



Herman D. Farrell, Jr.
State Chair

**Testimony of Herman “Denny” Farrell, Jr.
Chairman, New York State Democratic Committee
New York City Campaign Finance Board Post Election Hearings
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Executive Director

Good afternoon. I am Rodney Capel, Executive Director of the New York State Democratic Committee. Chairman Farrell is in Albany today and regrets that he can't be here to deliver his testimony in person.

I am here today to reiterate the party's support for this program but to also articulate the frustration Democratic Party members felt over CFB rules that prevented us from doing more to support Fernando Ferrer. Regardless which candidate voters supported in the last election, I think if you asked them if they thought the election was a fair fight, I'm quite certain an overwhelming majority would say that it was not. Campaign finance issues may not be at the forefront of voters' minds when choosing a candidate, but as all of us in this room know, they play a very important role in the conduct and outcome of elections.

While the law does provide for some loosening of the program's limits and additional public funds when a candidate faces a well financed opponent, the existing provisions in the law are clearly not adequate to come anywhere near leveling the playing field when a candidate like Mike Bloomberg swamps the system with his personal wealth.

Just consider that throughout the election, the party supported our nominee with aggressive earned media opportunities that highlighted the Republican candidate's ties to his political party and the Republican President, but we were

hamstrung from reinforcing or spreading this message through web videos or even e-mail campaigns to our supporters because under the current law the costs associated with those activities could be attributed to our nominee.

While some of the stringent rules that govern party involvement in city elections may make sense in the context of a campaign where both candidates are playing by the same set of rules, in an election such as the one we just experienced, a rethinking of these restrictions is clearly in order. This is a sentiment that has been expressed by Chairman Schwartz, editorials in the New York Post and many others.

I would recommend a few possible approaches to this problem. One would be allowing the parties to set up a separate account that conforms to your contribution guidelines for use exclusively to help candidates facing high spending nonparticipating opponents. These funds could be used for advertising, get out the vote and whatever else may be needed to help level the playing field when such an extreme disparity exists. These funds would not be used to assist candidates who are competing against a candidate who is abiding by the limits. The party is required to regularly file financial disclosure so this activity would be disclosed to the public, though not through the Campaign Finance Board

An alternate approach is to more closely follow the federal election laws. Under federal law, the parties are free to spend money on advertising, field operations and other election related activities as long as the efforts are not coordinated with the candidate.

With regard to federal law, it should also be noted that parties are permitted to contribute more than individuals to nominees of the party -- even when

coordinating with the candidates. This is something that the Campaign Finance Board should consider, not only with respect to elections involving high spending candidates but for all circumstances.

It may be tempting to ignore suggestions such as these and assume that the situation we faced in the last election will never happen again. But it has happened twice. In two consecutive elections, the campaign finance program was seriously undermined. Most people would agree that it is not realistic, nor is it fair to the taxpayer to try to match with government funds the spending of a candidate like Mike Bloomberg dollar for dollar. But we must do something. Freeing the parties to more aggressively support their nominee is a good first step to leveling the playing field without unduly burdening the taxpayer.

In conclusion, New York Democrats know that there is nothing inconsistent about effective campaign finance reform and strong, active political party organizations. We support campaign finance reform and we obviously support the right of political parties to actively support their candidates -- these two principles are entirely compatible.... Thank you for your time. I would be pleased to answer any questions you may have.