



# Independent Democratic Conference

## **Restoring Voters' Trust in New York State Government: Reforming New York State's Campaign Finance and Election Laws by Increasing Accountability, Closing Loopholes, and Implementing Public Financing**

May 1, 2013, 3 PM to 5:30 PM  
250 Broadway, 19<sup>th</sup> Floor Hearing Room  
New York, NY 10007

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Director of Public Policy, Citizens Union

Amy Loprest

Executive Director, NYC Campaign Finance Board

Vered Mallon

Chair, Campaign Finance Reform Committee  
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# Independent Democratic Conference

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ACT NOW

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Committee

Alyssa Aguilera  
Stefani Zinerman

Policy Director, Vocal New York  
Bed Stuy Action Coalition

First Panel of citizens

Second Panel of citizens

Third Panel of citizens



**CITIZENS UNION OF THE CITY OF NEW YORK**

**Testimony to the Independent Democratic Conference (IDC)  
on its Campaign Finance Reform Package**

**May 1, 2013**

Good afternoon Senator Klein and members of the Independent Democratic Conference. My name is Dick Dadey, and I am the Executive Director of Citizens Union. I'm joined today by Alex Camarda, our Director of Public Policy & Advocacy at Citizens Union. Citizens Union is a nonpartisan good government group dedicated to making democracy work for all New Yorkers. Citizens Union serves as a civic watchdog, combating corruption and fighting for political reform. We work to ensure fair and open elections, honest and efficient government, and a civically-engaged public.

Citizens Union commends the IDC for unveiling its sweeping proposal for comprehensive campaign finance reform. The far-reaching reform demonstrates that the Independent Democratic Conference (IDC) understands the need to act boldly to restore the public's faith in state government in the wake of the public corruption scandals in Albany. The state's campaign finance laws were outdated and broken years ago. Following the recent surge in corruption it is clear that the status quo is no longer acceptable.<sup>1</sup> It's high time we acted to end the transactional culture in Albany that draws its lifeblood from campaign cash. While comprehensive campaign finance reform is desperately needed to change the culture of corruption in Albany, it is not the cure-all.

**Citizens Union believes, like the IDC, that comprehensive campaign finance reform includes:**

- 1. A public matching program that encourages participation by small donors and reduces the perceived or actual influence of large contributors and institutional donors on our politics;**
- 2. Reductions to sky-high contribution limits that reflect the maximum allowable contribution to candidates running for the President of the United States;**
- 3. Significant limits on contributions to party committees and transfers of funds from party to candidate committees;**
- 4. A more autonomous enforcement entity that operates independently of the State Board of Elections;**
- 5. Enhanced disclosure in particular for independent expenditures; and**

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<sup>1</sup> 21 legislators have left due to criminal or ethical issues since 1999 according to Citizens Union's research on turnover. See:

[http://www.citizensunion.org/www/cu/site/hosting/Reports/CU\\_Summary\\_Turnover\\_Ethical\\_Issues\\_April\\_4\\_2013.pdf](http://www.citizensunion.org/www/cu/site/hosting/Reports/CU_Summary_Turnover_Ethical_Issues_April_4_2013.pdf)

6. An end to pay-to-play by **limiting contributions of those doing business with the state.**

**The IDC's proposal contains these important reform elements and is important for the following reasons:**

1. **The IDC's proposal affirms the substantial support in state government for public financing of elections.** By embracing a public matching program to fund campaigns, the IDC joins Governor Cuomo and Speaker Silver in amplifying the call for public funding of our elections, as is done in New York City. Citizens Union released in November a report, Fair Elections for New York State: How Public Matching Creates Greater Voter Choice and Competition<sup>2</sup>, which demonstrates the need for public funding in New York State. The report finds that 1 in 5 state legislative races candidates are uncontested – for both the primary and general election – versus 1 in 10 for City Council. This includes a stunning 71 percent of party contests for state legislature that are uncontested. Council primaries, on average, have double the number of candidates than state legislative contests in New York City and feature more candidates even when only considering races in which incumbents are seeking re-election. Yet a public matching fund does not mean incumbent legislators will face electoral defeat, rather it provides voters with greater choice. Council incumbents have a 93 percent re-election rate compared to 97 percent for state legislative incumbents in New York City. Because of the additional competition and incentive to raise money from the community, a public matching program results in lawmakers being more responsive and accountable to the constituents they serve. This encourages better performance and by extension, fewer incidents of corruption.
2. **The IDC's proposal reduces the perceived or actual influence of wealthy contributors on government decision-making.** The IDC's proposal sets a contribution limit of \$2,600 for all offices, the same as that for candidates running for the President of the United States. Currently limits are as high as \$60,800 to candidates for governor, \$16,800 to state senate candidates, and \$8,200 to candidates for assembly per election cycle for individuals, political action committees, and unions. Corporations are limited to \$5,000 in contributions which they can circumvent through donations from subsidiaries. Any of these entities but for corporations can contribute the maximum to multiple candidates up to an aggregate limit of \$150,000. Contribution limits must be lowered if we want to ensure that large contributions do not have a corrupting or undue influence over lawmakers. Currently only 2 of every 1,000 New Yorkers even donate to campaigns, and of those who do, 70 percent contribute \$1,000 or more.<sup>3</sup> This creates the

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<sup>2</sup> Citizens Union. "Fair Elections for New York State: How Public Matching Creates Greater Voter Choice and Competition" November 2012. Available at:

[http://www.citizensunion.org/www/cu/site/hosting/Reports/CU\\_Report\\_FairElectionsforNY\\_11\\_19\\_2012.pdf](http://www.citizensunion.org/www/cu/site/hosting/Reports/CU_Report_FairElectionsforNY_11_19_2012.pdf)

<sup>3</sup> New York Public Interest Research Group. Capital Investments 2012. Most Individual Money Comes from Large Donors. January 7, 2013. Available at: <http://blog.timesunion.com/capitol/archives/175240/nypirg-tallies-legislative-giving/>

perception if not the reality that lawmakers are beholden to a very small group of individuals who generously fund their campaigns.

3. **The IDC's proposal addresses party, transfer and housekeeping loopholes.** Providing public financing and lowering contribution limits to candidates will be undercut if not also accompanied by limits on contributions to party and housekeeping committees, and transfers from parties to candidate committees. If limits are not lowered for party committees and established for transfers, money will simply flow to these committees en route to candidates, thereby undercutting the lower limits on candidate committees. United States Supreme Court Justices Sandra Day O'Connor and John Paul Stevens famously said about financing campaigns that, "money, like water, will always find an outlet."<sup>4</sup> The IDC's broad proposal ensures that contribution limits to candidates means something, rather than money simply being redirected like water from one outlet to another.
4. **The IDC injects into the reform discussion pay-to-play restrictions so that those doing business with the state are not making large contributions while seeking to influence government decision-making.** In Albany, it is common activity for lobbyists to advocate for legislation by day while attending fundraisers at night for the very elected officials they lobby- a practice many lobbyists find uncomfortable. Contractors seek projects from state officials one day while writing checks to their campaign committees the next. Klein's bill limits those doing business with the state from making individual contributions greater than \$400.

#### **Suggestions for Making the IDC's Good Proposal Even Better**

1. **The more independent enforcement entity in the IDC's proposal should have oversight authority over all candidates.** Currently the IDC's proposal does not apply to candidates not participating in the public matching program. The need for effective oversight of all candidates is clear: between 2002 and 2011, 1,016 complaints were made to the State Board regarding election law violations (beyond simple transgressions like failure to file or late filings).<sup>5</sup> In 31 instances, or 3 percent, the Board conducted a full investigation. In 6 instances, or 0.5 percent, referrals were made to a district attorney.<sup>6</sup> The New York City Campaign Finance Board not only has authority over all candidates, it effectively sets its own budget.<sup>7</sup>

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<sup>4</sup> See *McConnell vs. the Federal Elections Commission*, 540 U.S. 93 (2003).

<sup>5</sup> Goldfeder, Jerry. "Make AG an election watchdog," *Times Union*, April 28, 2013. Available at: <http://www.timesunion.com/opinion/article/Make-AG-an-election-watchdog-4470667.php>

<sup>6</sup> *Ibid.*

<sup>7</sup> See section 1052(c) of the New York City Charter: "The board shall, not later than March tenth of each year, approve and submit to the mayor detailed itemized estimates of the financial needs of the campaign finance board for the ensuing fiscal year. Such estimates shall be comprised of at least one personal service unit of appropriation and at least one other than personal service unit of appropriation. The mayor shall include such estimates in the executive budget without revision, but with such recommendations as the mayor may deem proper. Upon inclusion in the executive budget, the budget submitted by the campaign finance board shall be adopted pursuant to such provisions of chapter ten of this charter as are applicable to the operating budget of the council."

2. **Be Wary of Restrictive Regulations Pushing Funds to Independent Expenditures.** Citizens Union supports lower contribution limits to party committees, and lower limits on transfers from party committees to candidate committees. But identifying the proper limit is a delicate balance which must examine unintended consequences, and depends on the degree to which independent expenditures are regulated. Each part of a campaign finance system does not operate in isolation, but rather interrelates with all other parts. The more contribution limits are lowered the more likely campaign funds that once went to candidates and parties will flow to individuals and entities making independent expenditures. For this reason, Citizens Union recommends the following:
  - a. **Limit rather than ban contributions to housekeeping accounts provided the money is actually used for party building and not campaigning.**
  - b. **Permit transfers at double the rate of the contribution limit of \$2600.**
  - c. **Index contribution and matching funds limits to the rate of inflation.**
  - d. **Regulate more aggressively independent expenditures.**
    - i. Include as part of disclosure of independent expenditures, disclosure of bundlers or intermediaries;
    - ii. Require disclosure of original sources of income to entities making independent expenditures so contributions are not laundered through shell organizations;
    - iii. Provide precise and clear criteria to ensure independent expenditures are truly independent and not made in coordination with candidates; and
    - iv. Consider board and/or member/shareholder approval for entities contemplating independent expenditures.
  
3. **Separate Wilson-Pakula provisions from campaign finance reform.** Changes to this law ought to be considered separately from campaign finance reform as it is a distinct and separate issue. Though Citizens Union in 1947 opposed the enactment of the law that became known as Wilson-Pakula, it does not have a current position on whether parties should be able to retain the right to issue Wilson-Pakula certificates to candidates.

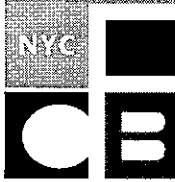
In closing, we commend the IDC for their comprehensive approach to campaign finance reform. Governor Cuomo and the legislative leaders have all issued proposals and/or legislation reforming at several elements of our broken campaign finance system. Governor Cuomo and Senator Klein support comprehensive campaign finance reform. Speaker Silver supports a public matching system, lower candidate contribution limits, more independent enforcement, and disclosure of independent expenditures. Republicans have indicated a willingness to address enforcement and disclosure. **The remaining time in session should be devoted to coming together and negotiating a solution that is balanced and fair to all parties yet represents real meaningful reform. We cannot allow another year to pass without achieving meaningful reform. We call on the legislature to seize the moment and govern by addressing campaign finance reform as it has tackled other difficult issues in a bipartisan fashion such as**

**passing a minimum wage increase, establishing a property tax cap, reforming pensions, and recognizing same-sex marriages.**

Thank you for the opportunity to testify on the IDC's campaign finance reform package. I welcome any questions you may have.







## **New York City Campaign Finance Board**

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**Testimony of Amy Loprest, Executive Director  
and Richard J. Davis, Board Member**

**New York City Campaign Finance Board**

**Hearings on Campaign Finance Reform  
New York State Senate Independent Democratic Caucus  
May 1, 2013**

Good afternoon, Senators Klein, Savino and Carlucci, I am Amy Loprest, Executive Director of the New York City Campaign Finance Board (CFB). With me is Richard Davis, our director of External Affairs. Thank you for giving us the opportunity today to discuss the New York City Campaign Finance Program.

Almost exactly 25 years ago, New York City faced a watershed moment in its history. A series of high-profile corruption scandals drove public confidence in government to historic lows. In an effort to repair and restore New Yorkers' relationship to their elected leaders, Mayor Edward I. Koch joined with the City Council to enact comprehensive campaign finance reform aimed at restricting the influence of money on the city's elections. Mayor Koch signed the New York City Campaign Finance Act into law in February 1988.

Thanks to the foresight of Mayor Koch and his colleagues, the public matching funds program remains strong today. Before we explain why, we would note that it seems that Albany may have

reached its own watershed moment. There is a golden opportunity right now to fix a system that appears broken. As you consider a way forward, we are pleased to share our experiences administering New York City's program. Over 25 years, the hard work and commitment of the Board, its staff, and our partners in city government have shaped the City's program into one of the most robust campaign financing programs in the country, at any level of government.

### **The New York City Campaign Finance Act**

The Act established the Campaign Finance Board to administer the Program. As established in the Charter, the Board is non-partisan. The Mayor and Speaker of the City Council each have two appointments, who may not be members of the same political party. The Mayor appoints the Board's chair in consultation with the Council Speaker. From its inception, our Board has maintained its independence, and has insisted on building a professional staff without consideration for political affiliation.

The Act covers candidates seeking election to 59 offices in New York City's municipal government, including three citywide offices (mayor, comptroller and public advocate), five borough-wide offices, and 51 seats on the City Council.

The Act sets common-sense contribution limits for all candidates. For the 2013 election, mayoral candidates may not accept more than \$4,950, which is slightly less than the limit for candidates for Federal office. For City Council candidates, the limit is \$2,750.

These contribution limits, which apply to all contributors (individuals, labor organizations, and political committees) alike, are combined for the primary and general elections. These reasonable limits apply to all candidates whether they accept public funding or not. This ensures that all candidates are subject to the same rules and that candidates are not “rewarded” for opting out of the program. The Act prohibits direct contributions to candidates from corporations, LLCs and partnerships.

In addition, the Act sets lower contribution limits for anyone who has, or is actively seeking, a business relationship with the City. The “Doing Business” limits range from \$400 for mayoral candidates to \$250 for City Council candidates. These limits have been highly successful at limiting the role of so-called “pay-to-play” contributions in City elections.

Our mandate includes significant responsibilities to inform, educate, and engage New York City voters. All candidates are subject to strong disclosure rules requirements; every campaign must report its financial activity to the Board on a regular schedule. The information reported by campaigns is made available to the public on our online searchable database. The CFB also administers a debate program for citywide candidates; publishes and distributes a non-partisan voter guide to every household with a registered voter; and works to register new voters throughout the city and keep them engaged in city elections.

## **The New York City Campaign Finance Program**

The centerpiece of our system is the City's voluntary public matching funds program. Simply stated, there are two main goals of the program: to increase the role of small-dollar contributions in City elections, and to decrease the perception and possibility of corruption associated with large contributions. The Program matches the first \$175 contributed by New York City residents with public funds at a rate \$6-to-\$1. This means an individual's \$10 contribution is worth \$70 to the candidate. Contributions from non-city residents, political committees and unions are allowed, but are not matched by public funds, nor are contributions from people doing business with City government.

In order to receive public funds, candidates must first demonstrate that they have earned a sufficient level of public support. Candidates must satisfy a two-part fundraising threshold to qualify. For example, City Council candidates must raise \$5,000 in matchable contributions and collect 75 contributions from the district they seek to represent.

Before they receive matching funds, candidates must be on the ballot, and have an opponent on the ballot. Candidates must also demonstrate compliance with the campaign finance law; any candidate with outstanding penalties or repayment obligations assessed in previous campaigns will not receive public funds.

In joining the program, candidates agree to abide by strict spending limits. These limits vary by office, and ensure that the amount of money raised is not the deciding factor in a race between

participating candidates. In 2013, participating mayoral candidates may spend up to \$6.4 million each in the primary and general election; the limit for City Council candidates is \$168,000 in each race. The Act calls for these limits to be automatically adjusted according to inflation after each four-year election cycle, which allows the Program to keep pace with the increasing costs of running a campaign in one of the most expensive cities and media markets in the world.

Public funds payments to any campaign are capped at 55 percent of the spending limit established for that office. This limitation ensures that every campaign has a mix of private and public funds behind it. In the 2013 elections, the maximum public funds payment available to mayoral candidates will be \$3.5 million per election. For City Council candidates the maximum public funds payment will be \$92,400 per election.

Following each citywide election, the Act requires that the CFB review the Program, its effects on candidates' ability to campaign, and recommend appropriate changes to the law. This regular review of our rules and practices has helped the Program evolve over time and meet new challenges. Now, more than ever, most candidates believe that the public matching funds program offers the best chance to compete. More than 90 percent of active candidates joined the Program for the 2009 primary elections, as did 80 percent of active candidates for the general elections.

## **Independent, Non-partisan Enforcement**

The CFB's record of tough-but-fair enforcement creates a culture where following the rules matters and compliance with the law is the norm, not the exception. In the 2009 elections, two-thirds of the more than 200 candidates registered with the CFB were not assessed a penalty.

This is not an accident. The professional staff in our Candidate Services Unit provides training and guidance to candidates and campaign staff, helping them to comply with the Program's rules. They reach out to candidates before filing deadlines to make sure they are on target and they are available to answer questions at any time.

Candidates for office in New York City also know that their campaign finances will be audited thoroughly by the CFB before, during and after each election. Pre-election, we carefully review every claim for public funds, to ensure candidates qualify for matching funds honestly. During the election, we verify that the candidates are abiding by the rules.

After the election, our audits ensure that candidates have accounted for each and every dollar in public funds they receive. If the money was not spent for their election, we require that they pay it back. We've all seen the reports from Albany of candidates using their campaign funds for cars, swimming pools, or vacations to China. As a result of our audit and enforcement authority, most candidates in New York City don't take these liberties with their campaign funds. Those who flout these rules expose themselves to severe penalties, and may be personally liable to repay the misused funds.

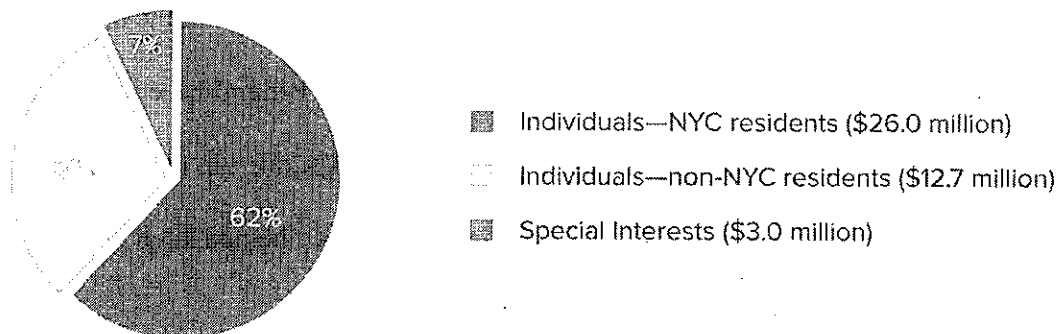
The Board's non-partisan, independent structure has been very important to allowing our Board to function effectively. We are asked to safeguard the public's investment in the political process, and we take that responsibility very seriously. Unlike the Federal Election Commission, we can avoid partisan gridlock; unlike the State Board of Elections, we can take the initiative to conduct proactive inquiries. The resulting enforcement efforts have helped keep the Program strong over the years.

### **Results in New York City**

The New York City public campaign financing program is designed to increase New Yorkers' participation in elections. The evidence overwhelmingly suggests that the program has succeeded. Statistics from recent elections show that the matching program sharply limits the role of big donations from special interests in City Elections.

More than 90 percent of the funds available to participating City candidates in the 2009 elections came from individual contributions and public funds. Only seven percent came from PACs,

unions and special interests.



Contrast this with Albany where candidates for the state legislature in 2012 relied on big-money sources for more than two-thirds of their total funding.



Source: *followthemoney.org*

The \$6-to-\$1 match encourages candidates to focus on collecting smaller contributions, which more New Yorkers are able to afford. The match also encourages more New Yorkers to show their support for candidates and to feel confident that their voice will be heard.



Here the evidence that the City's public matching funds program promotes broader participation in our elections is stunning. In the 2009 elections, 69 percent of contributors gave \$175 or less. In each of the last three election cycles, more than half of all individual contributions from New York City residents were made by first-time donors.

A 2012 report from the Campaign Finance Institute shows that more New Yorkers, from every neighborhood, in every borough, made more contributions to City Council candidates than to candidates for the state legislature. Fully 90 percent of New York City census block groups had someone who gave \$175 or less to a City Council candidate in 2009. Meanwhile, just 30 percent of Census block groups had someone who gave \$175 or less to a candidate for the State Assembly in 2010.

### **Conclusion**

The evidence is clear: the City's matching funds program greatly increases participation in our elections by New Yorkers living in every neighborhood, in every public school district, along every subway line and every city street. Their participation is the key to a healthy democracy. Their participation ultimately determines whether candidates are accountable to the public interest. Government works best when the public takes an active role.

Unfortunately, New Yorkers have grown disconnected from their state government in Albany. The cycle is all too familiar: porous campaign finance laws breed cynicism, causing voters to tune out. With no one watching, corrupt actors escape accountability and it becomes much more

difficult for good people to be effective. New York City was in a similar cycle 25 years ago, but the Campaign Finance Act and the public matching funds program have helped reverse the trend.

It is so important that you do not let this moment pass without taking meaningful action. No one action alone will end corruption. But we know for certain that if nothing is done, nothing will change. Please do not squander this opportunity.

We thank you for the opportunity to testify today, and we will be happy to answer any questions you may have.



**THE LEAGUE OF WOMEN  
VOTERS** OF THE CITY OF NEW YORK

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**New York State Senate Independent Democratic Conference  
Restoring the Voters' Trust in New York State Government:  
Reforming New York State's Campaign Finance and Election Laws by  
Increasing Accountability, Closing Loopholes and Implementing Public  
Finance  
May 1, 2013  
19<sup>th</sup> Floor Hearing Room  
250 Broadway, New York City**

My name is Vered Mallon and I am Chair of the Campaign Finance Reform Committee of the New York City League of Women Voters. I want to thank Senator Klein and the Independent Democratic Conference for holding these hearings on campaign finance reform and other means to combat political corruption. I am speaking today on behalf of the New York City League.

The League of Women Voters of New York State (the "League") is a non-partisan organization that works to promote political responsibility through the informed and active participation of citizens in government. Effective advocacy has always been an important part of League activity. The League has been fighting the long battle to reform New York State's deeply flawed campaign finance laws for many decades. Contribution limits are far too high, enforcement too lax, loopholes abound, and the influence of special interest groups and large donors is unfettered.

Fortunately, the odds of enacting such reform by the end of this legislative session have never been better. The wind is at our back on many fronts including Governor Cuomo's support for comprehensive campaign finance reform with a small donor matching fund program modeled after New York City's. Furthermore, distancing themselves from what the New York Times termed in a recent editorial, "Albany Rot," lawmakers themselves in both chambers of the legislature are responding with a number of campaign finance reform proposals. In particular, the League applauds the IDC on its sweeping and comprehensive campaign finance proposal. It leads with public financing and includes other important measures required to bring about real and effective change. The public financing of campaigns will help ensure the public right to know, combat corruption and undue influence, enable candidates to compete more equitably for public office and allow citizen participation in the political process. This proposal also fundamentally changes the campaign finance system for all candidates in critical ways that are necessary for real reform.

Voters clearly want their voices heard. An overwhelming majority of New Yorkers, according to a poll by Lake Research Partners, want real, comprehensive overhaul of election laws, not modest changes. In addition, a Siena College poll finds that 60% of New Yorkers are confident that Governor Cuomo will succeed in pushing through campaign finance reform.

Now is the time for the Legislature to meld these different proposals into a workable comprehensive campaign finance reform law that includes: (1) lower individual contribution limits for all candidates (2)

full disclosure of independent expenditures (3) closing of loopholes and restrictions on housekeeping accounts (4) a small donor matching fund program modeled after New York City's, and (5) independent and robust enforcement.

As we said when the IDC released the outline of its proposal for reform, the League believes that a comprehensive approach to campaign finance reform could significantly reduce the corruptive influence of special interest money in state politics and change the "pay to play" culture in Albany.

Thank you for the opportunity to speak.

**Testimony by  
Susan Lerner, Executive Director of Common Cause/New York**

**Before the  
Independent Democratic Conference  
Town Hall on Restoring the Voters' Trust in New York State Government:  
Reforming New York State's Campaign Finance and  
Election Laws by Increasing Accountability  
New York City  
May 1, 2013**

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Good afternoon. Thank you for the opportunity to speak today. Common Cause/NY wants to commend the Conference and its Leader, Senator Klein, for conducting these series of hearings, which gives the public an opportunity to weigh in on important issues like campaign finance. We hope that the Conference will continue to give members of the public throughout the state additional opportunities to be heard on such issues. But more importantly, we look forward to working with Independent Democratic Leader Klein in moving the strongest possible campaign finance bill to the floor of the Senate for a successful vote before this session ends.

My name is Susan Lerner, and I am the Executive Director of Common Cause/New York. Common Cause/NY is a non-partisan, non-profit citizens' lobby and a leading force in the battle for honest and accountable government. Common Cause fights to strengthen public participation and faith in our institutions of self-government and to ensure that government and political processes serve the general interest, and not simply the special interests. For more than 30 years, we have worked at both the state and municipal level to bring about honest, open and accountable government. We have been a long-standing advocate for innovative campaign finance and ethics laws in New York, as well as throughout the country. Common Cause is a leading supporter of comprehensive campaign finance reforms and public funding of elections throughout the country. We have been involved in helping craft, ultimately pass and help implement virtually all of the public funding of election systems that are functioning at the state and national level, as well as numerous municipal level systems, including the highly regarded public funding of elections system in New York City, the Clean Elections system working successfully in Connecticut and the recent improvement of the Los Angeles Municipal Matching Fund system.

With that long history of support, it is not surprising that we strongly support public funding of elections for New York State's elections. However, given the troubling state of campaign finance in New York State, Common Cause/NY strongly believes that passing public funding of elections in our state without addressing the very real and long-standing deficiencies of our conventional campaign financing system would be a disservice to both candidates and the voters. We have, over the years, in study after study, as part of our Connect the Dots series and in various analyses of the impact of campaign contributions on public policy, detailed a deeply disquieting situation. It is one that causes

the public to perceive that special interest campaign dollars and not the public interest is a controlling factor in Albany. Certainly, the recent scandals have done nothing to dispel that impression.

We commend Leader Klein and the IDC for proposing a robust package of campaign finance reforms, including a small donor matching fund system modeled after New York City's successful matching fund system. The proposed Integrity in Elections Act of 2013 contains many worthwhile proposals, many of which we support in concept. We look forward to working with the IDC and the other legislative leaders as well as the governor to craft a strong consensus package of campaign finance reform measures built around a core of public financing and bringing that package to a floor vote this session.

Common Cause/NY will have representatives at each of the four town halls which the IDC is conducting. Consequently, we will discuss different aspects of the bill at each of the hearings. I apologize that my testimony today will be more summary in nature, as we have not yet had an opportunity to review in depth all 25 pages of the bill text. We will provide a more detailed discussion of the bill's proposed language at the final town hall to be held in Albany. Today, I would like to address the bill's provisions regarding housekeeping accounts, transfers from a party to a candidate, and Wilson-Pakula.

Our entire philosophy of campaign finance reform is informed by the belief that the most effective antidote to huge amounts of political money, "organized dollars" if you will, is organized people. For that reason, we believe that political parties still have an important role to play in our political system, even if though there is much work to be done for the parties to be effective entities motivated by and embodying political ideologies, rather than corrupt aggregators of money and power used to maintain the status quo at any cost. We do not support non-partisan elections nor do we support measures that we believe would result in preventing the parties from fulfilling their appropriate role in our system.

At Common Cause/NY we have long pointed out and decried the ways in which the political parties abuse the campaign finance system and appear to ignore even the weak campaign finance laws on the books. Housekeeping accounts have often been the medium for such objectionable conduct. We have reported on the pay-to-play appearance which unlimited donations to, and unlimited transfers out of, housekeeping accounts creates. We have been and we remain, a persistent and loud voice for significant reform of housekeeping accounts. However, we believe that the bill's outright prohibition on housekeeping accounts goes too far.

It is our position that housekeeping accounts can serve valid and important purposes, but only if they are carefully defined and regulated. Parties should be required to maintain separate housekeeping accounts, contributions to them must be limited, and what is and is not a permitted expense for housekeeping accounts should be clearly defined in detail. We also recommend that any transfer from housekeeping accounts to any candidate committee be prohibited.

We believe that not only housekeeping accounts but all "soft money" contributions should be regulated and subject to the following limits:

- Set the amount that Individuals, PACs, or unions can make to party committees at \$50,000 per year.

- Limit the amount that individuals, PACs, corporations or unions may make to housekeeping accounts to \$50,000 (Currently unlimited contributions are allowed).
- Set the total amount that an individual can contribute to candidates, party committees, housekeeping accounts and PACs *combined* to \$100,000 per year.
- Set the total amount that a PAC can contribute to candidates, party committees, housekeeping accounts and other PACs *combined* to \$350,000 per year. (Currently unlimited)

Because we believe that parties can play an important and positive role in our political system, we do not support the outright prohibition of transfers from a political party to candidates, as contained in section 4 of the bill. We prefer the limits on party transfers contained in the proposed new section 14-212(2)(E) of the proposed 2013 Fair Elections Act. The Fair Elections Act would limit party transfers to participating candidates to \$50,000 in the aggregate of which only 25% could be in cash. We would have these limits apply to all candidates.

Common Cause strongly supports fusion voting as a system which opens up the ballot for candidates to express their views more clearly and for voters to better express their preferences. Fusion voting has been part of American elections since the 19<sup>th</sup> Century and is a mainstay of New York's elections.

The Integrity in Elections Act proposes to repeal what is known as "Wilson-Pakula," which allows political parties to control who is able to run under any line, even if not registered in that party. Minor parties have raised objections, concerned that major parties would swamp them with resources and candidates, and essentially ending any independent existence. Wilson-Pakula has a troubled history. We believe that it should be considered for reform and perhaps repeal, but the concerns of third parties must be taken seriously. Common Cause/NY is not prepared to support its repeal without further examination and discussion. However, we should not allow any discussion of Wilson Pakula to distract from the greater and more pressing problem of addressing the corrupting influence of special interest money in Albany through comprehensive campaign finance reform this session.

We look forward to discussing other aspects of this ambitious and admirable bill at the future town halls. Thank you.

a ban on the 66-year-old Wilson-Pakula law, which minor parties say could lead to their destruction. Under the governor's proposal, anyone from any party could run under any line, regardless of whether they are registered with that party.

The likely result, the smaller parties say, is that the major parties will swamp them with resources and candidates, forcing them to become shells for other interests.

, (3) eliminate party "housekeeping" accounts, which are not currently subject to any contribution limits, (4) impose a \$2,600 cap on contributions between party and candidate committees in order to prevent parties and candidates from circumventing the intent of statewide contribution limits,



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**Testimony of Ian Vandewalker**  
**Counsel, Brennan Center for Justice at N.Y.U. School of Law**

**Submitted to the**  
**Independent Democratic Conference**  
**of the New York State Senate**

**For the hearing entitled,**  
**“Restoring the Voters’ Trust in New York State Government:**  
**Reforming New York State’s Campaign Finance and Election Laws by**  
**Increasing Accountability”**

**May 1, 2013**

On behalf of the Brennan Center for Justice at N.Y.U. School of Law, I want to thank Senator Klein and the members of the Independent Democratic Conference for holding this hearing, and for their continued attention to the numerous existing problems with the campaign finance system in New York State.

My name is Ian Vandewalker, and I am counsel at the Brennan Center. The Brennan Center is a non-partisan public policy and legal advocacy organization that focuses on fundamental issues of democracy and justice. Our Money in Politics project works with policy makers and activists to help draft and enact legislation, defend campaign finance laws in court, and promote innovative public financing solutions nationwide, particularly small donor matching fund systems. We are an active member of the Fair Elections for New York Coalition working to address the impact of huge campaign contributions on elections and politics in the Empire State.

The recent spate of scandals that have rocked our state is merely the latest evidence that systematic changes are needed to address Albany’s “show me the money” culture of corruption. Comprehensive campaign finance reform with public financing at its core is New York’s best response to the explosion of official corruption and the public cynicism that corruption scandals breed. Most elected officials go to Albany with the best of intentions, and most serve the public honorably. But there have been too many scandals in recent years to deny the fact that the system fosters corruption. The campaign finance system needs fundamental change.

While there are already different visions of the best path forward, there is broad agreement among reformers on the key elements of comprehensive reform. Advocates and policy makers alike agree that any proposal will fail to meaningfully address the crisis we face if it does not include public financing through a voluntary small donor matching program, effective enforcement, transparency, and lower contribution limits. Together, these reforms can change Albany by reducing the influence of big donors and increasing the relative importance of all who can afford to give small donations. Similar reforms have worked in New York City, Connecticut, and elsewhere. In addition, reform can restore the public trust by encouraging more civic participation and giving voters more choice.

Of course, not everyone agrees that overarching reform is needed. Some have said that we should retain current campaign finance laws and simply strengthen the powers of New York's prosecutors. But our state's corruption crisis demands more: We need to change the culture of Albany, change the financial incentives that candidates face, and change the relationship between ordinary New Yorkers and their elected representatives. At bottom, opponents of comprehensive reform are defenders of the status quo, champions of a system that works for lobbyists and special interests, but not everyday New Yorkers. Clinging to the existing system, opponents of reform would evidently prefer to allow corruption to continue festering in Albany.

As always, there are powerful forces in Albany committed to maintaining that status quo. For this reason, we urge Senator Klein to introduce the bill and work to get it to the floor as soon as possible. We are confident that if everyone works in good faith, the differences among those who truly believe in comprehensive reform can be worked out. In the face of an opportunity to bring real and lasting change to Albany, those differences should not be an excuse to do nothing.

**Reform is necessary to change the culture of Albany.**

*Reform will reduce candidates' dependence on big donors and give ordinary New Yorkers more influence.*

Comprehensive campaign finance reform is necessary to reduce the importance of big money donors in our state's politics. New York's campaign contribution limits are the highest of any state that has limits and for most offices are many times higher than federal limits. The cost of running a campaign continues to rise, in part due to candidates' risk of being targeted by unlimited outside spending. This forces candidates to spend huge amounts of time fundraising, time they should spend talking to voters or the media – or for incumbents, governing.

This fundraising pressure gives candidates a powerful incentive to focus on the small number of donors who can afford to give the most. In 2012, legislative candidates raised 74 percent of their funds from donors of \$1,000 or more and interest groups; only 8

percent came from individuals who gave \$250 or less.<sup>1</sup> The disproportionate importance of moneyed interests to fundraising gives them an outsized influence over government. Policymakers must keep the donor class happy in order to be able to run for reelection.

The mad chase for campaign cash can also give elected officials an incentive to look beyond the legal means of fundraising and consider other ways of acquiring money, like bribery, fraud, and extortion.

Comprehensive reform will change that. Reducing contribution limits for all candidates will narrow the gulf between what the average person can afford to contribute and the amount of the largest contributions. Improved disclosure, especially of bundlers and outside spending, will allow the voters to know which interests support a candidate, and therefore whom the candidate may be beholden to.<sup>2</sup>

Most importantly, a small donor matching system of public financing will give candidates a strong incentive to raise much of their money from ordinary New Yorkers, the people who will be their constituents if they are elected. Because public funds are dispersed in proportion to candidates' ability to engage in grassroots fundraising, the system will make candidates dependent on small donors rather than special interests. This will lift up the voices of ordinary New Yorkers, making government more responsive to them rather than the relatively tiny numbers of big donors who currently underwrite elections in the Empire State.

Small donor matching will reduce candidates' need to chase big donors to fund their campaigns, reducing the time they spend fundraising and freeing time to talk to constituents. And as the pressures to raise unlimited campaign cash decrease, so will the pressure on elected officials to seek illegal sources of money.

*Reform has changed the culture in New York City and Connecticut.*

New York City enacted a public financing matching system in response to a cancer of corruption that had spread through city government. Mayor Ed Koch's administration was slammed with a series of graft, bribery, and extortion scandals in the 1980s.<sup>3</sup> Koch was not accused of corrupt behavior, but on his watch party bosses packed several city agencies with patronage appointments. This created a system in which thousands of parking meter attendants and municipal inspectors took graft. Multiple whistleblowers

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<sup>1</sup> CAMPAIGN FINANCE INST., PUBLIC MATCHING FUNDS IN NY STATE, REVERSING THE FINANCIAL INFLUENCE OF SMALL & LARGE DONORS, WOULD LEAVE THE CANDIDATES "WHOLE" WHILE COSTING NEW YORKERS ONLY \$2/YEAR (2013), [http://www.cfinst.org/Press/PReleases/13-04-01/Updated\\_CFI\\_Research\\_on\\_Public\\_Matching\\_Funds\\_Proposal\\_for\\_New\\_York\\_State.aspx](http://www.cfinst.org/Press/PReleases/13-04-01/Updated_CFI_Research_on_Public_Matching_Funds_Proposal_for_New_York_State.aspx).

<sup>2</sup> See *Buckley v. Valeo*, 424 U.S. 1, at 67 (1976). The Supreme Court recognized that the disclosure of information about political spending "allows voters to place each candidate in the political spectrum more precisely than is often possible solely on the basis of party labels and campaign speeches. The sources of a candidate's financial support also alert the voter to the interests to which a candidate is most likely to be responsive and thus facilitate predictions of future performance in office."

<sup>3</sup> See generally JACK NEWFIELD & WAYNE BARRETT, CITY FOR SALE (1988).

were ignored in a system where party bosses had tight control over their agencies. In the decade prior to the passage of public financing in 1988, four of the city's elected officials, including a borough president, were convicted of corruption charges, one was censured by the City Council and later convicted of tax crimes, and another borough president committed suicide as more and more evidence came to light implicating him in bribery and kickback schemes.

Since the enactment of public campaign financing, New York City has not seen another corruption crisis even remotely resembling that of the 1980s. The city's public funding system has succeeded in making elections more competitive, in allowing candidates to campaign more than they fundraise, and in substantially increasing the number of people who donate to campaigns.<sup>4</sup> The system has also dramatically increased the diversity of donors, greatly increasing the influence and voice of small donors who lack access to large sums of money.<sup>5</sup>

Robust enforcement has been critical to the success of reform efforts. The New York City Campaign Finance Board (CFB) carefully oversees the city's public financing program. Routine audits ensure that candidates do not receive more public funds than they are entitled to.<sup>6</sup> In its oversight of the 2009 elections, the New York City Campaign Finance Board penalized several campaigns for improper spending: The agency imposed fines and required campaigns to return more than \$400,000 in public funds. In contrast, the New York State Board of Elections currently has no investigators and is simply incapable of adequately policing state campaign finance law.<sup>7</sup> The state desperately needs a well-funded, non-partisan enforcement agency to implement a small donor matching system, assist candidates with compliance, and enforce violations of Article 14.

In neighboring Connecticut, comprehensive campaign finance reform with public financing has been an enormous success since it was implemented in 2008. As in New York City, Connecticut adopted public financing after a series of scandals that had earned the state the shameful sobriquet of "Corrupticut." After the adoption of their public funding system, however, the number of federal public corruption convictions in Connecticut decreased drastically, to a small fraction of the numbers seen in the years

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<sup>4</sup> See ANGELA MIGALLY & SUSAN LISS, *SMALL DONOR MATCHING FUNDS: THE NYC ELECTION EXPERIENCE* (2010), <http://www.brennancenter.org/sites/default/files/legacy/Small%20Donor%20Matching%20Funds-The%20NYC%20Election%20Experience.pdf>. Public financing programs in other states have been found to increase voter participation and the competitiveness of elections. See LAURA LOY ET AL., *MORE THAN COMBATING CORRUPTION: THE OTHER BENEFITS OF PUBLIC FINANCING* (2011), <http://www.brennancenter.org/analysis/more-combating-corruption-other-benefits-public-financing>.

<sup>5</sup> ELISABETH GENN, MICHAEL MALBIN, SUNDEEP IYER & BRENDAN GLAVIN, *DONOR DIVERSITY THROUGH PUBLIC MATCHING FUNDS* (2012), [http://www.brennancenter.org/sites/default/files/legacy/publications/DonorDiversityReport\\_WEB.PDF](http://www.brennancenter.org/sites/default/files/legacy/publications/DonorDiversityReport_WEB.PDF).

<sup>6</sup> N.Y. CITY CAMPAIGN FINANCE BD., *NEW YORKERS MAKE THEIR VOICES HEARD: A REPORT ON THE 2009 ELECTIONS*, 73-76 (2010), [http://www.nyccfb.info/PDF/per/2009\\_PER/2009PostElectionReport.pdf](http://www.nyccfb.info/PDF/per/2009_PER/2009PostElectionReport.pdf).

<sup>7</sup> Thomas Kaplan, *Cuomo Adds Election Law Office to Anticorruption Proposals*, N.Y. TIMES, Apr. 16, 2013, <http://www.nytimes.com/2013/04/17/nyregion/cuomo-bolsters-anti-corruption-efforts.html>.

immediately preceding reform.<sup>8</sup> The four-year stretch since reforms were implemented has had the fewest convictions of any four consecutive years since federal officials started reporting this data. A recent report co-authored by Connecticut's former Secretary of State shows that the state's system has decreased the number of uncontested elections and reduced the influence of lobbyists.<sup>9</sup>

**Reform will restore public faith in government.**

Albany's corruption problems are threatening to completely destroy the public trust in government. In the last 10 years, at least 18 state elected officials have been criminally charged with or convicted of corruption. The corruption has infected the highest levels of state government: Former Comptroller Alan Hevesi steered \$250 million of the state pension fund's money to a company in exchange for almost \$1 million in cash and travel benefits from the company's founder. Three of the last five Senate Majority Leaders or Co-Leaders, spanning almost two decades, have been indicted or convicted on corruption charges: Joseph Bruno is awaiting retrial after his 2009 conviction was overturned due to a change in the law; Pedro Espada pleaded guilty last year and faces a trial on more charges; and Malcolm Smith was charged this month.

The damage to public trust is undeniable. Eighty-seven percent of New Yorkers think that corruption is a somewhat serious or very serious problem.<sup>10</sup> Cynicism has set in, and voters have come to expect corruption scandals: eight out of 10 said in late April that more legislators are likely to be arrested for corruption.<sup>11</sup> Only deep, fundamental reform will help restore the public trust. Public financing in combination with efficient, credible enforcement and other measures can revitalize faith in Albany by increasing ordinary New Yorkers' participation in elections due to the power of reform to encourage new candidates to run and new donors to give.

*Reform will increase civic participation.*

By instilling a sense of ownership of the system and connection to candidates, a small donor matching system of public financing will make voters feel that Albany belongs to them, rather than to the special interests. Lowering contribution limits will reduce New Yorkers' cynicism about the ability of wealthy individuals and companies to influence

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<sup>8</sup> DEP'T OF JUSTICE PUBLIC INTEGRITY SECTION, REPORTS TO CONGRESS (1976 – 2011), <http://www.justice.gov/criminal/pin>.

<sup>9</sup> J. MIJIN CHA & MILES RAPOPORT, FRESH START: THE IMPACT OF PUBLIC CAMPAIGN FINANCING IN CONNECTICUT (2013), [http://www.demos.org/sites/default/files/publications/FreshStart\\_PublicFinancingCT\\_0.pdf](http://www.demos.org/sites/default/files/publications/FreshStart_PublicFinancingCT_0.pdf).

<sup>10</sup> Jon Campbell, *Poll: Voters Want More from Cuomo in Corruption Fight*, JOURNAL NEWS, Apr. 17, 2013, <http://www.lohud.com/article/20130417/NEWS/304170078/Poll-Voters-want-more-from-Cuomo-corruption-fight>.

<sup>11</sup> SIENA RESEARCH INST., SIENA COLLEGE POLL: 81% OF VOTERS SAY MORE ARRESTS OF LEGISLATORS FOR CORRUPTION ARE LIKELY; ABOUT 1/3 SAY THEIR LEGISLATOR COULD BE ARRESTED, Apr. 22, 2013, [http://www.siena.edu/uploadedfiles/home/parents\\_and\\_community/community\\_page/sri/sny\\_poll/SNY%20April%202013%20Poll%20Release%20-%20FINAL.pdf](http://www.siena.edu/uploadedfiles/home/parents_and_community/community_page/sri/sny_poll/SNY%20April%202013%20Poll%20Release%20-%20FINAL.pdf).

legislation with a single check in an eye-popping amount. And improved disclosure will bring the money that is used for influence and access into public view, allowing voters to decide whom they should trust.

Public financing will increase civic participation. New York State has one of the lowest rates of people contributing to political campaigns in the nation.<sup>12</sup> But matching funds will persuade regular people to give, knowing their \$50 becomes worth \$350 to the candidate they support. New York City's multiple match has dramatically increased the number of small donors who give and the importance of small donors to candidates' fundraising.<sup>13</sup>

Anecdotal evidence from the New York City system indicates that people who have invested in a campaign are more likely to continue to actively support that campaign, for example by volunteering to phone bank.<sup>14</sup> This may be driven by a version of the "sunk cost" effect, a powerful psychological force that drives people to continue to support an endeavor they have invested in.<sup>15</sup>

Furthermore, a public matching funds system will increase the diversity of donors as it brings more people into the class of political donors. New York City's system has encouraged new donors from low-income and minority communities. A recent study comparing city races under the matching funds system to New York State Assembly races found that small donations come from a much broader array of communities under the city system.<sup>16</sup> For example, the predominantly African-American and low-income neighborhood of Bedford-Stuyvesant in Brooklyn is the source of 24 times more donors, and the heavily Latino communities in Upper Manhattan and the Bronx give 12 times more.<sup>17</sup>

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<sup>12</sup> CAMPAIGN FINANCE INST., VERMONT AND RHODE ISLAND HAD THE HIGHEST PERCENTAGES OF ADULTS CONTRIBUTING IN 2010 AND 2006 STATE ELECTIONS; NEW YORK, UTAH, CALIFORNIA AND FLORIDA THE LOWEST (2012), [http://www.cfinst.org/Press/PRelases/12-12-20/VT\\_and\\_RI\\_Had\\_the\\_Highest\\_Percentages\\_of\\_Adults\\_Contributing\\_in\\_2010\\_and\\_2006\\_State\\_Elections\\_NY\\_UT\\_CA\\_and\\_FL\\_the\\_Lowest.aspx](http://www.cfinst.org/Press/PRelases/12-12-20/VT_and_RI_Had_the_Highest_Percentages_of_Adults_Contributing_in_2010_and_2006_State_Elections_NY_UT_CA_and_FL_the_Lowest.aspx).

<sup>13</sup> Michael J. Malbin, Peter W. Brusoe & Brendan Glavin, *Small Donors, Big Democracy: New York City's Matching Funds as Model for the Nation and States*, 11 ELECTION L. J. 3 (2012).

<sup>14</sup> See MIGALLY & LISS, *supra* note 4, at 18 (quoting City Councilmember Daniel Dromm explaining that his focus on small donors "contributed to the sense of inclusion that translated into other kinds of support").

<sup>15</sup> See, e.g., Hal R. Arkes & Catherine Blumer, *The Psychology of Sunk Cost*, 35 ORGANIZATIONAL BEHAVIOR & HUMAN DECISION PROCESSES 124 (1985).

<sup>16</sup> GENNET AL., *supra* note 5, at 4.

<sup>17</sup> *Id.*

*Reform will give voters more choice.*

By encouraging quality candidates to run even if they do not have access to big money donors, public financing will give voters more choice.<sup>18</sup> Under a small donor matching system, candidates who are not part of a political machine can run meaningful campaigns by mobilizing grassroots support into the small donations needed to qualify for public matching funds. This can lead to a more diverse candidate pool and fewer uncontested elections.

Studies of public funding systems in Arizona, Maine, and Connecticut have shown that elections are more competitive.<sup>19</sup> Public funding allows challengers to present themselves and their messages to the public, giving voters a choice. The existence of meaningful choices for voters is important to a healthy democracy, and it counteracts the cynical belief that voters lack meaningful control over Albany.

Public campaign funding has been associated with an increase in the diversity of candidates and elected officials in New York City and Connecticut.<sup>20</sup> A trend toward elected officials being more representative of the population they serve is likely to make voters feel closer to their government and counteract distrust.

**Reform will not happen unless the Senate votes on and passes a comprehensive bill.**

New York needs fundamental campaign finance reform, which will necessarily affect many elements of the existing system. There are varying views on what the ideal balance of reforms is, on how best to improve this or that element of the system, and so on. These different visions must not become an obstacle to the passage of any reform measure. If every advocate insists that legislation confirm to his or her own view of the best possible reform, then we all run the risk of getting nothing done. If reformers refuse to come together and negotiate, opponents of reform will be able to maintain the status quo without lifting a finger.

The Brennan Center takes a historical perspective. Public funding systems in New York City and other jurisdictions have been improved over time. When it was first enacted in 1988, New York City's system provided only a one-to-one match of the first \$1,000 of each contribution. Originally, the city did not reduce contribution limits for candidates who chose not to participate in the public funding system, leaving them free to accept six-figure checks – but candidates still participated in public financing in droves. Over the

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<sup>18</sup> COMM. FOR ECONOMIC DEVELOPMENT, PROMOTING SMALL DONOR DEMOCRACY: THE VALUE OF PUBLIC MATCHING PROGRAMS 6-8 (2013), <http://www.ced.org/pdf/Promoting-Small-Donor-Democracy.pdf> (describing the benefits of the New York City program for voter choice).

<sup>19</sup> See, e.g., CHA & RAPOPORT, *supra* note 9, at 11; Neil Malhotra, *The Impact of Public Financing on Electoral Competition: Evidence from Arizona and Maine*, 8 ST. POLS. & POL'Y Q. 263, 263 (2008); Kenneth R. Mayer, Timothy Werner & Amanda Williams, *Do Public Funding Programs Enhance Electoral Competition?*, in THE MARKETPLACE OF DEMOCRACY: ELECTORAL COMPETITION AND AMERICAN POLITICS 245 (Michael P. McDonald & John Samples eds., 2006).

<sup>20</sup> CHA & RAPOPORT, *supra* note 9, at 13; MIGALLY & LISS, *supra* note 4, at 21.

years, the matching ratio was increased to four-to-one, and then to six-to-one. The matchable contribution was lowered to \$250, and then to \$175. The system is now a far more powerful incentive for small donors than it used to be. And as the percentage of city council members who participated in the system increased, lower contribution limits and stronger disclosure requirements were eventually imposed on all candidates, whether they accept public funds or not.<sup>21</sup> New York City's experience demonstrates how legislators who have experienced the benefits of a small donor matching system first hand can be expected to strengthen that system over time.

The federal presidential public financing system was also improved by amendments during the 1970s and '80s. The program was a consistent success for decades. Unfortunately, Congress – the members of which have never benefitted from public financing – has failed to amend it more recently to keep up with the skyrocketing costs of presidential campaigns, and the system has become moribund.

Even Connecticut's relatively new program, implemented in 2008, has been improved upon. In 2011, the legislature made a number of amendments, including increasing the frequency of disclosures and prohibiting anonymous contributions to nonparticipating candidates.<sup>22</sup> Maine's law, passed by public referendum, has been strongly embraced by legislators, who have sought to enhance it.<sup>23</sup> Legislation amending the act has improved disclosure for candidates and outside spenders, strengthened rules about what public funds may be used for, and raised the bar for candidates to qualify.<sup>24</sup>

The consistent experience in public funding jurisdictions has been that public financing is a beneficial change that proves immensely popular with candidates and the public. Elected officials who see the benefit of participation in the system will be motivated to strengthen it over time.

Reform that includes the key elements of: small donor matching, restrictions on contributions, improved disclosure, and effective enforcement will fundamentally change the way our leaders in Albany are chosen. It will make ordinary New Yorkers as important as the special interests seeking to influence policy. It will help to address both a critical cause of corruption – the chase for campaign cash – and a destructive effect of corruption – the people's lack of faith in government.

When fundamental campaign finance reforms are in place, the mindset that seeks to protect the ability of big money to influence government will become less and less common. Future legislatures will be sensitive to the need for and benefits of campaign

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<sup>21</sup> N. Y. CITY ADMIN. CODE § 3-719.

<sup>22</sup> CONN. GEN. STAT. §§ 9-606(b), 9-712.

<sup>23</sup> In each of the four election cycles from 2004 to 2010, around 80% of general election candidates participated in the Maine Clean Election Act program. MAINE COMM'N ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES, REPORT ON MAINE CLEAN ELECTION ACT A4 (2011), [http://www.maine.gov/ethics/pdf/2011\\_report\\_on\\_MCEA\\_webversion.pdf](http://www.maine.gov/ethics/pdf/2011_report_on_MCEA_webversion.pdf).

<sup>24</sup> MAINE REV. STAT. tit. 21-A, §§ 1019-B, 1125(2-B), (3), (6-C).



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finance reform, creating the conditions that will allow the continuation of the effort that begins this year with the passage of strong reform.

The Brennan Center urges Senator Klein and the IDC to bring a comprehensive campaign finance reform bill to the floor for a vote.



## Testimony of Peter L. Zimroth

Presented to a Hearing Sponsored by the Independent Democratic Conference

Entitled

*Restoring the Voters' Trust in New York State Government: Reforming New York State's Campaign Finance and Election Laws by Increasing Accountability, Closing Loopholes & Implementing Public Finance*

May 1, 2013

The New York State campaign finance system needs to change. We have the highest contribution limits in the nation; and even these are almost meaningless because of the many legal loopholes. As a result, wealthy donors dominate our elections and our politics. Candidates spend their time and effort currying favor with this “donor class,” which in turn expects influence with those candidates once they take office.

Voters who cannot afford to donate many thousands of dollars become an afterthought. These voters have a lesser say in who becomes a candidate, who gets elected, and what agendas are followed after the election. In essence, these voters have almost no role in crucially important parts of the political process. And this inability to participate meaningfully leads to disaffection and to cynicism. It is no wonder that when our state is hit by political scandals like the ones we are living through now, many New Yorkers think, “well, that is just politics as usual.”

The current scandal has led to many proposals for reform. But the most important, in my view, is the proposal for public financing of campaigns that has as its central element matching funds for small donors. This is the system that was enacted locally for New York City elections in 1988 when the late Ed Koch was mayor, Peter Vallone, Sr. was Council President, and I was the corporation counsel. A program like that, if it is effectively administered and enforced in a non-partisan way, can combat the widespread cynicism and disaffection enveloping the political process by giving voters with limited financial means a more meaningful voice in that process. It also has the hope of changing the “show me the money” culture that seems to pervade our politics.

*New York City's Small Donor Matching System Has Transformed City Elections*

New York City's public financing law, adopted in response to widespread corruption scandals in the 1980s, has turned a substantial number of people into first-time donors in city elections. A comparison of the broad participation in City elections to the anemic participation

in State elections is telling. In 2009, almost 90% of New York City's census block groups<sup>1</sup> had at least one person who gave \$175 or less to a City Council candidate. By contrast, in 2010, only 30% of the city's census block groups had at least one small donor to a State Assembly candidate.<sup>2</sup> Plainly, increasing the impact of small donations through a matching program creates powerful incentives that have increased the number of people who give. And because voters who give even modest campaign contributions are more likely to volunteer and otherwise participate in political campaigns, the City's reforms have increased civic engagement as well.

New York City elections also draw contributions from far more diverse areas that are much more representative of the electorate. Residents in areas with lower income, higher poverty rates, and higher concentrations of minority residents are much more likely to contribute in a City Council election than in a State Assembly election. The poor and predominantly black Bedford-Stuyvesant neighborhood had 24 times more small donors for the City Council in 2009 than for the State Assembly in 2010. This trend was found in many other neighborhoods as well: Chinatown had 23 times as many donors in City elections as State races, and the significantly Latino neighborhoods of Upper Manhattan and the Bronx had 12 times as many donors.<sup>3</sup>

Because the amounts contributed are so small and are from so many people, these donors are not and cannot be seeking influence through their donations. They are, however, increasingly involved in our democratic processes and adding their views and voices to the electoral ensemble. Because their contributions are multiplied by matching funds and because people who contribute, even small amounts, are more likely to volunteer their time, candidates must pay attention to their views.

### *Support is Widespread for Reform*

Comprehensive campaign finance reform with small donor matching at its core has strong support across the state. Good government and community groups have long supported reform. Participation across New York City in the city's campaign finance program shows that it is popular with voters of ordinary means.

Business and civic leaders across New York have expressed their support for comprehensive reform as well. I and other New Yorkers in business, finance, real estate, law, and philanthropy have come together to form New York Leadership for Accountable

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<sup>1</sup> A census block group is "a geographic unit created by the U.S. Census Bureau" that "will generally contain between 600 and 3,000 people . . . with an optimal size of 1,500." ELISABETH GENN, MICHAEL J. MALBIN, SUNDEEP IYER & BRENDAN GLAVIN, DONOR DIVERSITY THROUGH PUBLIC MATCHING FUNDS 8 (2012), available at <http://www.brennancenter.org/publication/donor-diversity-through-public-matching-funds> (quoting U.S. Census Bureau, *Cartographic Boundary Files: Census Block Groups*, CENSUS.GOV, <http://www.census.gov/geo/www/cob/bgmetadata.html> (last visited May 2, 2012)).

<sup>2</sup> GENN ET AL. at 4, 12 figs. 4-5.

<sup>3</sup> GENN ET AL. at 4.

Government, or NY LEAD, and are working hard to support comprehensive campaign finance reform in New York.

In short, a diverse coalition has come together to demand reform because comprehensive campaign finance reform is the single most valuable change we can make to ensure the health of our democracy.

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Reducing the influence of money in politics is one of the most important issues facing our state today. Adopting robust campaign finance reform, with a small donor matching system, lower contribution limits, and effective, non-partisan administration and enforcement is the best means to enhance the role of voters with limited means and return them to their rightful place in our democracy. Candidates should be spending their time and effort listening to voters and working on legislation, not pursuing big donors. Comprehensive changes to our campaign finance system are the answer to the problems that continue to plague State government. Now is the time to introduce the proposed legislation and to enact it.



5/1/2013

Dan Cantor  
Executive Director  
Working Families Party

### **Testimony against the repeal of the Wilson-Pakula law**

The proposal to repeal the Wilson-Pakula law would weaken the ability of parties like the Working Families Party to advocate for a set of values. This is a bad idea at any time, but especially so now. The public is rightly cynical about the health of our democracy; they believe that the political game is rigged. The wealthy and well-connected get special access and special consideration from public officials. The mission of the Working Families Party is to ensure that our elected officials are accountable to working families and not powerful corporate interests. The 99%, so to speak, not the 1%.

The proposal will do nothing to deal with the twin problems of corruption and cynicism. There are crucial reforms on that table that would – most of all comprehensive campaign finance reform, with public financing of elections at the center. In this regard, the IDC's bill is a positive step.

But let me return to the IDC proposal on repealing the Wilson-Pakula rules. It will cause confusion among the voters and chaos in the political system over all, and both the Governor and the IDC are wrong to promote it.

Like most states, New York State has a closed primary system. If you share the values of the Republican Party, you join that party and are eligible to vote in their primary. Political parties are of course essential ingredients in a functioning democracy. In tyrannies, the first thing a dictator does, after crushing the trade unions, is to outlaw political parties.

Luckily, we live in a quasi-functioning democracy, *Citizens United* notwithstanding. Our parties are weak compared to some other developed democracies, but they do exist and play a critical signaling role to voters. If you favor higher wages for the working class and higher taxes on the upper class, then you'll probably look for the candidates with the WFP label. If you favor tax cuts for the wealthy and the high-stakes testing of 4th graders unto eternity, then you'd be better off looking for the Republican label. But – and this is the critical point – regardless of your views, you would go to the ballot booth confident that the person with a given party label has some relationship to the values of the party.

The repeal of Wilson –Pakula will undermine this crucial signaling function of political parties. The minor parties – especially Conservative and Working Families – will suffer the most as they become the targets of political hijackers. Every state in America with a fusion voting system protects the rights of minor parties to control what candidates appear on their ballot line. Without that right, any candidate could attempt to hijack the Working Families Party nomination, no matter how opposed to our principals. If they were well-funded enough, they could succeed. We believe in a system of one person, one vote – not one dollar, one vote.

A quarter of a million New Yorkers voted on the Working Families Party line in 2012. They do so because they know what our party stands for, and they trust that the candidates they support will by and large aim to advance those values. By permitting any candidate to seek and win our ballot line, even ones that oppose our values, it weakens that trust and threatens our ability as a party to stand for a set of values.

Under this proposal, the candidate chooses the party, not the other way around. This might be great for candidates with big war-chests, but it is certainly not good for voters.

While Democrats and Republicans are the main event, minor parties have always had a crucial role in American political life. They have often served as an incubator for new ideas. The end of slavery, women's suffrage, the eight hour work day, unemployment insurance and the direct election of US Senators all started as fringe ideas advocated by minor parties. Those ideas, of course, eventually became mainstream.

A party is simply a grouping of like-minded voters who choose a standard-bearer. Parties are essential for a responsive, well-functioning democracy. But without the Wilson-Pakula system, voters can have no certainty that a party's nominees have any commitment to the values of the party. The Wilson-Pakula law was passed in 1947 specifically to stop such hijacking.

The proposal calls for candidates to collect petition signatures to get onto a party's primary. It should be noted that that is true under the current system as well – candidates much petition their way onto the ballot once they've received permission to do so.

While the proponents of this measure disparagingly refer to “party bosses,” those party leaders are themselves democratically elected by the membership of a party, and are entrusted with maintaining the party's integrity. They should be allowed to do so. That means withholding the ballot line from candidates who don't share the party's values.

This impact could go far beyond minor parties. Ending Wilson-Pakula could result in mass voter confusion, because it would allow candidates to run in any primary they want. Republicans running in Democratic primaries and vice versa, without any way for those voters to know. This privileges candidates who can spend big to win a small primary. Providing well-funded candidates with another way to game the system will only entrench Albany's "show-me-the-money" culture and further alienate voters.

If you believe that parties have a role in a democracy, than it is valuable for them to have an ideology that voters come to rely on. That means there must be a mechanism for parties to block candidates with whom they fundamentally disagree. Allowing well-funded candidates to steamroll a minor-party primary, without the consent of the democratically elected party leaders responsible for safeguarding the integrity of the party, could turn any party into a sham.

This section of the legislation should be withdrawn. The best reform to combat corruption is to ending the influence of big money in politics through public financing of elections. The IDC proposal is to be commended on that regard, and that provision should be brought to the Senate floor for a vote as soon as possible.

Thank you.





*Testimony of*  
**DAVID C. PALMER, ESQ., EXECUTIVE DIRECTOR OF THE CENTER FOR WORKING FAMILIES**  
*before the*  
**INDEPENDENT DEMOCRATIC CONFERENCE**  
*forum/town hall on*  
**RESTORING THE VOTERS' TRUST IN NYS GOVERNMENT: REFORMING NEW YORK STATE'S  
CAMPAIGN FINANCE AND ELECTION LAWS BY INCREASING ACCOUNTABILITY, CLOSING  
LOOPHOLES & IMPLEMENTING PUBLIC FINANCE**  
*on*  
**MAY 1, 2013, 3-5 PM**  
*at*  
**19 FL. HEARING ROOM, 250 BROADWAY, NEW YORK, NY.**

My name is Dave Palmer and I'm the executive director at the Center for Working Families (CWF). Thank you for the opportunity to testify.

CWF is a not-for-profit, non-partisan think- and do-tank that brings innovative ideas into the public debate, providing policymakers with progressive policy solutions and helping build coalitions to win policy change. CWF is engaged with partner organizations and other allies to campaign for a green and equitable economy, progressive tax policy, quality job creation, and government reform. Our initiatives are designed to advance democracy and economic prosperity for middle- and low-income people in New York State.

**CWF applauds the Independent Democratic Conference (IDC) for introducing a bill for comprehensive campaign finance reform with public financing at its core (S4897).** We believe this kind of package includes the most important reforms necessary to change the money-driven culture that too often distorts the policymaking process in Albany. However, to be clear, we oppose the inclusion of the provision to repeal the "Wilson-Pakula" law. We think it's bad policy and an unnecessary distraction. We also have some suggestions for improving the bill.

Below, I provide some of evidence to support our position on comprehensive campaign finance reform, but first and foremost, let me state that **I encourage the IDC to bring this bill – minus any repeal of "Wilson-Pakula" – to the floor for a vote as quickly as possible.** Once that is done, we urge you to move forward with two-house negotiations to reconcile the bill expected to pass the Assembly with a revised IDC bill. Differences in the details of the legislation introduced in either house should not get in the way of forward movement. Pass the bills, negotiate a final package and give the people of New York the real reform they deserve.

**Comprehensive Campaign Finance Reform, With Public Financing at its Core – as Proposed by the IDC – is Needed to Change the Money-Driven Culture in Albany**

The money-driven culture in Albany creates a very blurry line between so-called “legalized bribery,” by way of large campaign donations, and illegal *quid pro quo* corruption. The allegations against Assembly Member Stevenson provide a useful example. The assembly member is accused of accepting a bribe in exchange for introducing legislation on behalf of a developer. That is clearly illegal.

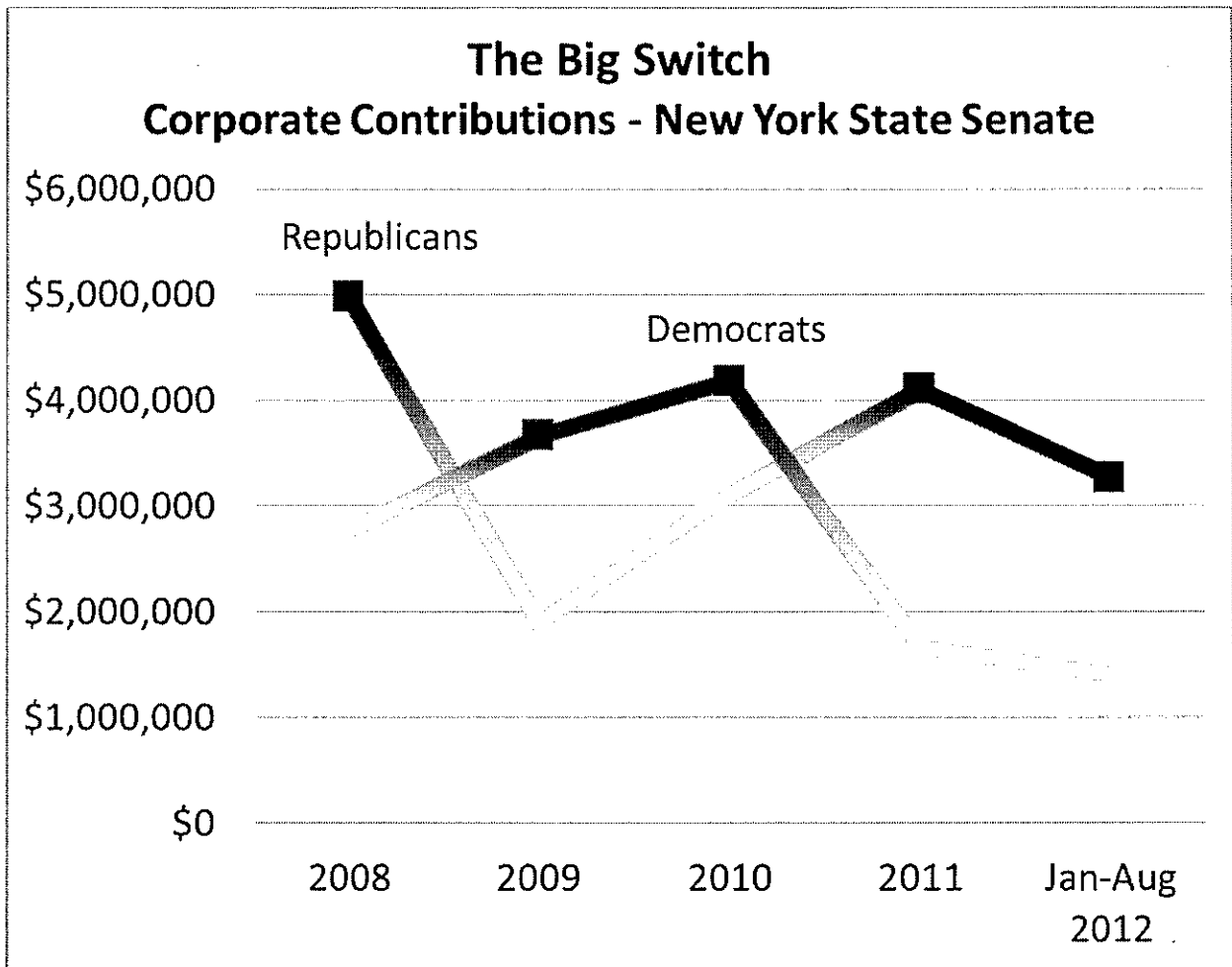
However, the same developer could have asked for the same legislation and simply made a donation to the assembly member’s campaign account. That would be legal. The developer could have formed multiple limited liability corporations (LLCs) and contributed the maximum amount to the assembly member from each of those entities. That too would be legal. The developer could then make a \$102,300 contribution to a state party committee and those dollars could be transferred to the assembly member. Legal. There could be another unlimited donation to a party’s housekeeping account, which some have claimed are currently being illegally utilized to promote electoral aims, because the prohibition on such activity is not being enforced. (With such a loophole-ridden system, one wonders why anyone would risk breaking the law!)

In lobbying on this issue, many elected officials have said that campaign donations are given because donors simply like a particular politician, or support his or her party or ideology. My organization took advantage of a unique opportunity to test that notion when the Democrats took control of the Senate in 2008, after nearly half a century, and subsequently lost control to the Republicans in 2010. We wondered what happened to the flow of corporate campaign dollars during that period. If campaign donations to candidates and elected officials are truly inspired by individual elected officials, including their party and/or political ideology, a change in the party that controls a particular legislative body should not have a big impact on the flow of corporate campaign cash. That is not what we found, as our report, *The Big Switch*, documents.<sup>1</sup>

Our central finding was that money follows power, not party or ideology. The bulk of corporate donations consistently went to the party in power in any given year during that time period from 2008 to 2011. I’ve provided one chart here that illustrates the trend:

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<sup>1</sup> CWF study: <http://www.cwfny.org/wordpress/wp-content/uploads/2012/10/The-Big-Switch-CWF.pdf>



We also found that the money flowed to incoming committee chairs that were members of party in control of the Senate, and away from outgoing committee chairs from the minority party. Committee chairs, as everyone knows, have greater control over the flow of legislation. Committee chairs received the bulk of donations whether or not they were facing competitive elections; the vast majority was not.

We thought it was worth documenting how money flows to power and to committee chairs who control the flow of legislation, though perhaps anyone even remotely engaged in Albany politics could have predicted these obvious outcomes. The findings point to only one reasonable conclusion: donors give to get in return. That is a culture that needs changing.

We do need to close existing loopholes that allow big money in. But to be clear, even if every loophole were closed, it would likely only push all of that private money outside the system, beyond regulation, to 501(c)(4)s and Super PACs. (Relevant to this, the IDC's proposal for disclosure of independent expenditures is very good.) Comprehensive campaign finance reform is only real reform with public financing of elections at its core. Given that the U.S. Supreme Court has made it nearly impossible to get big money out of politics, we need public financing of elections to increase the power of small donors, while decreasing the value of big donors. Only public financing of elections would change the big money culture in our politics.

A 6-to-1 public dollar match of small donations up to \$250, as provided for in the IDC's proposal, makes \$100 worth \$700. Suddenly, a house party in a candidate's district is as attractive as a corporate-sponsored fundraiser in Albany. This new dynamic incentivizes candidates and elected officials to care more about small donors and enables them to care less about big donors. This way, when an elected official is deciding how to vote on an issue, he or she can ask, "is this right for my district?" and not "is this going to hurt my ability to raise money from big donors?" It's a true game-changer.

Importantly, public financing has also been shown to increase the diversity of the pool of the donor class (by race, income and geography)<sup>2</sup>, and has been shown to have significant benefits for communities and candidates of color.<sup>3</sup> I've footnoted the studies backing this up.

Finally, one technical point on housekeeping accounts. We don't believe they should be banned; parties serve a valuable function in our democracy and should be able to raise money to support their infrastructure. Rather than banning housekeeping, the IDC should propose:

- 1) Tightening the restrictions on the use of housekeeping funds;
- 2) Putting in place reasonable limits on contributions to housekeeping accounts; and
- 3) Beefing up enforcement on how housekeeping funds are spent (more on how to strengthen enforcement, below).

### **Public Financing of Elections is Worth the Cost**

Public financing has a cost (estimated at \$26 to \$41 million per year over four years<sup>4</sup>), but it would be money very well spent. Here's why: The conclusion we drew from the findings in our *Big Switch* report is that money follows power because those who give big money expect something in return. And I've already discussed how public financing allows elected officials to rely less on big donors. If elected officials need big donors less, one might conclude that they'd be less compelled to promote costly donor-inspired policies with little public value. There is ample evidence that the annual cost to taxpayers of policies that appear to be inspired by large campaign donations – some of which I've footnoted in my testimony<sup>5</sup> – far exceed the cost of a system of public financing. In addition to being an investment in a healthy democracy, an **investment in public financing of elections should be seen as a way to provide a net savings to taxpayers.**

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<sup>2</sup> Brennan Center for Justice and Campaign Finance Institute study: [http://cfinst.org/Press/PReleases/12-05-14/Study\\_Public\\_Financing\\_Contributes\\_to\\_Greater\\_Diversity\\_of\\_Participation\\_in\\_NYC\\_Elections.aspx](http://cfinst.org/Press/PReleases/12-05-14/Study_Public_Financing_Contributes_to_Greater_Diversity_of_Participation_in_NYC_Elections.aspx)

<sup>3</sup> Center for Working Families study: <http://www.cwfny.org/wordpress/wp-content/uploads/2012/08/Memo-Public-Financing-and-Communities-of-Color-2-16-12-UPDATED-8-2-121.pdf>

<sup>4</sup> Campaign Finance Institute study: [http://www.cfinst.org/Press/PReleases/13-04-01/Updated\\_CFI\\_Research\\_on\\_Public\\_Matching\\_Funds\\_Proposal\\_for\\_New\\_York\\_State.aspx](http://www.cfinst.org/Press/PReleases/13-04-01/Updated_CFI_Research_on_Public_Matching_Funds_Proposal_for_New_York_State.aspx)

<sup>5</sup> Center for Working Families reports: 1) <http://www.cwfny.org/wordpress/wp-content/uploads/2012/04/Yankees-Fact-Sheet-4-13-12-FINAL.pdf>; 2) <http://www.cwfny.org/wordpress/wp-content/uploads/2012/05/The-Legal-Corruption-of-Senator-Pedro-Espada-Jr.-April-3-2012-FINAL.doc.pdf>; Fiscal Policy Institute report: <http://fiscalpolicy.org/walmart-and-other-large-low-wage-employers-will-benefit-financially-from-new-york%E2%80%99s-new-minimum-wage-reimbursement-credit>

The idea that a system of public financing would be rife with abuse is unfounded. It's an argument used by opponents who prefer the status quo. The status quo at the state level is a loophole riddled campaign finance system that seems to breed corruption, and lets campaign violations go unpunished. In fact, it's New York City's public financing system – its Campaign Finance Board in particular – that has a reputation for strong enforcement.

When I lobby at the state level for campaign finance reform, I often hear concerns from elected officials that the Campaign Finance Board is *too* harsh, not too lax (or one with a reputation for allowing the fraudulent use of taxpayer money).

The repeated claim that Malcolm Smith was seeking the Republican nomination so he could eventually collect public dollars is laughable, and similarly promoted by those who would choose to preserve the status quo. Senator Smith could have simply entered the Democratic primary to gain access to public funds. But the more important point is that the strong enforcement unit in New York City would never have allowed any misuse. In New York City, there are regular audits of the public financing system. Those who attempt to abuse the system are caught and penalized.

We don't want abuse at the state level. The IDC is correct to propose strengthening enforcement of campaign finance laws, in conjunction with proposing a system of public financing. However, we would urge three changes to the proposed bill in this respect, in order of importance:

1. The enforcement unit proposed should apply to all of Article 14, not just the public financing system.
2. Create an enforcement counsel with clear investigatory powers.
3. Require that a certain sufficient percentage of the Board of Elections budget be dedicated to the enforcement unit.

### **Conclusion**

In closing, we once again applaud the Independent Democratic Conference for its public commitment to comprehensive campaign finance reform with public financing at its core. And we oppose the repeal of Wilson-Pakula. We urge the IDC to introduce its bill as quickly as possible, minus any provision that would repeal Wilson-Pakula, and bring it to the floor for a vote.

Thank you again for the opportunity to testify.





Jesse Laymon  
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**Testimony of Jesse Laymon on the need for publicly financed elections given before the New York State Senate Independent Democratic Conference, May 1, 2013**

Good afternoon, I'd like to begin by thanking you for holding these important public hearings. My name is Jesse Laymon, and I am here as a resident of New York City representing Citizen Action of New York and the Fair Elections for New York campaign. I want to add my voice to the many gathered here today to clearly say: now is the time for publicly financed elections. I am very pleased to see the Senators here today have included provisions for the enactment of a small donor matching system in your campaign finance reform bill. However, we all know that simply introducing a bill including public financing is not enough.

Today, I want to implore to work with your colleagues in the State Senate to pass a bill with publicly financed elections before the end of this legislation session. We are aware of how difficult it can be to build consensus in Albany. However, we believe that the votes are there in both the State Senate and the State Assembly to pass a bill that creates a small donor matching system. Thus, there is no reason why a bill that includes public financing cannot come to the floor. Ordinary New Yorkers are counting on you to make this happen.

When you pass publicly financed elections, you be supported by a growing grassroots movement of New Yorkers who demand real democracy and a government that responds to their needs. The majority of voters also believe that New York needs publicly financed elections. According to a March 2013 Siena Research Institute poll, 61 percent of likely voters said that they are in favor of public campaign financing. According to a Lake Research poll, 79% of New Yorkers favor a system of public matching funds for small donations in particular. It's clear that the people of this state will not accept a campaign finance reform package without some form of publicly financed elections.

Everyday New Yorkers want public financing because they are sick and tired of Albany's endemic culture of corruption and the overwhelming influence of big money in politics. These two aspects of our political system are intimately tied together: illegal corruption is all too common in Albany because CEO campaign contributors regularly use money to gain influence with Albany lawmakers. Corruption does not happen because elected officials are

inherently greedy or selfish. Rather, Albany's culture of corruption turns good lawmakers bad and creates perverse incentives that undermine your work.

Publicly financed elections will be instrumental in transforming Albany's 'show me the money' culture. By enacting a small donor matching system, you can create new incentives that encourage candidates for elected office to pay attention to the voters instead of big donors. When candidates for office no longer rely on big campaign contributions to fund their campaigns, they can focus exclusively on the needs of regular people and craft public policy that responds to and fulfills their needs.

Public financing also affords you the chance to diversify participation among New Yorkers in our elections. Research conducted by the Brennan Center for Justice and the Campaign Finance Institute shows that political participation is broader and deeper among this city's diverse communities because of its small donor matching system. There is no reason why New Yorkers across this state should not enjoy the same opportunities to participate in legislative and statewide campaigns.

Public financing is also a cost effective reform. Peer-reviewed research by the Campaign Finance Institute conclusively demonstrates that a small donor matching system will cost between \$25 to \$40 million, or \$2 per New Yorker per year. For less than the price of a cup of coffee, New Yorkers can have faith that our campaign finance system ensures that lawmakers work for them, and not wealthy interests.

New York's broken campaign finance system, combined with the scandals of the past several weeks, has caused the people of this state to lose faith in our system of democratic government. Right now, you have the chance to restore their faith by passing comprehensive campaign finance reform with publicly financed elections at its core. I urge not to wait, to use your positions in the State Senate to bring a bill to the floor that includes a system of public financing, and to ensure that public financing passes this year.

Thank you.





**Testimony J. Mijin Cha, Senior Policy Analyst, Demos  
To the Independent Democratic Conference  
On Proposed Campaign Finance Reform**

May 1, 2013


Good afternoon. My name is J. Mijin Cha and I am a senior policy analyst at Demos, a non-partisan public policy organization working for an America where we all have an equal say in our democracy and an equal chance in our economy. I thank the committee for this opportunity to present testimony on the IDC's campaign finance reform proposal. This testimony is submitted on behalf of myself and Miles Rapoport, President of Demos and former Secretary of the State of Connecticut.

Demos has been involved in campaign finance reform for several years and we recently released a report, called "Fresh Start: The Impact of Public Campaign Financing in Connecticut," that analyzed the impact public financing has had on campaigning, the legislative process, policy outcomes, and the dynamics of the legislature. We supplemented empirical data with interviews with current and former legislators from both the Republican and Democratic parties, elected state officials, and advocates to highlight the impact of public financing in the state of Connecticut. While only a few electoral cycles in, it is clear that public financing can be a fundamental step towards a more representative legislative process that is more responsive to constituents.

Like the IDC's proposal, participants in Connecticut's program must raise a minimum amount from small contributions before qualifying for public funds. Once participants have raised their

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minimum amount, they qualify for a lump-sum grant. Connecticut's program is completely voluntary and extremely popular. Currently, 77 percent of sitting legislators participated in the program and all current statewide office holders ran on public financing. Every legislator we interviewed spoke very highly about the program and continually reiterated the popularity of the program with both parties.

Our analysis found that the main benefit to public financing in Connecticut is that it begins to remove the outsized influence of money in the electoral process. The benefits to removing that influence continue through the legislative process. Through a change in who gets elected and the reduced importance of big donor interests, the actual process of legislating becomes more responsive and substantive. Legislators from both parties agree that there has been an increase in bipartisan legislation and more time spent on the substantive aspects of proposals. As a result, the policies that have passed since public financing was adopted are more in line with the public's priorities.

Recent political science research shows that in elections dominated by large donors, the interests of working- and middle-class voters are poorly served, particularly on economic issues.<sup>1</sup> Adopting a small-donor based campaign finance system allows the interests and priorities of working- and middle-class constituents to be considered. Small donor based systems also increase the number of unique donors, bringing more people into the political process. The continual 6:1 matching provision proposed by the IDC would elevate the importance of small donors. Further, a continual matching program, like the one proposed by the IDC, brings in even more small

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<sup>1</sup> See *Stacked Deck: How the Dominance of Politics by the Affluent and Business Undermines Economic Mobility in America*, at: <http://www.demos.org/stacked-deck-how-dominance-politics-affluent-business-undermines-economic-mobility-america>

donors because candidates can continue their outreach and fundraising throughout the campaign cycle.

Finally, the legislators we interviewed stated that public financing provides them with more freedom and time to speak with constituents, and not lobbyists or corporate interests, and they enjoyed being accountable only to their constituents, and not to special interests that don't even live in their districts.

Comprehensive campaign finance reform begins with minimizing the impact that affluent and corporate interests have in the electoral system. Public financing is a fundamental first step to creating a legislature that is more responsive and representative. Connecticut's experience shows that public financing can be success for legislators, constituents, and the legislative process.

Thank you for your time and consideration. I'm happy to answer any questions that you may have, and the full report is available at <http://demos.io/ctfairelex>.



**Global Reach** Strategic Business Intelligence



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## **Testimony of Therese R. Revesz on the need for campaign finance reform given before the NY State Senate Independent Democratic Conference, May 1 2013**

Hello, thank you for holding these important public hearings. My name is Therese R. Revesz, and I am here representing Citizen Action of New York City. As an involved citizen of New York State and New York City, and as a small business owner and the host of the internet radio show *Global Reach, Winning in World Markets*, I want to add my voice to the many gathered here today to clearly say "now is the time for New York State to have Fair Elections."

Our state's current campaign finance laws have nurtured a culture of corruption. Too many of our candidates raise the lion's share of their money from established interests that are lobbying them for favorable laws and tax breaks or who are contracting with the state. While many consider this business as usual, in the eyes of the citizens of our great state, this amounts to system legalized bribery. And that doesn't begin to deal with the fact that too many of our elected officials have ended up in jail for abusing the trust of the voters.

Our government should not be for sale to the highest campaign contributor. Our representative democracy is grounded on the notion of citizen participation in free, open and honest elections. Elected officials should be beholden to their constituents, to the citizens

Thus in this year of 2013, we must work together to finally pass a system of citizen-funded elections for New York State. I am very pleased to see the Senators here today in support of Fair Elections, and I want to encourage you to take the next step: work with your fellow Senators to PASS THE FAIR ELECTIONS BILL this spring.

We therefore urge you to enact the voluntary public financing program with a multiple-dollar (6:1) public match based on small donations from constituents as outlined in your bill. Based on our experience in New York City (and as the corporate think tank, the Committee on Economic Development's research has confirmed), this system will give small donors a greater sense of empowerment and encourage them to become more involved in the financing of political campaigns. And it will give candidates an alternative means of obtaining the resources needed to wage competitive campaigns, thereby reducing the relative influence of larger donors and private contributions linked to special interests.

Also based on the New York City experience, however, we urge that the system you enact include simple easy-to-understand rules and requirements, as well as predictable and timely release of funds.

I know building consensus in Albany can be hard, but this year a majority of members of the Assembly and the Senate have indicated that they will vote in favor of a bill that creates publicly financed Fair Elections. That means there is no excuse for not working together to get such a bill to the floor for a vote. You can do it, and we are counting on you to do it.

When you pass Fair Elections, you will have the support of not just of those of us here today, but the vast majority of New Yorkers. Matching funds for small donors are extremely popular - nearly 80% of New Yorkers say they want them - and they've been very successful everywhere they've been implemented. New York State can be a model for the nation. If you, as our State Senators, lead the way to Fair Elections, we the people will be forever thankful. Thank you again for holding these hearings, and please, let this be just the beginning of your efforts to pass Fair Elections this spring.



MANHATTAN YOUNG DEMOCRATS

## MANHATTAN YOUNG DEMOCRATS

**Testimony prepared by the Manhattan Young Democrats**

**For the IDC Hearing on Reforming New York State's Campaign Finance and Election Laws by Increasing Accountability**

**Date: May 1, 2013**

**Re: Support for S. 839 – 2013 Fair Elections Act**

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Good afternoon, my name is Kim Moscaritolo, I am the policy director for the Manhattan Young Democrats. I'd like to thank Senator Klein and the members of the Independent Democratic Conference for holding this forum. I am here today on behalf of the Manhattan Young Democrats, one of the largest Young Democrats organizations in the country, and the official youth arm of the Democratic Party in New York County. We emphatically support the 2013 Fair Elections Act.

As an organization tasked with engaging young people in the political process, we have witnessed first-hand the paralyzing effect that corruption scandals can have on youth participation. I cannot tell you how many conversations I've had with young people who express frustration with the current political system, and I can't blame them. The fact is New York's lax campaign finance system breeds corruption, which in turn breeds voter cynicism and apathy.

The Fair Elections Act would be a game changer; an opportunity for New York to be a national leader in citizen funded elections. By instituting a voluntary matching funds program and lowering individual contribution limits, we will be sending a strong message that our elected officials represent ALL New Yorkers, not just the wealthy and large corporations.

For these reasons, the Manhattan Young Democrats urge the New York State legislature to pass the bill this Spring. We know building consensus in Albany can be hard, but a majority of members of the Assembly and the Senate have indicated that they will vote in favor of a bill that creates publicly financed Fair Elections. The time is now. Bring this bill to the floor and pass Fair Elections in New York State.

## NYS Senate Standing Committee on Elections Public Hearing

Thank you for allowing me to speak before your committee at this most critical time.

It is long past due that our state government become a model of political competence and integrity and not one often referred as most dysfunctional. After the recent conviction of Senate Leader Joe Bruno on corruption charges and the continued allegations is brought on our past State Controller's Office regarding influence peddling and bribes, we must come up with meaningful reform.

This campaign finance reform bill we are discussing, is certainly a large step in that direction. This legislation helps to level the playing field in bringing more diverse and qualified candidates into the political arena, who were financially unable to enter before. The contribution limits of \$250. for matching public funds along with the eligibility numbers of contributors in state and district, allow participating candidates ample opportunity to qualify and gain matching public funds.

It also relieves our candidates and elected officials from relying so heavily on big money corporate or lobbyist money to win office. This dialing for dollar system is probably one of the most disliked systems by both our elected officials and the public. Even if the candidate is somehow not influenced by these large contributors, the perception is there.

This bill calls for transparency where all contributions over a certain amount must be listed along with the donor's name. This also pertains to expenditures. We will also know who is funding the independent political ads for or against a candidate before or during the campaign cycle. All these measures that bring things to light are in the public interest.

Public financing of campaigns lets the voice of the voters be heard by our politicians. We all know the outcry to the recent Supreme Court ruling in "Citizen Union vs the FEC, the corporate floodgates will be opened and we the people will be the losers. We must pass strong campaign finance reform now in order to get our democracy back to one citizen one vote.

We know the Governor and the Assembly are for this legislation. It is imperative that the Senate pass this bill this year and make it law in New York State. We do not know when we will have this opportunity again, the people deserve nothing less.

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Testimony  
of  
Arthur L. Schiff

before the  
New York State Senate

regarding  
Campaign Finance Reform

May 1, 2013

My name is Arthur Schiff. I am a resident of Manhattan and a member of the Executive Committee of the Lexington Democratic Club, a "reform" Democratic Club responsible for the 73<sup>rd</sup> Assembly District in Manhattan. Thank you, Senators, for holding these important hearings.

I am here to add my support, and that of my Club, to the effort being made by thousands of New Yorkers across the State to reform our State's election campaign finance laws. We urge you to enact the reforms referred to as "Fair Elections" proposed by a coalition of groups and citizens from all over New York State. Particularly, we urge that you enact public matching funds financing similar to that in effect in New York City, and that you substantially reduce the maximum amounts that may be legally contributed to candidates for public office in New York.

There are many good reasons to take action now to reform the New York's Campaign Finance laws. In my view, the most important reason is to begin to renew the trust that citizens in a democracy need to feel towards their government and especially, their representatives. Surveys show, particularly in light of recent indictments, that New Yorkers believe that their representatives and their government don't always act on behalf of all the people, but rather for themselves, for the wealthy, and for businesses seeking special government action, those able and willing to make the largest campaign donations. By significantly reducing the size of legal contributions and by providing for public matching funds for candidates seeking to run for State office, we will begin to eliminate the perception, if not the reality, that the State's campaign finance laws empower special interests and the wealthiest New Yorkers to the detriment of the rest of us.

Thank you for holding these hearings and for the opportunity to add my thoughts. It is my great hope that 2013 will be the year that, by enacting Fair Elections, you begin to restore trust between New York State and its citizens from Buffalo to Montauk.



## **Testimony of Betsy Malcolm**

Hello. I'm Betsy Malcolm of ACT NOW, and I'm here to urge you to pass the Fair Elections Act. We hope that you will work with Governor Cuomo and the Democrats who support campaign finance reform to get us a vote ... and to get a strong bill passed that includes public financing of campaigns. This is the year. Now is the time. We as New Yorkers deserve nothing less!

According to a poll by Lake Research, 79% of New Yorkers agree that we need to adopt a system of matching funds for small donations from New Yorkers similar to the system used effectively in New York City. How often do that many New Yorkers agree on anything? This includes majorities of Democrats, Republicans and Independents. It's a slam dunk!

You have all come out strongly for campaign finance reform. Great! But we won't be satisfied with a luke-warm compromise measure that only includes lowering limits on donations, closing the LLC loophole and stronger disclosure. Those things are great, but meaningful reform needs to include a system of public financing.

New York ranks 44th in voter participation among the states. Why? Maybe the most recent Siena Research Institute poll of April 22, 2013 gives us a clue. 91% of New Yorkers say that legislative corruption is a problem, 81% think that more arrests of corrupt legislators are likely and 35% would not be surprised if one of their own legislators was among that bunch. The State Senate's favorability rating is down to 40%. We don't trust our legislators to put our interests above their own, and we don't trust that their votes aren't bought and sold by big money interests. Please, prove us wrong by making sure we get a vote *and pass* strong campaign finance reform including public financing of elections!

This issue affects all others. Good jobs, fair wages, affordable housing, a quality education and pre-school for our children, a clean energy future for New York ... all of these depend upon the results of elections. Elections matter. Now is the time for New York's elections to be Fair Elections.

Thank you.

Additional Testimony:

**Paul Weidner**

I join my voice briefly to the cause of Fair Elections for New York State. Last week's failure in the U. S. Senate to pass reasonable gun regulation is a vivid example of how lobbying and financing interests can overrule out of hand the expressed will of the American public. Promotion of Fair Elections - state by state - would seem the only way to continue the effort, already begun, to restore voters' voices to the governing process, not only in New York State but in others as well - and eventually in Washington, DC.

**Lillian Gorman**

My name is Lillian Gorman and I live in Manhattan.

I have had many conversations with people of all ages who believe that their vote does not matter - indeed, some feel so disenfranchised that they've stopped voting. I very recently petitioned for Fair Elections at the Union Square Greenmarket. Every individual that I approached signed on - enthusiastically - with one exception - and it turned out he was an Ayne Randist/libertarian.

In petitioning, I also talked with a man from Vermont - while he was not eligible to sign the petition - who said that in Vermont if a candidate is not publicly funded, he is tainted.

Many - or most of us - realistically believe that unlimited and anonymous campaign contributions that are funded by, and responsive to, corporations - as allowed by the Citizens United ruling - are a great threat to our democracy. Fair Elections - with political campaigns funded by the public - would be an effective counter to Citizens United.\* Currently 14 states back publicly funded political campaigns. It's high time that New York State joined that group. Will you help fight Citizens United. Will you act to support America's democracy? Will you be signing on to this legislation?\*\*\*

**Barbara Drummond**

"This is a issue which affects all others issues; if we care about jobs and wages, affordable housing, energy and the environment, education funding and Fair taxation, We Need to get Fair Election for New York."

**Brenda Emery**

"There are several vital reforms that should be included in any Bill to clean up Albany. The most important is the creation of a system of publicly financed elections. Also important are lower limits and donations, closing the LLC Loophole and ending pay to play donations."

Testimony of Allison Tupper

Hearing on New York State campaign Finance Reform

May 1, 2012

Good afternoon. My name is Allison Tupper and I thank you for holding this hearing. We all knew the need for campaign finance reform. For our elected officials to be able to govern for the benefit of their constituents, as they come to office wanting to do, they must be free of the need to raise large sums of money and therefore free of obligation to large contributors. We need them to be obligated to many small contributors—their constituents—and to the public at large.

The most important reforms needed are to lower the campaign contribution limits—lower them drastically—and to close the LLC loophole so that the limit applies to every person. And if we lower the limits, we will need public funds. I don't like the multiple matching system being talked about, but I support it because it seems the best we can do for now.

But it has two problems. Even though only, say, \$175 is matched, the candidate with large donors gets, say, 6 times \$175 for each donor—\$1,050—whereas the candidate with small donors gets 6 times \$20 or \$50 for each donor—only \$300. It tips the playing field. AND New York City elected officials are still obligated to their large contributors—witness the many mayoral and council decisions in favor of real estate developers despite strong and sustained opposition from the public.

Let's support all candidates with, say, \$1,000 of public funds for *each donor*—regardless of the size of donation, and limit the size of donations to a few thousand. Incumbents will still have a major advantage, but only if their constituents know that their elected officials have governed for the benefit of the public.

Allison Tupper

Mary Kalinowski  
527 West 162 Street#B1  
New York, NY 10032-6044  
212-781-6733, 917-554-7766

My Testimony for the May 1 Senate Hearing on Campaign Finance Reform

Hello, thank you for holding these important public hearings. I am Mary Kalinowski from Manhattan in New York City. I sincerely regret that more and more people are feeling that their voice is not being heard in Albany. Clearly, now is the time for Fair Elections. We must work together this year, 2013, to pass a system of citizen-funded elections for New York State. I am very pleased that the senators have made this trip to New York in support of Fair Elections. I hope that you can work with your fellow senators to PASS THE BILL this spring. I realize that building consensus in Albany can be difficult, but this year a majority of members of the Assembly and the Senate have indicated that they will vote in favor of a bill that creates publicly financed fair elections. There is no excuse—you must work together to get this bill to the floor for a vote. According to a detailed Lake Research poll, nearly 80% of New Yorkers support a system of public matching funds for small donations from New Yorkers. This system has been very successful everywhere it has been implemented. In fact, the results of the New York City Campaign Finance Board Study showed that Fair Elections work. If our State Senators pass this bill, leading the way to Fair Elections, New Yorkers will remember to be grateful.

Thank you again for holding these hearings, and please, let this be just the beginning of your efforts to pass Fair Elections this spring.

Re: Passage of the Fair Elections Act!

Dear Mr. Chairman and members of the Committee:

Allow me to thank you for holding these important public hearings on such an important matter. My name is Joseph Sellman, a former Secretary to the New York City Chapter of the National Action Network. As a member of ACT UP New York and an active member of the Occupy Movement, I strongly urge that your committee go on record in support of the Fair Election Act. As a long time community activist, my advocacy is on issues of healthcare and other health issues impacting those in the AIDS community.

My testimony today is in support of New York having a Fair Elections Act!. I want to add my voice to the many gathered here today in urging the Senate to PASS such legislation that will support public financing for elections, lower limits on donations, closing the LLC loophole, and ending pay-to-play donations.

As an activist, I care about the issues of jobs and wages, affordable housing, energy and the environment, education funding and health care. By not supporting the passing of a Fair Election Act, you are turning your backs on millions of New Yorkers whose very lives will be impacted by not having such legislation.

I am very pleased to see the Senators here today in support of Fair Elections, and I want to encourage you to take the next step, work with your fellow Senators to PASS THE BILL this spring. I know building consensus in Albany can be hard, but this year a majority of members of the Assembly and the Senate have indicated that they will vote in favor of a bill that creates publicly financed Fair Elections.

Again I urge your support for the passage of the Fair Election Act Bill.

Thank you.

Joseph Sellman

1422 Third Avenue

New York, NY 10028-1834

I want to thank the honorable New York state senators for the opportunity and the opportunity to testify on behalf of Small Business Owners.

As a Small Business Owner for eleven years of a music venue and bar in Queens, Terraza 7, and a politically active citizen, I truly understand the mechanism that forces small businesses to get excluded from the essential political decisions that directly affect them. Since small business cannot afford to pay lobbies, the only way they can make their voices heard is through fair and publicly financed political elections.

Through the leverage of the money in politics, the big corporations have too often supplanted our representation on critical issues for our economy and can therefore drown out the voices of the real motors of the economy, the small businesses and everyday consumers and workers.

For Immigrant communities like mine, the sorts of reforms that historically have been undermined are, among others:

- Reforms that will reduce the educational achievement gap
- Reforms that can improve access to health care for everyone
- Reforms that will protect our food and water from pollution by gas and mining corporations
- Reforms that will protect the purchasing power of customers in our local stores, by improving working conditions and minimum wages
- Reforms that will keep our people and local business safe from the unfair competition of big corporations outsourcing jobs offshore.

In a very specific example, as a community we are at a disadvantage if we have to compete with the powerful lobbying capacity of the so-called developers, and we won't be able to oppose the privatization of Flushing park effectively. We also need commercial rent control to boost the economic growth of small businesses on Roosevelt Avenue. If high rent is the stick in the wheel for business development, how are we going to be able to deal with the high cost of the lobbying that only big real state developers" can afford?

To achieve the revitalization of our economy, a sustainable economy, with opportunities for the people and not only for CEOs, we urgently need campaign finance reform.

Freddy Castiblanco

State Senate Hearing Testimony  
May 1, 2013  
Fair Elections

My name is Phyllis Mintz. I'm here as a private citizen of Suffolk County, and I want to add my voice to the many gathered here today to say that now is the time for this legislative body to work together to finally pass a system of citizen-funded elections. I realize that building a consensus in Albany can be hard. But now -- when polls show that nearly 80% of New Yorkers support a system of public matching funds for small donations and the majority of Democrats, Republicans, and Independents support publicly financed elections -- now is the time to create that system.

I am so tired of being morbidly disappointed in the positions taken by so many elected officials who fail to represent the interests and needs of the people. I am so tired of feeling powerless as I watch corporate interests blatantly capture our government.

This is the single issue that affects all other issues. If we care about the economy, the environment, education, and fair taxation, we need to get fair elections for New York State.

Thank you for giving me this opportunity to be heard. Thank you for holding these hearings. And please, let this be just the beginning of your efforts to enact fair elections this spring.

**Statement Supporting Passage of Fair Elections in New York**  
May 1, 2013

There are any number of shocking facts that can demonstrate how out of control money in politics has become. For example, a mere 200 individuals have provided almost 80% of the Super PAC money spent in the 2012 election cycle. In New York we find that our contribution limits are among the highest in the country, the number of donations from ordinary citizens is among the lowest and voter participation in our electoral process is also near the bottom.

But we don't need to see facts like this to convince us, we know, deep in our core, that our system is out of control. We know that there is too much money. We know that there are very powerful forces at work influencing decisions. We know that often the best decisions are being killed in favor of no decision or worse yet the wrong decision. In fact, a recent Siena College poll finds that 9 in 10 voters say corruption in the New York State legislature is a serious problem.

For just \$2 per voter we can change all of that.

We know Fair Elections work (see the Brennan Center Study on NYC). We know that a majority of New Yorkers support Fair Elections on both sides of the aisle. Perhaps it is the very money we seek to limit that is preventing the will of the majority of New Yorkers from being enacted. There is no clearer reason and no easier way to return New York's government to the voters than to make New York's voters the funders of our campaigns, not the special interests and handful of wealthy donors who own the current "pay to play" system.

Our choice is simple and clear. Do wish to be a state whose future is predicated upon ideas or one whose future is cynically controlled through the influence of campaign cash?

Thank You.

Jamie Kemmerer  
564 72nd Street  
Brooklyn NY 11209



**1 May, 2013**

**SENATORS, THANK YOU FOR HOLDING THESE IMPORTANT PUBLIC HEARINGS ON THE FAIR ELECTIONS ACT!**

**MY NAME IS WILL ROGERS AND I AM HERE AS A NEW STATE CITIZEN, LIVING HERE IN NEW YORK CITY.**

**I WOULD LIKE TO ADD MY VOICE IN SUPPORT OF PASSING THE FAIR ELECTIONS ACT.**

**THE PEOPLE OF NY SEE YOUR ACTIONS IN HOLDING THIS HEARING AS A GOOD START IN REFORMING OUR ELECTION PROCESS AND MAKING IT FAIR.**

**NOW IS THE TIME.**

**NOW IS THE TIME TO MAKE A DIFFERENCE TO SUPPORT PUBLIC FINANCED FAIR ELECTIONS... and**

**NOW IS THE TIME TO PASS THE FAIR ELECTIONS ACT.**

**OUR STATE HAS LED THE NATION IN LGBT EQUALITY. OUR STATE HAS LED THE NATION IN GUN SAFETY. WE NOW HAVE THE OPPORUNITY TO LEAD THE NATION IN ELECTION REFORM.**

**SENATORS, DO THE RIGHT THING ... AND PASS THE FAIR ELECTIONS ACT.**

**THANK YOU AGAIN FOR BEING HERE AND LISTENING!  
NOW IS THE TIME!**

**WILL ROGERS  
201 w 16<sup>TH</sup> ST  
NYC, NY, 10011  
[Willrrogers@gmail.com](mailto:Willrrogers@gmail.com)**



# Marc Landis

*Democrat for City Council*

## Testimony of Marc Landis before the Independent Democratic Conference of the New York State Senate

May 1, 2013

Good afternoon. My name is Marc Landis, and I am an elected Democratic District Leader from Community Free Democrats on the Upper West Side of Manhattan. I serve as the chairperson of the New York County Democratic County Committee and the co-chair of its Campaigns and Elections Committee. I am also a City Council candidate in District 6, which encompasses the Upper West Side and part of Clinton, and I am a participant in the New York City Campaign Finance Program. Thank you for hosting this public hearing today.

I have been interested in campaign finance reform since I was a child, watching the Watergate scandal unfold, horrified as I learned that campaigns were financed by bankers flying around on private planes with sacks of cash. Over the last 40 years, I have many times seen the influence of big money drown out the voices, and the votes, of the public. The latest indictments issued by the United States Attorney are the latest example of the corruption that follows campaign money – but perhaps the greatest crime is that many of the abusive financial practices are in fact legal!

For the first time in history, a majority of the State Assembly and a majority of the State Senate are committed in principle to passing legislation reforming our campaign finance system. As a long-time leader of Citizen Action of New York, and an activist who has fought for the implementation of "Clean Money, Clean Elections" in New York and across the country, I am excited by the prospect that real reform is within our grasp.

Unfortunately, recent New York history shows that simply being "committed in principle" isn't necessarily enough to get reform legislation adopted in Albany. The failure of the legislature to adopt redistricting reforms before drawing new district lines in 2012 is a perfect illustration of how things often go wrong. The proposed repeal of Wilson-Pakula is unrelated to the issue of campaign finance reform, and should be removed from Senate Bill S-4897 that Senators Klein, Carlucci, Savino and Valesky introduced yesterday – apart from my personal opposition to this item, it is a legislation-killer.

The Fair Elections reform proposals – public financing of elections, reduced contribution limits, ending "pay to play" donations and closing the business donations loophole – are all extremely popular with my constituents and with voters around the state. The direct financial cost of Fair Elections on the state budget will be miniscule – and Fair Elections will ultimately result in budgetary savings once the gravitational pull of large donors on governmental decision-making is reduced.

Thank you for your time and attention.



646-820-2013



MarcLandisForNewYork



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[www.VoteLandis.com](http://www.VoteLandis.com)



LandisForNewYork



May 1, 2013

**Re: Campaign Finance and Election Laws in New York**

Good Afternoon –

My name is Alyssa Aguilera and I am the Political Director for Voices of Community Activists & Leaders (VOCAL-NY). VOCAL-NY is a grassroots organization building power among people impacted by HIV/AIDS, the drug war, and mass incarceration to create healthy and just communities. We accomplish this through community organizing, leadership development, public education, direct services, participatory research and direct action.

Our ability to improve our lives and communities is contingent on a democracy that ensures broad participation regardless of class, race, or any other barriers. For too long, adequate representation amongst elected officials has been prohibitive to low-income communities of color and immigrant communities like ours. Across our docket – our commonsense and democratic solutions to affordable housing, public health, and civil rights are stymied by corporate-backed politicians that act in the best interest of profits, not people; corporations, not communities. We are here today to say our democracy is not for sale. We need Fair Elections in New York, and we need them now.

There are several vital reforms that should be included in any bill to clean up Albany. The most important is the creation of a system of publicly financed elections. Also important are lower limits on donations, closing the LLC loophole, and ending pay-to-play donations. A Fair Election bill, however, is not the place for a Wilson-Pakula repeal.

We thank the Senators here today for holding this important hearing and for being supportive of Fair Elections but now it's time to take the next step – please, work with your fellow Senators and pass the Fair Elections bill this session. The majority of your peers in the State Senate and Assembly are behind these changes, as are the vast majority of New Yorkers. You have an incredible opportunity to make our voices count – and we are counting on you to make Fair Elections a reality.

Thank you.

Statement Concerning  
Reforming New York State's Campaign Finance Laws

Submitted to  
Independent Democratic Conference  
New York State Senate

By Professor Richard Briffault

I am the Joseph P. Chamberlain Professor of Legislation at Columbia Law School, where I am also Executive Director of the Legislative Drafting Research Fund.<sup>1</sup> Much of my academic teaching and writing has focused on campaign finance regulation. These comments are submitted in response to the Independent Democratic Conference's interest in soliciting views on campaign finance reform.

New York's campaign finance laws are in serious need of reform. Although many changes would be desirable, in these comments I want to focus on four points: (i) public funding; (ii) regulation of coordinated expenditures; (iii) improved disclosure of the activities of independent and outside groups; and (iv) effective enforcement of campaign finance laws.

Public Funding: The centerpiece of any campaign finance reform program must be an ample and effective system of public funding. Only public funding can reduce the dependence of candidates and officeholders on large donors; provide funds for challengers and political newcomers, thereby offsetting the built-in advantages of incumbency and promoting competitive elections; and offer an incentive to ordinary voters and grass-roots groups to get involved in the campaign finance process. Public funding can provide a significant source of funding without strings attached. This can reduce the time-burdens and distractions of fund-raising for candidates and officeholders. By providing an alternative to dependence on large donors and powerful interest groups for campaign resources, public funding can also reduce the influence of these major donors on election outcomes and on public policy and government decisions between elections. Although public funding will certainly cost the state money, the taxpayers should realize savings far greater than any public funding system's costs if elected officials are no longer pressed by major donors to undertake wasteful expenditures that advance those donors' interests.

The precise details of the public funding program New York needs are beyond the scope of these comments, but the main elements of such a program may be briefly sketched. First, like New York City's public funding program, it should operate by providing a multiple match for relatively small donations by New York State residents. For example, public funds should be

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<sup>1</sup> My affiliation is provided solely for purposes of identification. The comments submitted today are my own and do not reflect any views of Columbia University or Columbia Law School.

provided to candidates as on the order of a six-to-one for donations of up to \$250 from individual New Yorkers – donations by corporations, unions, PACs, or out-of-staters would not be matched. The program should apply for all state elections, both for state-wide offices and for legislative elections. Given the very large number of legislative districts that are effectively dominated by one party or the other, public matching funds should be available in primary as well as general elections. To prevent the waste of public funds, candidates should be eligible to receive public funds only if they are able to collect a threshold amount of small donations from individual donors. The threshold amount would vary according to the office sought, e.g., governor; other state-wide office; state senate' assembly. Again to prevent wasteful spending, a candidate would be eligible for public funding only if the candidate has real opposition, e.g., at least one other candidate for the same office has raised a threshold amount of funding. In addition, in the general election the publicly-funded candidate should be able to receive some support, either as a contribution or a coordinated expenditure, from the candidate's political party.

Although there should be caps on the total amount of public funds to be provided to candidates for the various state offices, there should be no caps on the total fundraising or spending by any candidate. As a result of decisions by the United States Supreme Court, candidates cannot be required to limit their spending; spending by independent committees supporting or opposing candidates cannot be limited; and publicly funded candidates cannot be provided with additional public funds even if they are opposed by a privately funded candidate willing and able to spend far above the public funding amount or by independent groups also willing to spend unlimited sums against the publicly funded candidate. Given the possibility of unlimited opposition spending, requiring candidates to accept a spending limit in order to be eligible for public funding could make public funding unappealing to serious candidates reasonably concerned about high levels of spending by their opponents or opposing interest groups. To prevent that, publicly funded candidates should not be required to accept a spending limit. A spending limit is not needed to achieve public funding's goals of reducing the influence of big donors; making it easier for challengers to compete; and providing an incentive for small donors to make contributions. Instead of a spending limit, publicly funded candidates should be free to continue to raise money, subject to contribution limits – perhaps lower limits than the limits applicable to privately funded candidates -- and to be able to spend those funds even after they have received the full public funding allotment. Even with some private funds, the public funding system would still reduce the role of large donors, provide a financial foundation for challengers, and provide an incentive for candidates to seek out small donors.

Coordination: The Supreme Court has held that independent expenditures by political parties, political action committees, and interest groups in support of or opposition to candidates may not be limited, but that expenditures that are coordinated with a candidate may be treated as contributions, subject to limits. That makes it crucial to define coordination. This is important to the enforcement of contribution limits so that they are not evaded by coordinated expenditures.

The rise of Super PACs dedicated to the support of specific individual candidates in the last federal election cycle, and the likelihood that similar Super PACs could play a role in state elections, makes the enactment of an effective and realistic definition of coordination critical.

I suggest that our election law be amended to provide that campaign expenditures of any organization that focuses all of its electioneering expenditures on one or a very small number of candidates and either (i) is staffed by individuals who used to work for the candidate, the candidate's campaign committee or the candidate's political party in the current or immediate past election cycle, or (ii) has received fundraising support from the candidate, the candidate's campaign, or the candidate's staff, or has been endorsed by the candidate as a vehicle for donors who want to support the candidate should be treated as expenditures that are coordinated with the candidate or candidates it supports. Such a realistic definition of coordination is necessary to backstop contribution limits and to prevent large donors from giving unlimited donations to nominally independent committees that, in fact, function as alter egos for a candidate's campaign. Without some such definition and restriction of coordinated expenditures, limits on contributions to candidates will be easy to circumvent.

Disclosure: Timely and effective disclosure ought to be a keystone of any campaign finance regulatory system. Most disclosure laws are targeted on candidates and political parties, but with independent committees and outside groups playing a large and growing role in contemporary campaigns disclosure laws must also be designed to make the election-related activities of these groups more transparent. Effective disclosure requires a practical definition of election-related activity as well as the disclosure of contributions to groups that engage in significant amounts of election-related activities even if such electioneering is not the principal or dominant activity of these groups.

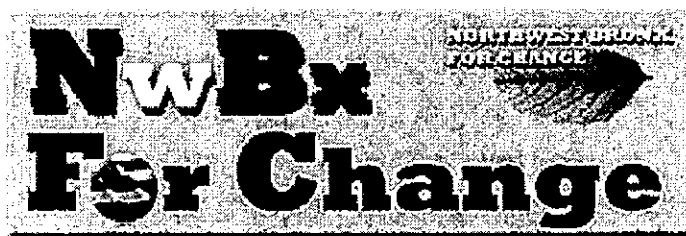
Election-related activity needs to be defined to include not only express advocacy but also electioneering communications, that is, communications using mass media that clearly mention or refer to a candidate for state office and are disseminated in a defined pre-election period, such as sixty days before an election. In *McConnell v. FEC*, 540 U.S. 93 (2003), the United States Supreme Court upheld a similar definition of electioneering communications for disclosure purposes, and again, in *Citizens United v. FEC*, 558 U.S. 310 (2010), the Court indicated that a broad definition of disclosure is appropriate for pre-election mass media communications that name candidates.

Just as important as the disclosure of the fact of an outside group's election-related activities is the identity of its large donors. Groups that spend more than a threshold amount on election-related activities concerning a candidate should be required to disclose the names and amounts contributed by all donors who provide funds that are available for election-related activities in New York. Given that some groups engage in a mix of election-related and non-election-related activities, disclosure requirements for such groups should provide an exemption from disclosure for funds given to such a group that are deposited into an account that will not be

used for electioneering in New York or that are subject to a comparable restriction on the election-related use of such funds. But where a group spends above a threshold amount on express advocacy or electioneering communications in a New York state election, the group should be required to disclose in a timely fashion both the amounts spent and the identities (and amounts of funds provided) of donors who make funds available for such campaign activities.

Enforcement: Campaign finance reforms matter only if the laws are enforced in a timely and effective matter. That involves creating an effective enforcement agency and giving it adequate funds and the necessary legal tools, such as the power to seek civil fines and injunctive relief to stop campaign finance law violations. The agency should be dedicated to campaign finance law implementation and enforcement, and, ideally, should be distinct from the board of elections, much as New York City's Campaign Finance Board is separate from the City Board of Elections. The agency should be nonpartisan, but its size and structure should also reflect the importance of its being able to enforce disclosure requirements, contribution and other restrictions, and the rules of the public funding program during the same election cycle in which disputes about compliance with the law arise. The agency should also be empowered to issue rules, regulations, and advisory opinions that interpret and implement the work, and to be directed to work with candidates and other campaign actors to educate them about the law and help them comply with it.





I understand that written statements may be submitted by those who are unable to attend the hearing on May 1st. I am submitting this statement on behalf of Northwest Bronx For Change. We are very concerned about the corrupting influence of money in politics and would welcome the passage of Fair Election legislation for New York that creates public financing of elections, lowers the limits on donations to campaigns, ends the LLC loophole, and ends pay-to-play donations..

We ask that the IDC work together with the other pro-reform Senators, such as Andrea Stewart-Cousins, to build majority support in the Senate and Assembly for a Fair Elections bill that will pass this year.

Please be aware that:

- The vast majority of New Yorkers agree with us. According to the most detailed poll (by Lake Research), 79% of New Yorkers support a system of public matching funds for small donations from New Yorkers.

- Majorities of Democrats, Republicans, and Independents support publicly financed Fair Elections.

- This is an issue which effects all other issues; if we care about jobs and wages, affordable housing, energy and the environment, education funding and fair taxation, we need to get Fair Elections for New York

- The coalition of organizations which supports Fair Elections for New York is well over 100 strong, drawn from diverse interests and spread across all of New York State, from Long Island to Buffalo.

Simple support for reform legislation is not sufficient. It is imperative that the IDC ensures that a strong bill becomes law this year.

Thank you,  
Gene Binder  
Northwest Bronx For Change

# COREY Johnson

MEMORANDUM FOR CITY COUNCIL

Testimony of Corey Johnson  
Restoring the Voters' Trust in New York State Government: Reforming New York State's Campaign  
Finance and Election Laws by Increasing Accountability  
May 1, 2013

Good afternoon, thank you for holding these important public hearings. My name is Corey Johnson, and I'm Chair of Manhattan Community Board 4 as well as a candidate for City Council. I want to add my voice to the many gathered here today to clearly say: now is the time for Fair Elections. There are several vital reforms that should be included in any bill to clean up Albany. The most important is the creation of a system of publicly financed elections. As a participant in the New York City campaign finance program, I can attest to the importance of citizen-funded elections in democratizing the process and returning candidates to addressing the issues not shilling for dollars. This year, we must work together to finally pass a system of citizen-funded elections for New York State. Matching funds for small donors are extremely popular - nearly 80% of New Yorkers say they want them - and they've been very successful everywhere they've been implemented. In New York State, with our weak campaign finance laws, donations of \$250 or less accounted for just 7% of all donations, where for New York City elections, with our strong campaign finance system, over 65% of donations are \$250 or less. Also important are lower limits on donations, closing the LLC loophole, and ending pay-to-play donations and providing for immediate disclosure of all donations. This is an issue which effects all other issues; if we care about jobs and wages, affordable housing, energy and the environment, education funding and fair taxation, we need to get Fair Elections for New York. It is time for our representatives in the State Senate to take leadership of this issue and deliver the clean money and clean elections that New Yorkers deserve.

[www.Corey2013.com](http://www.Corey2013.com)

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