



**New York City Campaign Finance Board**  
100 Church Street, 12<sup>th</sup> Floor, New York, NY 10007  
212.409.1800 | [www.nyccfb.info](http://www.nyccfb.info)

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

**New York City Council**  
**Committee on Government Operations**  
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Good afternoon Chair Kallos, and members of the Government Operations Committee. My name is Amy Loprest, Executive Director of the New York City Campaign Finance Board (CFB). I am joined today by Eric Friedman, our Assistant Executive Director for Public Affairs. Thank you for the opportunity to testify on the bills under consideration today.

New York City celebrated the 25<sup>th</sup> anniversary of its landmark matching funds program last year. The comprehensive reforms proposed by Mayor Koch, and enacted by this body, aimed to restore New Yorkers' confidence in government, which had been damaged by a series of high-profile corruption scandals.

Thanks in no small part to the City Council's ongoing commitment, today those reforms are thriving. Candidates for office in New York City can run successful campaigns without relying on large contributions—and the strings that may be attached to them. The matching funds program ensures that New Yorkers living in every neighborhood, in every school district, and practically every city block across the five boroughs participate meaningfully in funding campaigns for office. Their participation helps keep our democracy healthy.

Over the past year, in testimony before state lawmakers and in public forums around the city and across the country, we have supported the call for comprehensive reform of our state's outdated campaign finance system. We have been pleased to see the reforms under discussion in Albany have been modeled on New York City's program. We enthusiastically lend our voice in support of Res. 75, urging lawmakers to enact a statewide public campaign financing system.

The Board also supports passage of Intro. 6, which will require campaigns to include a "paid for by" notice on all communications. The Board recommended adoption of a similar requirement covering all campaign communications following the 2009 elections.

A comparable mandate exists in federal law, and we should have it here in New York City.

As you know, the City Charter now requires independent expenditures to identify the spender with a “paid for by” notice. However, no such requirement exists for communications paid for by campaigns. During an election, voters may be inundated with conflicting and confusing information about candidates through a wide variety of media—on television, in the mail, on the Internet, and elsewhere. Providing voters with clear information about the groups responsible for these campaign messages will reduce the likelihood of confusion among voters.

Disclaimers that clearly identify the funding sources for a political ad provide crucial information to voters at the very moment it is most useful: when they are seeing or hearing it for the first time. This requirement has become especially important in recent elections, as independent expenditures make up a rapidly growing share of communications to voters. It may become even more important with yesterday’s federal court ruling that eliminated New York State’s contribution limits to independent spenders.

During the 2013 elections, 50 groups and individuals reported \$15.9 million of independent expenditures. Pursuant to a Charter amendment in 2010 and the Board’s subsequent rulemaking, for the first time independent groups disclosed to the public an extraordinary level of detail about the funds they raised and spent. Voters could access all of the 1,196 unique communications reported by spenders via the CFB’s website. Each communication was required to contain a “paid for by” notice showing the group or individual responsible for the spending.

We believe Intro. 148-A will further strengthen our robust disclosure requirements. Requiring groups to reveal their top funders within the communication will help voters better understand who is behind each message.

The two independent groups that spent the most during the 2013 elections illustrate the potential impact of this legislation. Jobs for New York, Inc. spent more than \$4.9 million on independent expenditures in 2013. For the average voter looking at a mailing from the group, or hearing one of its ads on the radio for the first time, nothing about its name would indicate that it was backed by contributions from the real estate industry.

Similarly, a notice as required by Intro. 148-A for United for the Future, which spent \$3.8 million, would have better informed voters that the funds for the communications were provided by the local and national teachers' unions.

Just as importantly, Intro. 148-A will require an even richer level of detail about the entities that provide funding to independent spenders. The legislation will make it more difficult for the ultimate funders of campaign ads to shield their identities.

We are pleased to be able to collaborate with the Council on this important legislation, which would put New York City at the forefront of regulatory efforts to provide the public with comprehensive information on outside spending in elections.

To better match the current Charter requirement for disclosure of spenders' funding sources, you may wish to consider increasing the reporting threshold for transfers to \$5,000 from \$1,000.

In order to best realize the intent of Intro. 148-A, the Council may wish to consider whether certain of the disclaimer requirements represent an undue burden on the independent spender particularly with regard to radio advertising.

We also have some technical corrections to Int. 148-A to suggest, which we will provide to Committee staff.

Upon adoption of these bills, the CFB would consider rules for candidates and independent spenders requiring that disclaimers be provided in the language of the communication. As we all know, New York City has a diverse electorate, and campaign communications are published in a wide variety of languages. This rule change would ensure that the disclaimers work as intended, by providing information that can be readily understood by voters.

As always, we look forward to communicating with the Council on these and other issues. I thank you once again for the opportunity to testify today, and I look forward to answering any questions you may have.

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