



**Testimony to the New York City Campaign Finance Board  
on the 2017 City Elections  
January 29, 2018**

Good morning Chair Schaffer and members of the Campaign Finance Board (CFB). My name is Alex Camarda, and I am a Senior Policy Advisor for Reinvent Albany. Thank you for holding this hearing today to gather public input on the 2018 elections to inform your own comprehensive report being issued in August. We commend the entire agency for its role in successfully administering the elections in 2017 which, overall, went smoothly.

As our name suggests, Reinvent Albany largely focuses on reforms to state government, but we weigh in on city issues involving transparency, and which have statewide importance. Albany's campaign finance laws need a complete overhaul, and the city's Campaign Finance Board and public matching system stands as an essential model not only for Albany but for governments across the country. It is therefore important to Reinvent Albany that the system is always iterating and improving, building upon its bedrock foundation and reputation.

Through that lens, Reinvent Albany has the following thoughts and recommendations:

**Voter Engagement**

The Voter Assistance Advisory Committee (VAAC) Members and staff deserve credit for their ad campaign and online and print Voter Guides which contributed to more people voting than in 2013, despite a less competitive election (Turnout decreased due to an increase in registrants). The VAAC's campaign effectively connected voting to real life issues voters care about and demonstrated how VAAC can leverage more extensive CFB resources to extend its reach. This was envisioned by the 2010 City Charter Revision Commission when VAAC was consolidated into the CFB, and has been a notable success.

Reinvent Albany is particularly interested in the city using technology and data to improve performance and service delivery, and **our priority for voter engagement is the implementation of Int. No. 508-A (Kallos) to ensure online voter registration becomes a reality for all New Yorkers.** We applaud the CFB setting up a working group on the implementation of this law, and Reinvent Albany, working with our partners, will advocate to ensure the City Board of Elections also implements the law.

### **Campaign Finance:**

While we did not closely follow the the Campaign Finance Board's administration of the last election, it appeared to go smoothly from a campaign finance perspective. A bigger challenge lies ahead for the Board in 2021, when the Council will have a historic number of open seats, along with citywide vacancies that will likely attract an unprecedented number of candidates numbering in the hundreds. For this reason, we believe it may be useful for the Board and City Council to defer implementing particular new major reforms to the 2023 election, which will provide a less eventful trial run for new initiatives as a result of redistricting.

Acknowledging the challenges ahead for the Campaign Finance Board, we do believe certain policy challenges should be addressed before the next election including:

#### **1. Increase incentives for small donor fundraising:**

While the public matching system is a model for the country and an effective way for challengers to raise money, Councilmembers rely on larger contributions when they run for re-election. [A joint analysis by Reinvent Albany and the New York chapter of the national anti-corruption organization Represent.us](#) looked at the share of campaign funds raised by large contributions to NY City Councilmembers in 2017: 91 percent of total funding came from donations larger than \$175; 72 percent from donations larger than \$500, and 59 percent from donations larger than \$1,000. Thirty-four of 45 Councilmembers raised less than 20 percent of their funds from small donations of \$175 or less.

We ask the CFB to support passage of Int. No. 1130-A (Kallos) of 2017 which would eliminate the 55 percent cap on public funds. We believe this would be helpful in reorienting candidates from the outset of their campaigns toward fundraising from small donors. We understand the CFB has concerns with certain elements of this legislation and we welcome working with the Board to make the bill amenable.

Another solution for the CFB to consider is to limit matching funds to small contributions up to \$175. Matching funds are currently provided for the first \$175 of any contribution, no matter how large it is.

We are open to lowering contribution limits, but are wary of lowering them too much because of the possibility this money instead flows to independent expenditures.

- 2. Examine the city’s authority to regulate campaign fundraising of district attorneys.** The district attorneys are subject to the city’s ethics laws and have been considered local public officers.<sup>1</sup> We urge the Campaign Finance Board to examine the city’s authority to pass campaign finance law for district attorneys. Intense scrutiny of fundraising by district attorneys occurred this past year as a result in part of the broader attention to allegations of sexual harassment, misconduct and abuse. To his credit, Manhattan District Attorney Cy Vance recognized the perception of fundraising from lawyers with cases before his office was problematic, and he tasked the Center for the Advancement of Public Integrity (CAPI) at Columbia Law School with development recommendations Vance could voluntarily administer. Reinvent Albany engaged both CAPI and District Attorney Vance’s Office. We found Vance’s Office to be receptive to permanent change through legislative action which would establish a public matching system for district attorneys and limits on contributions by those doing business with his office, albeit Doing Business restrictions should be configured differently from the current Doing Business Database to apply those limitations to the unique features of the offices of the district attorneys.
  
- 3. Enforce the prohibition on accepting contributions from unregistered political clubs (which are political committees).** In 2013, Citizens Union released a report showing at least 224 political clubs statewide were not registered as political committees, as they should be, and millions in expenditures and contributions went unreported. More recently, the City Council passed Local Law 171 of 2016, which prohibits all candidates from receiving contributions from unregistered political committees. Reinvent Albany believes, many political clubs in New York City remain unregistered, despite a registration campaign by the State Board of Elections. We call on the CFB in its 2017 candidate audits to review this matter pursuant to Rule 1-04(d), apply the

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<sup>1</sup> See [Matter of Kelley v. McGee, 57 N.Y.2d 522, 457 N.Y.S.2d 434, 443 N.E.2d 908 \(1982\)](#).

appropriate enforcement and most importantly, educate and compel the political clubs to register.

#### **4. Improve the Mayor’s Office of Contracts “Doing Business” Database.**

Reinvent Albany believes the Doing Business restrictions should be extended to clients of lobbyists who do not also lobby themselves. The New York City Hospitality Association, for example, spent \$30,000 lobbying as a client in 2017 yet because the association was not also registered as a lobbyist, its president, president emeritus, treasurer, and board member all legally gave contributions in excess of the doing business limits while legislation impacting the industry was before the Council.

Additionally, Reinvent Albany has serious concerns about the accuracy of the Doing Business Database. Based on our own experience, we believe that the MOCS Doing Business Database is receiving incomplete or inaccurate informations from the City Clerk’s lobbying database. Reinvent Albany’s current lobbyists are not listed in the Doing Business database even though we updated the online forms we submitted to the City Clerk’s Office in March 2017. Despite this, old lobbyists who left the organization in March and September are still listed.<sup>2</sup>

While this fundamental information is flawed, the Database has become more complex. In December 2016, the City Council passed several campaign finance bills strengthening the Doing Business laws but also making the Database more complex. These laws limit contributions by people, businesses or non-profit groups that have contracts with city government. The 2016 laws prohibit matching contributions bundled by lobbyists and vendors doing business with the city; require that entities with at least a 10 percent interest in companies “doing business” also be classified as “doing business”; create new systems for disclosures to donors regarding doing business restrictions; requires that the Doing Business database include the dates when business was done and requires MOCS to publish a list of those doing business historically.<sup>3</sup>

#### **5. Support for specific recommendations from the 2013 CFB report.**

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<sup>2</sup> See:

[https://www1.nyc.gov/dbnyc/entityDetail.htm?org\\_id=160125&org\\_name=REINVENT%20ALBANY&lastClosingDate=12/31/2017&lastRunDate=12/31/2017](https://www1.nyc.gov/dbnyc/entityDetail.htm?org_id=160125&org_name=REINVENT%20ALBANY&lastClosingDate=12/31/2017&lastRunDate=12/31/2017)

<sup>3</sup> See: <https://council.nyc.gov/press/2016/12/15/1339/>

Reinvent Albany also backs previous recommendations made by the CFB. Many of these recommendations were in the last election report and were unfortunately not acted upon by the Council. We specifically think the following proposals from the 2013 post-election report are worthy of advancing again:

- Recommendation #7: Prohibit candidates from accepting organizational contributions;
- Recommendation #3: Strengthen disclosure of independent expenditures (in particular, revealing the actual donors behind LLC front groups); and
- Recommendation #2: Changes to the Statement of Need

Thank you for holding this hearing today and for the work you do continuously to ensure the integrity of the city's campaign finance system and robust participation in the city's democracy. I welcome any questions you may have.