are? Are you able to tell us that? You may
20 not have it off hand, but we can't see it publicly
21 because it's not really marked off that way on your
22 website. Is there a way to know based on whether or
23 not people are exempting defense?

24 AMY LOPREST: That's one of the things that we
25 will just try and do, as we try and parce down the

2 numbers for you, one of the ways we will try and do
3 that. So, thank you for that suggestion.

4 Thank you. Thank you again Madam Director and
5 Mr. Chair. I hope everything is okay and then one
6 last thought Mr. Kallos, all I heard was more.

7 I know it was a lot of numbers, but I kept on
8 hearing more and more and more. So, you didn't hear
9 less and as those who have watched me here for the
10 last 15 months, I'm interested in hearing less money
11 spent not more money spent and I recognize that there
12 is a goal here but you know, there is a constant of
13 more spending, more spending, for very laudable goals
14 sometimes but you never see us sitting at this table
15 or any of these other rooms, saying hey, let's figure
16 out a way to spend a little less this year on
17 something.

18 And when we were having this debate about the
19 bill in January to increase the cost for the public
20 advocate race, I don't think the people of New York
21 would have gotten a different result if the option A,
22 Option B thing didn't exist and we would have kept to
23 the standard 2021 rules as the voters anticipated in
24 November when they voted for the Charter Revision

2 because they gave us the rules and required us to
3 keep it straight through.

4 SO, that's my closing thought, but you're going
5 to come back at me. No, come on, come on, come on.

6 COUNCIL MEMBER KALLOS: I would say based on what
7 I read in the New York Post today where they
8 questioned somebody receiving \$30 million over
9 evaluation from the real estate industry, without a
10 public matching system at 75 percent or hopefully a
11 full public matching system, you can't elect
12 candidates without real estate money and I think that
13 well you heard more and more and more, it will
14 certainly be less than any possible loses from not
15 getting our money's worth on deals.

16 CHAIRPERSON CABRERA: Okay, with that, I want to
17 thank you again. Thank you for all that you do
18 looking forward, getting some of those numbers that
19 you were mentioning that you will bring back in. We
20 felt the same, once after awhile the numbers all
21 started to sound the same but thank you again. We
22 really appreciate testimonies.

23 FREDRICK SCHAFFER: Thanks for having us.

24 CHAIRPERSON CABRERA: Fantastic and I want to
25 thank those who have been waiting. Dawn Smalls, she

1 was candidate for Public Advocate. If you could
2 come, please and Tom Speaker from Reinvent Albany.
3 Looking forward to hearing from both of you. Yes,
4 and we received testimony for the record from the New
5 York Immigration Coalition.
6

7 You can begin whenever you are ready and again,
8 thank you for your patience. I know you have been
9 waiting for two hours.

10 DAWN SMALLS: No, thank you for having me. I
11 appreciate it. My name is Dawn Smalls and I am a
12 partner at the law firm of Boies Schiller Flexner. I
13 was also earlier this year a candidate for Public
14 advocate in the special election for that office on
15 February 26. I ran as a first-time candidate but one
16 with over two decades of experience in law,
17 government, politics and philanthropy.

18 Although I have worked on campaign finance reform
19 throughout my career, as a first-time candidate I
20 experienced directly and personally how critical the
21 public match is to allowing new participants to our
22 political system to effectively compete. I believe
23 the public financing of elections plays two important
24 roles: One, it significantly reduces the importance
25 of existing donor relationships and money in

1
2 politics, and two, it evens the playing field for
3 outsider candidates and existing elected officials
4 because the match is significant enough that current
5 elected officials have the incentive to participate,
6 creating on system for all candidates

7 That has huge benefits as it forces candidates to
8 participate in a system by which the Council, and
9 indirectly the voters, dictate the terms by which
10 candidates engage and finance their elections.

11 That's an important and big step. The lower
12 limit is crucial as it limits the ability of a small
13 number of people to have an outsized role in the
14 election. This is of particular value where there is
15 deep and widespread concern about the role and
16 influence of special interests, such as the real
17 estate industry, on our elected officials and their
18 decision making.

19 The number of contributors requirement is also
20 important as it makes the \$10 contribution as
21 significant as the \$1000 contribution as the focus is
22 on the number of New York City residents that support
23 and are willing to invest in your campaign, versus
24 the amount of the contribution. The match
25 requirements are also a persuasive reason to

2 contribute to a campaign as a real and active means
 3 of determining which candidates get funded and by how
 4 much.

5 However, there are ongoing barriers to outsider
 6 candidates running and effectively competing as
 7 participants in the public financing system that we
 8 must address to meet the Council's goals of a more
 9 equal and fair system. The first is the CFB's
 10 complex and confusing compliance and documentation
 11 requirements for contributions. Understanding that
 12 taxpayer monies are a limited and precious resource,
 13 the current bases for non-payment are extensive and
 14 many candidates would say, excessive. I and other
 15 candidates had to devote considerable time and
 16 resources to respond to the documentation requests
 17 from the CFB in a timeframe that we could still
 18 qualify or receive public funds.

19 I had a considerable infrastructure set up to
 20 respond to CFB request. Specifically, my treasurer
 21 Nancy Youman, a senior management professional
 22 experienced in city politics; Chris Dragotakes,
 23 former CFB staff that helped review my contributions
 24 as a consultant; a compliance director; and a finance
 25 director. At one point, to deal with the requested

1
2 documentation for my contributors, I had my entire
3 field staff diverted from voter outreach, to calling
4 and tracking down contributors to obtain additional
5 documentation required by the CFB. This is an
6 unnecessary burden on all candidates, but one that
7 falls excessively on candidates that may be new to
8 the process and have less infrastructure. However, I
9 would be remiss if I did not mention that the CFB
10 trainings and specifically Suprita Datta, our
11 candidate services liaison, was excellent and did
12 everything she could to help us navigate the CFB's
13 relatively byzantine and confusing requirements.

14 The requirements imposed by the CFB to determine
15 who can participate in the official televised debates
16 are also worth mention. The requirement for the
17 first debate in the Public Advocate's race was that
18 each candidate have spent a certain amount in
19 privately raised non-public funds. This requirement
20 is without regard to whether the candidate has
21 qualified for and is receiving public funds, which
22 can have the perverse result of excluding candidates
23 who have met the requirements for public financing
24 and are receiving public money from the debates.

1
2 The CFB's requirement for a political endorsement
3 imposed for the second debate is also significant. A
4 significant barrier to candidates running for office
5 for the first time, and who may run outside of the
6 political clubs that often sponsor and promote
7 candidates.

8 In sum, I believe the referendum passed in
9 November and the implementation of the new campaign
10 finance system is an important step to reducing the
11 role of money in politics.

12 However, I believe more work needs to be done to
13 ensure that outsider candidates can run in local
14 elections and effectively compete. Democracy require
15 it.

16 TOM SPEAKER: Good afternoon, Chair Cabrera. My
17 name is Tom Speaker, and I am a Policy Analyst at
18 Reinvent Albany. Reinvent Albany is a watchdog
19 organization that advocates for open and accountable
20 government in New York.

21 Reinvent Albany strongly supports Introduction
22 732-A, which is a step forward for empowering small
23 donors in New York City. Though New York City's
24 public financing program is a national model, we
25 still thing that there is room for improvement

1
2 because the numbers show that large donors have still
3 provided the majority of campaign funds in recent
4 elections. Raising the cap to 88.8 percent from 75
5 percent, as this bill proposes, would bring the bill
6 closer to a full public match and allow small donors
7 to have a greater voice.

8 We think that small donors have been playing an
9 increasingly significant role in elections. The
10 Campaign Finance Board 2017 Post-Election Report
11 found that 11 percent more individual contributions
12 came from small donors in 2017 than they had in 2013.
13 The recent special election for Public Advocate was
14 the first in which candidates could receive an eight
15 to one match for the 75 percent cap as far as
16 campaign expenditures covered by the city goes. So,
17 even though that was a small sample, we think the
18 results are promising. The most common contribution
19 in the race as noted earlier was \$10, even though it
20 had been \$100 in previous elections. We also have
21 seen numerous candidates announce that going forward,
22 they will not take donations above a certain amounts.
23 Like \$250 for example and we think that these are the
24 types of campaigns that might not have been viable
25 before that would benefit form the system. And we

1 think that empowering small donors is the goal of New
2 York City's Campaign Finance Program and we think
3 that raising the cap would help met that goal.

4 So, this legislation will most significantly
5 impact City Council races, wherein candidates
6 frequently reach the public match cap. Last year,
7 Reinvent Albany and Represent Us New York conducted
8 an analysis of City Council members campaign
9 donations in the 2017 elections. Even when at the
10 time, donations were matched six-to-one with a 55
11 percent cap, we still found that 54 percent of
12 council members funds were from donations over \$1,000
13 and 88 percent from donations over \$175.

14 So, under the new system, the cap and the
15 matching ration have risen, but to reach 25 percent
16 of their spending limit, City Council Members will
17 still have to raise \$47,500 from private funds. And
18 to meet those targets even with lower donation
19 limits, candidates will likely have to turn wealthy
20 donors, who can fill the gap most quickly. So,
21 raising the cap can reduce that dependency and allow
22 for more donations from small donors.

23 Given the trend toward small donors, we believe
24 this legislation will positively impact citywide
25

1
2 races as well. An October 2018 report by the
3 Independent Budget Office suggested that the current
4 system advantages established candidates and the
5 Campaign Finance Board, and some others have raised
6 concerns that a higher cap could possible boost
7 incumbents advantage.

8 We disagree that this bill would overly benefit
9 candidates that have already well-established funding
10 networks. It is true that to date only one candidate
11 for mayoral office, to my knowledge, Christine Quinn,
12 has reached the public match cap for mayoral
13 elections anyway, but as mentioned earlier, there is
14 more and more candidates resolving to run on small
15 donations, and we think that at this time their
16 campaigns would benefit from a higher share of public
17 contributions.

18 It's clear that New York City voters are widely
19 supportive of measures like this, as evidenced by the
20 passage of Question 1 in November and the 33-co-
21 sponsors on this bill. But there remains room for
22 improvement in the system, and taxpayers continue to
23 be concerned about pay to play in local government.
24 That's why we support Introduction 732-A and urge its
25 quick passage.

2 Thank you for allowing me to testify and welcome
3 any questions you might have.

4 CHAIRPERSON CABRERA: Thank you so much for your
5 testimony. In the last two hours, I know you were
6 both here. Is there anything, any red flags
7 regarding anything that was mentioned by CFB or by
8 Council Members or anything that you saw beyond your
9 testimony today that we can improve?

10 DAWN SMALLS: A lot was discussed. I am trying
11 to remember.

12 TOM SPEAKER: Is there anything specific?

13 CHAIRPERSON CABRERA: No, I mean, that's what I'm
14 looking for, for specifics or anything that - I mean,
15 I thought CFB did a great job in answering our
16 questions today. I wanted to ask that question in
17 case there is a value, both of your opinions if you
18 have anything else that you see that will help the
19 system work better?

20 I know you just went through a race yourself.

21 DAWN SMALLS: I did.

22 CHAIRPERSON CABRERA: I know the pressures that
23 you go through and if not, I meant to ask you, you
24 said the second debate, can you be a little bit more
25 specific?

1 DAWN SMALLS: Sure.

2 CHAIRPERSON CABRERA: You mentioned that - were
3 you able to be in the debate?
4

5 DAWN SMALLS: I was but it was unclear that I was
6 going to be able to make the requirements.

7 CHAIRPERSON CABRERA: When did you know that you
8 were going to be in the debate?

9 DAWN SMALLS: I think the Friday before. So,
10 maybe three or four days before the debate.

11 CHAIRPERSON CABRERA: Did anybody get to know
12 before that? What is the earliest somebody would
13 have known?

14 DAWN SMALLS: No, we all received official
15 letters and I think it was the Friday before. Maybe
16 the Tuesday or the Wednesday, but I do think one of
17 the things that I thought was interesting in the
18 testimony was that the requirements for the debate
19 were made long in advance and I have no reason to
20 believe that that is not true, but it wasn't
21 communicated to the candidates until shortly before
22 each debate. So, after debate one, I think maybe
23 early January we got the requirements for both
24 debates.

2 CHAIRPERSON CABRERA: Was there a training that
3 CFB provided for your treasurer and for yourself for
4 this particular race?

5 DAWN SMALLS: Yes.

6 CHAIRPERSON CABRERA: Or was it a general one?

7 DAWN SMALLS: There was a general one before the
8 official race was called in January and a lot of
9 people signed up for that in November and December.
10 And then there was another training that I think was
11 actually required for either the candidate or the
12 treasurer once the race was called for specific to
13 the Public Advocates race.

14 CHAIRPERSON CABRERA: I'm assuming the specifics
15 were not mentioned regarding the debates as to the
16 requirement doing the training.

17 DAWN SMALLS: I don't believe so. We didn't know
18 the requirements to the debate until it was either
19 posted on the website or there was an official letter
20 sent. And when you look at how that played out in
21 terms of who actually made the debates, you had
22 people — you know as a voter, as a citizen, I
23 couldn't believe there could be a scenario where
24 somebody was getting taxpayer money. But voters
25 wouldn't get to see them in an official debate.

2 I mean that is a crazy result and that is how the
3 CFB rules are currently structured. You know, there
4 was one candidate that had raised a lot of private
5 money but had not made the match. That was
6 participating in both the debates and there were
7 candidates that made the match but didn't get in the
8 second debate. So, you know, I understand when you
9 talk about this in the abstract, you know, you need
10 to understand how these things actually practice out
11 in reality because just as a taxpayer and a voter, if
12 I'm paying for somebody to run, those people should
13 be made available for voters to see and hear from
14 just as a return on their money.

15 CHAIRPERSON CABRERA: Thank you. Council Member
16 Ben Kallos followed by Council Member Yeger.

17 COUNCIL MEMBER KALLOS: I will start with a huge
18 thank you to Reinvent Albany and Represent Us. It is
19 you and your advocates and your members who have been
20 calling members which is how we got to 33-34
21 sponsors. The Public Advocate no longer counts. He
22 does not get to vote in the body anymore. So, would
23 Reinvent Albany and Represent Us commit to helping us
24 get to 34, go we have a veto proof majority on the
25 bill?

2 TOM SPEAKER: I can't commit to anything at this
3 moment, but I will bring it up with him.

4 COUNCIL MEMBER KALLOS: Thank you very much. And
5 in terms of this have you seen greater - your name is
6 Reinvent Albany, have you seen the same level of
7 success in Albany as you've been seeing here in the
8 City of New York?

9 TOM SPEAKER: With regards to public financing,
10 getting on the budget?

11 COUNCIL MEMBER KALLOS: Yes.

12 TOM SPEAKER: Well, I mean, it was passed off to
13 Commission as I recall in this past session.

14 COUNCIL MEMBER KALLOS: Does Reinvent Albany have
15 an official position on how you feel about it being
16 put to commission versus just getting done?

17 TOM SPEAKER: We think there are a lot of risks
18 and that is possible even with the funding that was
19 allotted for public funding that it wont actually end
20 up going into law. The Commission could possibly
21 decide to rule against putting public funding into
22 State law, so we're going to prefer to have a system
23 that was closer to what New York currently has. We
24 would have preferred to have seen that in the budget
25 language but unfortunately that's not what happens.

2 We'll see what happens with this Commission, but we
3 are still very supportive generally of public
4 financing.

5 COUNCIL MEMBER KALLOS: Thank you for being here.
6 Thank you for your advocacy. We would not be here
7 without you. I have some questions for Dawn Smalls.
8 I along with at least 7,000 other New Yorkers, have
9 been blown away -

10 DAWN SMALLS: 16,000.

11 COUNCIL MEMBER KALLOS: 16,000 was the official
12 vote count for you?

13 DAWN SMALLS: Yeah, it was over 16,000.

14 COUNCIL MEMBER KALLOS: 16,000, sorry.

15 DAWN SMALLS: That number is emblazing in my
16 brain.

17 COUNCIL MEMBER KALLOS: I sit corrected very
18 gratefully. I think many of us were impressed with
19 your campaign. As a father with a daughter, I think
20 your daughter may have been similar to our Mayor,
21 quite the star of your adds. I saw those adds quite
22 frequently. You ran a campaign as an outsider, and
23 you beat multiple elected officials both in the City
24 Council and in the Assembly and you performed on par
25 with I think three elected officials where your

2 proximity is almost statistically not very
3 significant. All of you came in – what is the total
4 percentage of the vote that you got?

5 DAWN SMALLS: I think it was like four and a
6 half.

7 COUNCIL MEMBER KALLOS: And so, I guess, you also
8 raised – only two of the candidate raised more public
9 funds than you did. You got \$800,000 in public
10 funds, making you one of the third most well-funded
11 campaigns. How did you do it? What worked? Did it
12 work?

13 DAWN SMALLS: Did what work?

14 COUNCIL MEMBER KALLOS: Did getting \$800,000
15 improve your campaign?

16 DAWN SMALLS: Yeah, of course. I mean you cannot
17 – I mean we all live in New York City and I mean you
18 need to be able to effectively communicate to the
19 voters in the city and there is no way to do that
20 without large amounts of money. Either through mail
21 or media, I raised the third largest amount of
22 private donations but that still was less than a
23 quarter of a million dollars and that's not enough to
24 run a citywide race.

2 So, I absolutely think the public financing of
3 the public financing system allowed me and others to
4 communicate with voters and effectively compete in
5 this race.

6 COUNCIL MEMBER KALLOS: There has been a lot of
7 conversation today about the debates, you got to
8 participate in both debates. What was the impact in
9 terms of field. Did you have any measurable results
10 of having participated? When you talked to voters
11 who were like, oh, I saw you on the debate that's why
12 I am voting for you. What was the actual impact of
13 the debate to the extent you had a measurable impact?

14 DAWN SMALLS: I think as a first-time candidate
15 it probably was significant, because I didn't have
16 anybody that knew who I was really before the debates
17 or they got a specific add or a piece of mail from
18 me. Just anecdotally from standing out in front of
19 Stuy Town or getting off the subway for a number of
20 people that did not end up supporting me, they often
21 stop and say I saw you in the debates. I though you
22 were really good in the debates. That's probably the
23 most often, the most common comment I get from
24 voters. It's not about an Ad, it's about having seen
25 me and being impressed by me in the debates.

2 COUNCIL MEMBER KALLOS: I probably join many of
3 the people in our city.

4 DAWN SMALLS: Thank you.

5 COUNCIL MEMBER KALLOS: And sorry, I was looking
6 at the wrong page of the certified election results.
7 So, it is actually 17,420 votes.

8 DAWN SMALLS: There you go. I knew it wasn't
9 7,000.

10 COUNCIL MEMBER KALLOS: But that actually means
11 that you have performed even more city elected
12 officials based on those numbers. And so, in terms
13 of the budget that you were spending. One of the
14 things we have concern about is qualified
15 expenditures. How much of that \$1 million dollars
16 essentially that you ended up with would you say went
17 to qualified expenditures such as mail and TV ads and
18 what have you and what else would you have spent that
19 money on?

20 DAWN SMALLS: I don't have my budget in front of
21 my, but I can tell you the vast, vast majority of my
22 money was spent on mail and digital ads. So, you
23 know, either staff -

24 COUNCIL MEMBER KALLOS: Well, staff counts
25 towards it to, right?

2 DAWN SMALLS: Right, so staff, mail, digital ads.

3 COUNCIL MEMBER KALLOS: Office space.

4 DAWN SMALLS: Office space, I mean that is the
5 vast majority of my expenditures and where that money
6 went.

7 COUNCIL MEMBER KALLOS: So, you're not worried
8 about having to spend 90 percent of your money on
9 talking to voters?

10 DAWN SMALLS: No, no, not at all and frankly, we
11 ended up with a surplus. So, we will be returning
12 money back.

13 COUNCIL MEMBER KALLOS: Wow. Thank you, and then
14 Chris Dragotakes happened to my liaison when I ran in
15 the 2013. Did he happen to fix any bikes for anyone
16 on the campaign?

17 DAWN SMALLS: He is in Boston now, so no.

18 COUNCIL MEMBER KALLOS: Okay, he volunteers
19 fixing bikes, doing the transportation alternatives.

20 DAWN SMALLS: That is his career now. He is
21 doing bikes full time if you didn't know that. But
22 he also happens to have extensive CFB expertise which
23 I was happy to take advantage of.

24 COUNCIL MEMBER KALLOS: And I guess what I would
25 say is in 2013 and this was actually the subject of

1
2 extensive conversation during one of my more recent
3 audits. We had been trying to spend as much of the
4 time as you just shared about trying to just get
5 every contribution to count and I think the advice he
6 had given candidly is like, if it got flagged move
7 on, call the person and beg them if they can get
8 somebody else they know to give that \$10 so you can
9 just make that match but I think in 2013, we needed
10 75 in district and we ended up hitting 160 in
11 district contributions before we had 75 in district
12 contributions that didn't get flagged for one reason
13 or another. With NYC votes, it actually makes it a
14 lot easier, because if they give on NYC votes it
15 tends to go through with out as many problems, so we
16 did not have that same problem in 2017. Was that
17 similar to what you had? Where you had more
18 contributions that qualified but they raised concerns
19 about them or how many were you able to -

20 DAWN SMALLS: There were a significant number of
21 contributions that were flagged and not eligible for
22 a contribution until we did a significant amount of
23 additional leg work and I would say you know; I think
24 the threshold was \$60,500. In the initial reporting
25

1
2 period, I think we had over \$10,000 worth of
3 contributions that were flagged.

4 And for some candidates, they didn't have enough
5 of a bench. Like if they only had 2 or \$3,000 worth
6 of give, they didn't make the match in that first
7 round, which was significant in a compressed
8 timeframe because it meant that they didn't really
9 get their money till much later.

10 COUNCIL MEMBER KALLOS: And my last question. It
11 seemed like you had a pretty good suggestion where
12 you noted that there were several of you, if you look
13 at a specific indicator of, if you make the public
14 match, you should be in the system. You should be in
15 the debate. That that might actually be a very good
16 test and if somebody has not made the public match,
17 they should - are you suggesting that if somebody did
18 not make the public match the should have been
19 excluded from the debate?

20 DAWN SMALLS: I believe that if you are taking
21 public money, that you should be part of the official
22 debate. There should be no scenario where taxpayers
23 are paying for you to campaign for an office. Where
24 you are not part of official debates. And I would
25 just add to that, that the match has requirements.

2 It's a two-part threshold. One is that you be able
3 to raise a certain amount of money in small dollar
4 contributions and that you get I think it was 500 New
5 York City residents to contribute to your campaign.
6 So, there are already requirements in of the match,
7 it's just that the debates are now imposing a
8 different set of requirements that aren't in complete
9 alignment with the match. And so, you may qualify
10 for the debate but not the match or you may qualify
11 for the match and not the debate.

12 COUNCIL MEMBER KALLOS: I appreciate your
13 advocacy. I call dibs on submitting this legislative
14 service request and we may ask you to come back to
15 testify again. That's it for my questions.

16 DAWN SMALLS: Can I just respond. I just thought
17 of to the Chairs earlier question about any
18 commentary I had. As the person who is sitting here
19 that ran for Public Advocate that was not one of the
20 elected officials that ran, I do think its important
21 to note that some people feel that there is too much
22 focus on raising money. As the and only barometer of
23 whether you make you make the match or whether you
24 qualify or whatever else. And so, I do want to
25 applaud the CFB's attempt to find some other means of

1
2 measuring candidates. The only thing I would point
3 out is that in the version that they have come up
4 with, you still have to raise the money. So, it
5 doesn't take the focus away from raising the money,
6 it just adds an added requirement on top of that,
7 that really requires that you be part of a political
8 family. Somebody to sponsor or endorse you which I
9 think is unnecessary and too much of a barrier for
10 somebody that is trying to run outside the system.

11 I said this in my campaign. I believe this, we
12 live in a city with an amazing number of experience
13 qualified talented people and they should be able to
14 run for office. And serve for some period of time
15 without being part of the local, political, club
16 system or having to work their way through for 15 to
17 20 years. And so, you know, when you talk about the
18 endorsement requirement, which was really only a
19 factor for a small number of people that made the
20 match but were not running as part of — and was a
21 significant factor for me personally. I understand
22 the intent, but it actually doesn't get to the heart
23 of what I think peoples concern is about the current
24 requirements which is about too much of the focus
25 being on a candidates ability to raise money, because

2 that requirement is still there. You have to make
3 the match, well in the CFB's requirement for the
4 second debate. You still had to have raised a higher
5 amount of money in privately raised funds and you
6 needed that endorsement. So, I don't think that that
7 version of what they were trying to do actually
8 accomplished their goals.

9 COUNCIL MEMBER YEGER: Thank you. I share Mr.
10 Kallos' s congratulations to you because you did come
11 onto the public scene kind of without that having run
12 for something before and run for something before and
13 run for something before. I hadn't run for anything
14 before I ran the first time and neither did
15 Councilman Kallos I think and some of the others
16 here. But you ran for citywide, so it's a little bit
17 different.

18 I had a question about your comment that you made
19 about this period of time where you kind of had to
20 shut down your campaign to put everybody on your team
21 to get the documentation and I assume your referring
22 to contribution information?

23 DAWN SMALLS: Yes.

24 COUNCIL MEMBER YEGER: It wasn't about
25 expenditures?

1
2 DAWN SMALLS: No, it was to get additional
3 documentation.

4 COUNCIL MEMBER YEGER: And it was because those
5 had come back with an invalid report that they were
6 not going to be matched?

7 DAWN SMALLS: Yes.

8 COUNCIL MEMBER YEGER: Are you able to categorize
9 the most common invalid claim or invalid code that
10 your contribution. Were they credit cards, were they
11 checks, was it cash without a form?

12 DAWN SMALLS: The CFB would have that
13 information.

14 COUNCIL MEMBER YEGER: Just to be clear, they are
15 not going to tell us something about your campaign.
16 So, we would only know it if you were willing to tell
17 us.

18 DAWN SMALLS: Okay, I can tell you what I know.
19 I told you the infrastructure I had in place to deal
20 with this. So, I don't know that I know all of the
21 specific incidences, but I can give you a couple of
22 examples.

23 COUNCIL MEMBER YEGER: Sure.

24 DAWN SMALLS: That both I, I think experienced
25 and talked about with other candidates with total

2 exasperation. You know, if you made a contribution,
3 you are married and you made a contribution from your
4 joint account, I think that would be a kick back.
5 Everybody knows it's your account, you are a New York
6 City resident -

7 COUNCIL MEMBER YEGER: Check or credit card?

8 DAWN SMALLS: I don't know. But there was a
9 question about it being very clearly your account but
10 it being a joint account and there being an issue.

11 A separate issue, that my treasurer raised with
12 me earlier today because it was a significant one is
13 about contributions being kicked back because they
14 were found in the doing business database which is
15 important and it's something that we need and it
16 shows people that are doing business with the city
17 and make sure that their contributions, they have
18 lower contribution limits to make sure that they are
19 not having an outside influence on the election or
20 policy. However, the doing business database is
21 grossly outdated and so, people who are in that it
22 could be ten years old. So, I think the example that
23 my treasurer gave was that one of my contributors was
24 on the board of their preschool ten years ago and
25 then was still in the doing business database and

2 then the onus is on the person to get themselves out
3 of the database. Right, and you are all dealing with
4 this in a compressed timeframe. So, we had to return
5 the money. I mean, even though there is no conflict.
6 They are no longer doing business with the city and
7 most people don't know that. I mean, they don't have
8 the sophistication or frankly the time to just say,
9 I'm going to get myself out of this database which
10 restricts my contributions to candidates in the
11 system.

12 So, I think that's a concern to anybody running
13 in the public financing system, is you need that
14 database to be accurate and at least remotely current
15 rather than over ten years out of date.

16 COUNCIL MEMBER YEGER: So, that was the joint
17 account and doing business database.

18 DAWN SMALLS: I think those are the two. There
19 was a lot of, I mean I don't really take issue with
20 this but there was a lot of if your address didn't
21 match. So, if it doesn't match with you billing
22 address, so somebody gave their work address or their
23 home address or they had a different address or
24 whatever it was, even if it was a New York City
25

2 address. If it did not match exactly the billing
3 address of your credit cards, that was a huge thing.

4 COUNCIL MEMBER YEGER: Let's talk about that for
5 a second. A number of years ago this Council, the
6 CFB staff and I will have this disagreement but this
7 Council in a previous session passed a law specifying
8 what kind of information the CFB is required to
9 receive in order for a contribution to be matchable
10 and when it passed the law, it did not put in to the
11 statute a requirement that the CFB had been enforcing
12 for some time which is this match of an address. And
13 it was done deliberately in my estimation and my
14 estimation is based on fact. That wasn't to you by
15 the way. It wasn't to you Mr. Chairman either.

16 Okay, that it was done intentionally because the
17 Council was aware that the CFB had been enforcing the
18 address that's entered in has to match whatever comes
19 back from the billing. Now, everybody knows that.

20 It's not 1995 anymore. We are not a paper society.
21 People have their credit card bills coming online.
22 They may still be billed to their parents address
23 where they got their credit card the first time when
24 they were in college and now it's 20 years later and
25 they haven't bothered changing their address. It

1 happens all the time. But the CFB doesn't require
2 any verification of a check if it just has somebody's
3 name on it, the campaign can type in whatever address
4 it wishes and as long as that's actually a
5 residential address and presumably truthful because
6 campaigns aren't lying, it's going to be matched.
7 So, there is this disconnect, and I noticed that you
8 were using Act Blue and Act Blue does - I checked
9 that now, it's not that I remember your campaign.
10 Act Blue does this verification.
11

12 But when the CFB gets these reports, they will
13 just simply start knocking your contributions out one
14 by one. This piece of information was what I was
15 trying to get from you on what the predominant number
16 or the predominant category of invalids was because I
17 really do believe that the place where there is a
18 disconnect between reality and what the CFB's
19 validation requirements are is at credit cards. It'
20 not in anything else, because I do believe for
21 example, doing business just to be perfectly clear
22 and I'm not an apologist for the CFB in anyway.
23 Nobody will ever accuse me of being so but it's not
24 the CFB's database. The database comes from data
25 that that the city receives and when people are on a

1 database as having done business, sometimes they are
2 there because the entity that they did business with
3 is still sending in annual reports listing them as on
4 that entity without the persons knowledge. So, yes,
5 Ms. Smith sent her child to a preschool six years ago
6 and was on the board then. Never took her name off
7 the board. Has no idea she is still on the board
8 because they don't meet. But she is on the board and
9 she is still is listed in the database.
10

11 So, it's an issue but it's not a CFB guided
12 issue. But I think that the credit cards is where
13 it's at and I would be very curious to know the
14 percentage of your valids versus invalids on credit
15 cards because I think that that is something that the
16 council really has to figure out a way to help those
17 first-time candidates. Particularly, because now we
18 are going to a time when most of whats going to
19 happen by contribution is going to be by credit card
20 and we have to make it easier for people to run and
21 my good friend Ben Kallos has many ideas of how to do
22 that, some of which just require the city to write
23 big fat checks out to people but I think that there
24 should be some easy way for candidates to go out
25 there because one of the things that I've noticed is

1 that, or not that I've noticed, it's just the
2 reality. Candidates when they are getting in for the
3 first time have no idea what the tail end of the CFB
4 looks like after election day. These boxes in your
5 living room are not going away anytime soon. You're
6 going to be living with the audit for the next two
7 years.

8
9 Okay, I'm sorry, Mr. Kallos says it's four.
10 There has to be an easier way. Most people who run
11 and participate in the campaign finance program and
12 do it because we are trying to open the doors up.
13 Like to me, I was a first-time candidate and like to
14 Councilman Kallos and to Chairman, we have no idea
15 what happens at the end unless you've actually
16 participated in campaigns before on the working side
17 of it. Most people who run, lose. Very few people
18 who run and participate in the program win. Most of
19 the people who are in the CFB system are people who
20 did not win an election and we have to figure out a
21 way, not just to help people win but to help those
22 who don't win get a chance to run and not have the
23 foot of government on their neck for the duration.

24 Now, I just also want to say that the things you
25 talked about, the assistance of your liaison for

2 example, the training, the speed by which CFB
3 communicates with you.

4 Those are all the things that are very good about
5 the system. The CFB system is designed to help bring
6 people in but what I wanted to illicit from you in
7 your testimony was where is the breakdown that has
8 the campaign shutting itself down completely so as to
9 validate contributions particularly in a special
10 election we have to turn around between the invalid
11 report and the fixed date is literally fix, six days
12 and that's not a place where any candidate in the
13 special election should find themselves. Shutting
14 themselves down and I think that that's what happens.
15 It doesn't happen in primaries because there is
16 enough window, on the specials is where it really
17 kicks in.

18 So, if you can figure you know, just send it
19 over, I'm really curious to know what that number is
20 percentage wise. How many credit cards that you
21 have? How many were valid the first time, how many
22 were invalid the first time?

23 DAWN SMALLS: I think we can pull that. I am not
24 the expert on the system.

2 COUNCIL MEMBER YEGER: I don't think that the CFB
3 is opposed to finding a way to fix it. I think it's
4 just a matter of finding a way to fix it.

5 DAWN SMALLS: No, of course not. But I do think
6 you know, as I sit here in this hearing you know,
7 it's the difference between talking about something
8 in the abstract and then talking about how it works
9 in practice. And so, you know I think the benefit of
10 my testimony is you know, the explanation about how
11 these things that we're talking about in practice you
12 know, actually worked for a first-time candidate.

13 I'll mention that New York City contributes, we
14 were all excited to use it. I used it as my primary
15 means of soliciting contributions and it didn't work
16 for me. I mean, I would say 30 percent, it was a
17 huge issue. The email traffic I had in my first
18 month of soliciting contributions, I'd say a third of
19 the people just said it wont work. It doesn't work,
20 you site doesn't work, I can't contribute and some of
21 that money I never got back.

22 COUNCIL MEMBER YEGER: Is that why you went onto
23 - you opened up Act Blue?

24 DAWN SMALLS: 100 percent about why I moved to
25 Act Blue. I was just losing money. And so, I mean,

2 people contribute at that moment and they would send
3 emails to people. Being like, I tried to contribute
4 to Dawn, but that thing doesn't work, and I mean I
5 have the email traffic and it was one of the most
6 frustrating - Like, I knew that that was the best
7 system. You know that was the thing that spoke
8 directly to the CFB, but I was losing money. And so,
9 I had to figure out how to make the change over to
10 Act Blue. So, I think that's also something
11 important to say because there are definitely bugs in
12 that system.

13 COUNCIL MEMBER YEGER: Okay, thank you very much.

14 COUNCIL MEMBER KALLOS: I just wanted before we
15 conclude to thank the Campaign Finance Board Staff
16 and the Board Chair Frederick Schaffer for staying.
17 I don't think I've seen a Board Chair stay before, so
18 thank you.

19 CHAIRPERSON CABRERA: And we really appreciate
20 that, it matters. I want to thank you both, but I
21 have one last question and that was in regards to oh,
22 now the question is escaping me. I have been sitting
23 here waiting patiently saying let me let my
24 colleague. I know, I was just so entertained about
25 what you have to say.

2 Oh, here is the question. The question was in
3 regards, to you think there is enough time from the
4 day that it was announced that you could run for
5 Public Advocate, all the special elections, and I
6 want Reinvent Albany also to chime in. Do you think
7 there is enough time for citywide races to raise
8 enough monies to be able to really get your message
9 out? I just feel like the time is so short and the
10 pressure and everything else that you have to do, it
11 makes me wonder, does the message get out in an
12 efficient and effective way, especially when you have
13 not been coming in as an elected official. So, I'm
14 curious as to both of your opinions regarding that.

15 Do we have enough time?

16 TOM SPEAKER: We don't have a specific position
17 regarding that, but we were supportive of moving up
18 the date through which candidates can receive their
19 public matched funds in regards to Question 1 last
20 year. I mean, we'd probably be open to exploring if
21 there needs to be any further changes.

22 CHAIRPERSON CABRERA: Okay, alright, thank you.
23 I appreciate that.

24 DAWN SMALLS: 45 days is very tight. There is no
25 way to slice that and I don't know why it's written

1 that way. I mean I think part of your job as a
2 candidate is to figure out how to get your message
3 out under the conditions and the timeframe that you
4 are given, and I think we did a good job of that in
5 the 45 days. With that being said, it was a very,
6 very short timeframe and I think we could have
7 benefited from additional time but on the other side
8 of that, we packed a lot in. I mean there were
9 public advocate forms in different boroughs,
10 sometimes three or four a night. You know we had the
11 two official debates. You know, there was lots of
12 news coverage. So, you know, given the fact that
13 many voters don't tune in at all until a couple of
14 months before an election, I don't know that answer
15 to that, but I will say as a candidate, 45 days was
16 very tight.

18 CHAIRPERSON CABRERA: Yeah, I can only imagine.
19 45 days and on top of that, you have to - all the
20 places you have to go and then you have to be on the
21 phone fund raising and that just -

22 DAWN SMALLS: Well, not just on the phone, I
23 think this is important because it shifted because of
24 the public financing system. I did a lot of house
25 parties. I mean I did a lot of meet and greets

1
2 because for me as a new candidate, I wasn't concerned
3 about the dollar amount, I just don't have 500 people
4 that are my friends that can give me money and so, I
5 had to get my message out to voters and get them
6 behind me and my campaign and I was invested and I
7 had to hit that threshold I needed 500 New York City
8 residents to donate to my campaign. And the best way
9 to do that because they didn't know who I was, was to
10 get in front of them. Through meet and greets and in
11 people's offices and their living rooms. You know,
12 whatever the setting was, and it was pretty - if
13 somebody found me compelling or found that my message
14 resonated, you know, you could really effectively
15 persuade them to give you \$10. And that was as a
16 bigger hurdle and that was as a big goal for me as it
17 was dollar amount, which I think really supports the
18 idea behind the public financing system in the first
19 instance.

20 CHAIRPERSON CABRERA: Well, I have to say, count
21 it all blessing that you were in Plan A running 2009
22 and that was something else to compare it to what
23 you've been spared of and other candidates of I'm
24 running out of adjectives and adverbs and I'll keep
25 it like that of all the pain and the pressure.

2 And also, for all the reasons that we mentioned
3 today. This plan that we have right now, it forces
4 the candidate to go to the average person. Just like
5 you mentioned right now, to be before them and that
6 intentionality I think makes a world of difference to
7 our constituents and also, it make you a better
8 candidate at the end of the day. And so, the outside
9 influence that sometimes-other groups exerted now is
10 going to be out of the mix.

11 So, let me close with that and with that I want
12 to thank all of that staff, they did a fantastic job
13 to get us prepared here today and to my colleagues to
14 stay all the way to the very, very end. I solute you
15 both for your very, very wise questions that you were
16 asking and for your testimonies today and for CFB and
17 with that we close today's hearing. Thank you so
18 much. [GAVEL]

19

20

21

22

23

24

25

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 April 1, 2018