



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

**City Council Committee on Governmental Operations
December 12, 2018**

Good morning Chair Cabrera and members of the Committee on Governmental Operations. My name is Amy Loprest and I am the Executive Director of the New York City Campaign Finance Board (CFB). I am joined by Eric Friedman, Assistant Executive Director for Public Affairs. Thank you for the opportunity to testify today.

New York City's Campaign Finance Program has long been a model for reformers across the United States seeking to limit the influence of money in elections. Our Program remains strong because the CFB and the Council have worked together over the last 30 years to make improvements that further the Program's goals of lowering the barriers to run for office, amplifying the voices of small contributors, and reducing corruption or the appearance of corruption.

The Charter amendment overwhelmingly approved by New York City voters in November seeks to build on the Program's success, further limiting the corrupting influence of large contributions and making it possible for more candidates to rely on small-dollar contributors. The approval of Ballot Question #1 was a show of support for the exceptional system that we have built together.

One implementation challenge of the Charter amendment is that it allows candidates to choose which version of the Program they will participate in for the 2021 election cycle. Participating candidates can opt to run under the existing program ("Option B") with contribution limits up to \$5,100 for citywide offices and a matching rate of \$6-to-\$1 for the first \$175 of qualifying contributions, or under the new program ("Option A") with lower contribution limits—up to

\$2,000 for citywide offices—and an increased matching rate of \$8-to-\$1 for the first \$250 of qualifying contributions.

Int. No. 1288 would offer this same choice to candidates running in the February 2019 special election for Public Advocate, who would be able to continue fundraising under the existing matching funds program, or opt into the new program. The intent of this bill is to further the policy aims we jointly support: limiting the influence of large donors while increasing the value of small contributions.

Since the Charter Revision Commission issued its proposals in September, CFB staff has been working to determine how we will implement these changes for the 2021 elections, particularly the choice between programs. The parallel sets of contribution limits, matching rates, match amounts, and public funds caps will require significant modifications to all of the CFB's major information systems, including our internal database (CFIS), the disclosure platforms for candidates (C-SMART), and our online fundraising platform (NYC Votes Contribute). Our staff has already begun the extensive work that is needed, and we have been keeping to an aggressive timeline in order to complete it in time for the 2021 elections. Providing the choice for candidates in the special election compresses our implementation timeline considerably. It is important to be clear about the implications it will have for candidates.

Put simply, it is not feasible to complete the work of redeveloping our systems before a special election is declared in January. While we work as diligently as possible to make the process run as it usually does, there is a real possibility that we may have to operate in two systems. This means for candidates who choose the existing program (Option B), everything will proceed as normal; candidates who choose the new program (Option A) will undergo a more manual and time-intensive process. All candidates will be able to file disclosures electronically through C-SMART; however, many of the regular administrative reviews done systematically by CFIS will need to be done manually. For instance, determinations about whether candidates have met the threshold to qualify for public funds and calculations of their matching funds payments will be done on paper.

This will also affect the manner in which candidates receive public funds. Currently, we conduct payments almost entirely through electronic funds transfer, which is enabled by CFIS. Because payments for Option A candidates will not be calculated in our system, we will have to pay those candidates by paper check. It typically takes payments by check longer to appear in a candidate's bank account, whereas electronic funds transfers clear a candidate's bank account in the same day they are sent. Any delay in the availability of funds during a compressed special election period could potentially make a material difference in a race with a crowded field.

Additionally, it is unlikely we will be able to program the regular checks and warnings into C-SMART that help candidates with compliance. While we will provide comprehensive guidance to candidates, we also recognize that errors happen even with the best training. Without these systematic checks in place, heightened vigilance will be required of candidates and their staff to avoid inadvertent violations and penalties.

We also want to be clear that there will be other downstream impacts of manually implementing Option A. Because we will be auditing matching claims, determining threshold, and calculating payments manually rather than systematically, statement reviews for the special election may take longer than they typically would, as will statement reviews for 2021 candidates. This will also take resources away from completing the audits for candidates in the 2017 election cycle.

We have been engaged with the Council and worked together on improvements to the bill that will alleviate some of our administrative concerns, although these will not entirely resolve the issues that I outlined above. For example, the bill requires that candidates in the special election conduct their entire campaign under the system that they choose, eliminating the January 12th cutoff for 2021 candidates and applying the contribution limits, matching rates, and matchable amounts retroactively to the entire cycle. We believe making the system a straightforward choice will significantly reduce the possibility for human error as we perform manual calculations.

Additionally, the bill would lower the threshold to qualify for matching funds in special elections so that candidates for citywide offices will only need to raise half the dollar amount as for regular elections, \$62,500 rather than \$125,000. This will ensure that candidates can actually get

the benefit of public matching funds during a tight special election calendar. Finally, the bill cuts the threshold to qualify for CFB debates in half, which will help ensure that candidates running competitive campaigns will have access to this important opportunity to communicate with voters.

Again, we share the aims of Int. No. 1288. We want to be clear about the challenges we will face during the bill's implementation. We appreciate the open communication we've had with the Council about our administrative concerns. While many issues remain, we want to acknowledge those concerns that were taken into account during the drafting of the bill, which will help simplify the system for candidates running in this special election, and for our staff who will be operating with some administrative limitations on this timeframe. Thank you again for the opportunity to testify today, and I am happy to answer any questions.

Testimony to the City Council Governmental Operations Committee

**Implementing Voter-Approved Campaign Finance Measures for
Special Elections Beginning in 2019**

December 12, 2019

Good morning Chair Cabrera. My name is Alex Camarda, and I am the Senior Policy Advisor for Reinvent Albany. Reinvent Albany is a government watchdog organization which advocates for open and accountable government.

The bill before the Council today will enable candidates running for special elections beginning in 2019 to voluntarily opt into the new campaign finance requirements approved by voters on Election Day in 2018 and placed on the ballot by the 2018 Charter Revision Commission convened by Mayor de Blasio.

The new campaign finance requirements will lower campaign contribution limits to \$2,000 for candidates opting into the city's public matching program (and \$3,500 for non-participants), match donations \$8 to \$1 for the first \$175 of any contribution, and enable candidates to raise 75 percent of their campaign money from public funds.

Reinvent Albany is a strong supporter of these voter-approved campaign finance reforms, believing they will amplify the voice of small donors and ensure all New Yorkers can participate in our democracy. [We testified six times before the 2018 Charter Revision Commission, including as invited experts on campaign finance reform, and worked with Councilmember Ben Kallos to get a majority of Councilmembers to support his legislation to increase the public match cap in 2017 and 2018.](#)

We emphatically supported these reforms overall because they were substantial improvements. However, we opposed the new campaign contribution limits, public match rate, and public match cap being phased in, instead of taking effect immediately.

Reinvent Albany supports this bill because it puts in place the reforms for special elections between 2019 and through 2021. The benefits of implementing these reforms immediately for special elections outweighs our one reservation, which is changing the rules of the game midcourse for the upcoming public advocate special election. However, most candidates in the special election for Public Advocate have raised little money and would therefore likely opt into and benefit from the public matching system. In the last race for an open seat for Public Advocate, Tish James, Dan Squadron, and Reshma Saujani all raised more in public than private funds. This demonstrates the need for the voter-approved campaign finance measures so special election candidates can rely more heavily on public funds for their campaigns.

Reinvent Albany believes this bill could be strengthened by also immediately putting into effect the lower contribution limits passed by the voters for candidates who do not participate in the public matching system and run for office in a special election. For Public Advocate, non-participants will be able to raise ^{\$2,500} ~~\$5,100~~ per donor rather than the new, lower contribution limit of ^{\$1,250} ~~\$3,500~~ passed by the voters in November but not going into effect until 2022. Maintaining the current contribution limit of ^{\$2,500} ~~\$5,100~~ will discourage candidates from participating in the public matching system.

We also believe the Council should repeal the option allowing candidates to remain in the old system in the 2021 primary and general elections. The voters have made clear they want a reduction in contribution limits, and a higher public match rate and cap. This should be put into effect immediately.

Reinvent Albany also notes this bill halves the contributions and money raised thresholds to qualify for the public funds program for citywide office. It also lowers the amount candidates have to spend to qualify for the first debate sponsored by the New York City Campaign Finance Board. Both of these amendments we also support.

Thank you for the opportunity to testify today and I welcome any questions you may have.



Chairman Cabrera and Committee Members,

My name is Morris Pearl, and I am the Chair of the Patriotic Millionaires, an organization of wealthy Americans (including many New Yorkers) concerned by the growing concentration of wealth and power in this country. As part of our advocacy on behalf of greater economic and political equality, I work to ensure that every American, no matter their income level, has the same political influence as millionaires like me. In that capacity, I am here today to ask you to vote yes on [Preconsidered Introduction T2018-3404](#), which would apply the campaign finance reforms passed by the vast majority of New York voters as ballot question one to all upcoming elections, rather than waiting until 2021.

With 80% of voters approving of ballot question one, this set of reforms is incredibly popular -- it got more votes than either the mayor or the public advocate -- and it is incredibly necessary. There is no reason to wait to give the people of New York the government that they want - the Council should pass this bill and empower regular New Yorkers beginning immediately, not making them wait years for the reforms that they voted for.

These regulations will allow anyone, not just millionaires and people who can make friends with millionaires, to participate and run for office. More importantly, it will allow people running for office to hold meetings with regular New Yorkers rather than calling rich people like me to ask for thousands of dollars. In a city as rich as ours, we need to ensure that our leaders don't need to spend all their time with wealthy benefactors in order to get the resources they need to share their platforms. I want to get big money out of politics, especially my money,

Our contribution limits are too high, leaving a majority of the funding for many campaigns coming from large private contributions. This gives the wealthiest 1 percent an outsized say in who can afford to participate in our electoral processes, and pushes normal New Yorkers out of the running.

In light of this, the changes in ballot question one cannot wait. While many potential 2020 presidential candidates are [refusing contributions from political action committees](#), candidates at the local level do not have the same high visibility. They are often targeted by donors seeking to give the maximum contribution in order to get the most access and influence over local decisions on important issues like land use and education.

It's important to remember that these changes are not to benefit candidates – they are for the voters. Historically, many big-dollar campaign donors in the city have been landlords, who are hoping to pad **their bottom lines by influencing public policy** in their favor. By decreasing the maximum donation amount and providing more public matching funds, this bill will make politics more accessible to renters and other working class New Yorkers. These regulations would allow anyone, not just millionaires and people who can make friends with millionaires, to participate and run for office.

In a city as rich and unequal as New York, we need to ensure that wealthy benefactors do not have outsized power in choosing who our candidates are, and how effectively candidates can share their ideas with the public. By increasing public matching funds and lowering the maximum contribution amount for candidates, the Council will be helping return power to the working-class New Yorkers who are the majority of the city's residents.

While the changes in ballot question one will become law in time, there's no reason for us to wait. The people of New York want these reforms, and they deserve them. We need lawmakers working on behalf of the people, not their wealthy donors, and there's no reason we shouldn't start working towards that goal immediately. Thank you.

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 2018 3404 Res. No. _____

in favor in opposition

Date: 12/12/18

(PLEASE PRINT)

Name: Morris Pearl

Address: 1020 Park Avenue

I represent: Patriotic Militaries

Address: _____

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Appearance Card

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

in favor in opposition

Date: 12-12-18

(PLEASE PRINT)

Name: Amy Loprest

Address: 100 Church St, 12th Floor

I represent: NYC Campaign Finance Board

Address: 100 Church St, 12th Fl

THE COUNCIL
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Appearance Card

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

in favor in opposition

Date: 12 12 18

(PLEASE PRINT)

Name: Alex Camarade

Address: _____

I represent: Reinvent Albany

Address: _____

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