



Testimony on Proposed CFB Rules Changes

September 27, 2024

Good afternoon. My name is Rachael Fauss, and I am the Senior Policy Advisor for Reinvent Albany. Thank you to the Campaign Finance Board for holding this hearing today.

We write to affirm our support for the Campaign Finance Board's proposed changes to its [Rules](#). While many of these are technical or conforming amendments that seek to clarify or tighten up the rules, several also reflect recent events, for example:

- **Coordination between campaigns and independent expenditure committees (Section 14).** This became a major issue during [Shaun Donovan's 2021 campaign for Mayor](#), when the candidate was accused of coordinating with his father's PAC in support of Donovan's campaign. The regs also respond to changes from the Federal Election Commission [relaxing restrictions on coordination](#). We thank the CFB for adding control or financing from family members as a factor for determining whether the IE committee is actually independent of the candidate. We encourage the CFB to look at whether multiple family members controlling IEs should be aggregated when they might otherwise not meet the 10% ownership threshold individually.
- **Payments candidates make to individuals (such as influencers) to promote campaigns (Section 16).** Social media influencers did not exist in 1995. Now they do, and [campaigns have exploited them for candidates' benefit](#). We support CFB's new regulations ensuring "paid for by" disclosures apply to influencers as well.

Beyond rules changes, there are several changes that need to be made to the law to prevent further abuse of the campaign finance program (we understand this is beyond the CFB's power). Given the mayor's federal indictment this week, there will be interest in further improving the law and Reinvent Albany plans to examine the best ways to tighten the program in response to recent events.

One change that should be made is to fix the loophole that allows PACs whose funders have business before the City to contribute more than the \$250 doing-business limit. As we and four watchdogs noted in a letter to the CFB last year, James Dolan, the CEO of Madison Square Garden Sports and Madison Square Garden Entertainment, contributed \$83,000 (of \$241,000) to MSG's PAC, which went on to make contributions of \$1,000 to City Council candidates and a donation of \$2,000 to Mayor Adams's campaign. This obviously violates the intent of the Doing Business Law, and we urge the CFB to help craft legislation to close

the loophole. In the meantime, we appreciate that the CFB proposed an update to its rules to facilitate a future change in the law by applying the same factors to doing business contributions as is used for reviewing whether other contributions come from a single source.

Thank you for considering our testimony.