

KANN FOR COUNCIL 2005

c/o Jerry Kann
25-60 42nd Street, #1
Astoria, NY 11103
(646) 724-9983
KannForCouncil.net

Nicole A. Gordon—Press Unit
New York City Campaign Finance Board
40 Rector Street
New York, NY 10006

December 8, 2005

Dear Ms. Gordon:

Enclosed please find my candidate's survey and, next page following, a brief statement to be entered as written testimony for the hearings set for next Monday and Tuesday at the CFB, which I probably will not be able to attend.

Thanks very much for your consideration.


Jerry Kann

/jk
enclosure

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Jerry Kann
Candidate for New York City Council
District 22
Astoria, Queens

WRITTEN TESTIMONY
Campaign Finance Board hearings
December 12 & 13, 2005

I have two comments I hope the Board will take under consideration—one specific and one general.

The specific one regards the CFB website's rendering of the Campaign Finance law. In §3-703, 2.(a)(iv), the threshold for contributions from donors in a candidate's own district is set at **seventy-five**. It was set at **fifty**, as recently as four years ago. Two years ago the threshold was raised to seventy-five, but on a borough-wide basis—thus the application of the number seventy-five to single Council districts was **new in 2005**. A CFB staffer told me this is strictly the business of the City Council, not of the CFB, since it is the Council that writes (and passes) amendments to the law.

However, it seems reasonable to me that you **insert an explanation** at that very spot in the text of the law. You might enclose in brackets or parentheses a note with words to this effect: "The original Campaign Finance law required City Council candidates participating in the program to raise a minimum of 50, not 75, in-district donations of at least \$10. The Council amended the law to raise the threshold to 75 as a provision of Section 4 of Intro. 124-A(2004)*, overriding the mayor's veto and passing the amendment by a vote of 44 to 5 on Dec. 15, 2004." I further recommend that you note this history prominently in other spots on the website.

Why is this so important? Because the mission of the Campaign Finance Board is expressly to **reduce the power of money** in local elections and to make it less—not more—difficult for challengers to raise funds in contests with entrenched incumbents. By raising the bar for in-district contributions with the passage of Intro. 124-A, sitting Council members were favoring wealthy, well-connected incumbents **like themselves** and were clearly hurting the chances of challengers to qualify for matching funds.

If the CFB is to effectively carry out its own mission, it must at least **inform** the very candidates the Campaign Finance law was meant to assist. It is not unreasonable to ask the CFB to draw the public's attention to this issue, and it is certainly not too much to ask that CFB make the

provisions of the Campaign Finance law itself more accessible and comprehensible.

I ran for Council as a minor party candidate in 2001 and 2003, and I did not reach the threshold for in-district contributions (fifty) in 2001 or in-borough contributions (seventy-five) in 2003. I also did not reach the new in-district threshold (seventy-five) in 2005, though I did pass the old threshold (fifty) before Election Day this year. At that point I was also quite close to reaching the \$5000 threshold, and meeting one criterion out of two certainly would have made it easier to concentrate on meeting the other one. In other words, had the law not been amended in 2004, I probably would have been able to qualify for matching funds in 2005.

I only give the particulars of my own case to illustrate how the law, *as amended*, seems to have worked against a challenger and in favor of an incumbent. My candidacy would almost seem to be a *textbook example* of this—given how closely my efforts at fundraising matched the requirements of the law.

What is the *justification* for making it substantially more difficult for challengers to qualify for matching funds? (It goes without saying that it would *not* be substantially more difficult for an *incumbent* to raise twenty-five more in-district contributions than he or she was required to raise in 2001...particularly after spending two or four years in office and having gained the name recognition, media coverage, party support, and other *very* substantial benefits of incumbency.) It can only be justified if one accepts the idea that the purpose of this key provision of the law was to make certain it would function as a relative *boon* for incumbents and as a virtual *handicap* for challengers.

But of course that justification, clearly stated, reduces the spirit of the Campaign Finance law to an absurdity. Since the CFB cannot clear up that absurdity by reforming the law, it should at least report the facts of the case to the public and to new and prospective City Council candidates.

Regarding my *general* comment, I would just like to go on record again stating my belief that participation in the Campaign Finance program must be *mandatory*, not voluntary. To allow candidates such as Michael Bloomberg to opt out of the program, and to spend unlimited amounts of money on campaigns for high office, defeats the whole purpose of the Campaign Finance law.

How is the public served by a law that gives a little bit of help to ordinary candidates but does nothing to prevent fantastically wealthy candidates from completely overwhelming their opponents? The voluntary system we

have at present **obviously** privileges the very rich. It mocks the very idea of democracy, a system in which state power is supposed to be widely shared, not concentrated in the hands of a **tiny, fabulously over-privileged elite**.

I understand the CFB's mandate is to implement policy, not make it. Yet the Board's very reason for being is to help **expand** democracy and **check** the unregulated power of Big Money in the political life of our city. Surely it would be appropriate for the CFB's press office to proactively inform the public about who "owns" the electoral process in New York and what arguments the owners use to **justify** their ownership. Perhaps even more importantly, the press office should be charged with educating **candidates** not only about brass-tacks legal and technical matters but also about the broad philosophical issues that made the CFB necessary in the first place.

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* Int. No. 124-A

By Council Members Perkins, James, Rivera, Gerson, Barron, Quinn, Gioia, Baez, Monserrate, Palma and Jackson

A Local Law to amend the charter and the administrative code of the city of New York, in relation to the requirements of the campaign finance program for city elections....[etc.]

Be it enacted by the Council as follows:

Section 1. Declaration of Legislative Intent and Findings.

The New York City Campaign Finance Act, adopted by the New York City Council in 1988, has succeeded in enhancing competition for elective municipal offices, limiting campaign contributions and expenditures to reasonable levels, and vastly increasing public information about the sources and uses of campaign funds....

This local law will alter the formula for paying public funds to participating candidates facing high spending non-participating candidates, thus further reducing disparities between participating and non-participating candidates. Additionally, this local law includes new provisions aimed at reducing expenditures of public funds in non-competitive races....

§4. Subdivisions 2, 5, 6, 7, 8, 9, 10, 11, and 12 of section 3-703 of the administrative code of the city of New York are amended and new subdivisions 13 and 14 are added to read as follows:

2. (a) The threshold for eligibility for public funding for

participating candidates in a primary or general election, or special election to fill a vacancy, shall be in the case of:

- (i) mayor, not less than two hundred fifty thousand dollars in matchable contributions comprised of sums of up to two hundred fifty dollars per contributor including at least one thousand matchable contributions of ten dollars or more;
- (ii) public advocate and comptroller, not less than one hundred twenty-five thousand dollars in matchable contributions comprised of sums of up to two hundred fifty dollars per contributor including at least five hundred matchable contributions of ten dollars or more;
- (iii) borough president, an amount equal to the number of persons living in such borough as determined by the last census multiplied by two cents in matchable contributions comprised of sums of up to two hundred fifty dollars per contributor including at least one hundred matchable contributions of ten dollars or more from residents of the borough, or ten thousand dollars comprised of sums of up to two hundred fifty dollars per contributor, whichever is greater;
- (iv) member of the city council, not less than five thousand dollars in matchable contributions comprised of sums of up to two hundred fifty dollars per contributor including at least [fifty] seventy-five matchable contributions of ten dollars or more from residents of the district in which the seat is to be filled[, except that in regularly scheduled city council elections held in the year two thousand three at least seventy-five matchable contributions of ten dollars or more shall be required from residents of the borough or boroughs in which such council district is located]....

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