

**Opening Statement of Nicole A. Gordon,
Executive Director
New York City Campaign Finance Board
December 12, 2005**

Thank you Chairman Schwarz, and thank you to all the witnesses who are here to testify. The post-election hearings conducted after each election since 1989 have been a valuable resource for the Board as it analyzes the impact of the Campaign Finance Program.

The 2005 elections were significant for a number of reasons. As a result of a recent change in the Campaign Finance Act, candidates not participating in the voluntary Program are now required to file disclosure statements with the Board and to submit to audit by the Board, as well as to abide by contribution limitations contained in the Act. This change, among other things, will allow the Board to analyze the 2005 elections with more complete, accurate, and accessible data than in previous years.¹

You will see a packet of numbers and charts, available for the public, at the back of the room and on our website. Please note that, until we have received the final disclosure statements, due in January 2006, any results from the analyses must be considered as preliminary. Of course, more detailed analyses will be conducted and will be relied upon for the Board's post-election report due in September 2006.

As of June 1, 2005, Certification Day, 188 candidates joined the Campaign Finance Program for the 2005 elections; an additional 82 ran as non-participants. The

¹ Financial data from non-participants in previous elections were filed with the New York City Board of Elections. Data from elections before 2005 will not have been audited by the Campaign Finance Board.

Board disbursed \$24,065,860 in public funds for the 2005 elections as of November 3, the last scheduled payment date.

The Program, as in the past, included participants faced by high-spending non-participants. This year, eligible candidates facing a high-spending non-participant opponent benefited from a two-tier bonus matching rate of \$5-to-\$1 and \$6-to-\$1, depending upon the amounts of non-participant spending. This resulted from a legislative change enacted by the City Council in 2004. The “bonus” was triggered in three primary races: in Districts 31 and 41, where the \$5-to-\$1 match was triggered; and in District 29, where the \$6-to-\$1 match was triggered. Democratic Mayoral candidate Fernando Ferrer also received bonus matching funds at the \$6-to-\$1 rate for the General Election, as a result of which he received an additional \$1.3 million in public matching funds.

In 2001, when term limits went into effect for all offices simultaneously, there was predictably an unprecedented number of candidates at all levels of office participating in the Program. This year, 152 Council candidates joined the Program, a reduction from 2001, but an increase from previous participation rates in 1997 and 2003. (There were 138 Council candidates participating in 1997 and 133 in 2003.) Council candidates clearly continue to realize the benefits of joining the Program.

Council participants received \$6,454,593 in public funds in the 2005 elections. Compared with 2003, Council participants received more contributions this year within the \$1-\$100 and \$101-\$250 ranges, which, resulted in more public matching funds for

Council participants overall.² The most popular contribution amount for Council participants remains \$100. These data indicate that the Program is fulfilling its purpose of substantially increasing the value of small contributions from individuals and, potentially, of assisting candidates who do not have access to large monied sources.

As Chairman Schwarz mentioned, however, the receipt by Council participants of substantial public funds when facing minimal opposition is a matter of concern.

The Board's database shows that union contributions to Council candidates increased despite the small number of open seats in 2005 and that specific unions were among the largest single donors to Council candidates and other candidates in 2005 overall.

It is not possible at this time to present even preliminarily expenditure data because these data are significantly affected by information in the December 5 filing, which we have not had adequate time to analyze. Of course, as figures become available they are published and studied.

Two other important functions of the Campaign Finance Board are publishing the Voter Guide and implementing the Debate Program.

After the last election, the Board conducted surveys and other analyses in an effort to improve the appearance and content of the much-lauded Voter Guide. As a result of this research, the 2005 Voter Guide featured a new format, color graphics and photos, and had voters' City Council districts displayed directly on the mailing label. The

² See "Funds by Contribution Size" chart, 2005 Campaign Finance Board Post-Election Hearings.

on-line version of the Voter Guide, as in the past, had the permitted the user to personalize the format - - simply by typing in a street address - - to provide relevant information specific to that geographic district.

The newly-redesigned Voter Guide generated tremendous positive response. We are extremely proud of the success of our efforts to make the Voter Guide more attractive and useful, and preliminary results of post-elections surveys confirm that voters overwhelmingly approve of the new design. We also received many positive communications about the Guide by telephone and mail from enthusiastic readers. We look forward to continuing to improve the Guide to future elections based on information we received.

The year 2005 saw the third set of mandatory debates for Citywide office for participants in the Program. This year, as a result of legislative changes, Program participants and non-participants had to show a minimum level of public support to participate, even in the first debate for each election. In addition, non-participants could be invited to more than one debate. Finally, the primary election, as well as the general election, included a second debate for “leading contenders”.

This year, the debates were sponsored by NY1, *NY Newsday*, WNBC and WNYC. The debates were also broadcast in Spanish, and, for the first time, in Chinese, and Korean.

It will be most instructive to learn what public reaction there is to changes in the Debate Program.

The Board remains committed to assisting candidates with compliance. As all participants know, the Board has comprehensive program training seminars for candidates and their staff, handbooks, the assistance of the Candidate Services Unit, and other ways, including through C-SMART[®] software, that affirmative efforts are made to reduce any complexities of the Program for participating and non-participating candidates. In this continuing effort, the Board staff will hold special candidate seminars beginning in the end of January, to cover the audit process for those campaigns that wish to attend. In addition, now that the State requires local candidates to file statements electronically with the Board of Elections, we will be making adjustments to the C-SMART[®] filing software that will allow candidates in the 2005 election to accomplish this in January without reentering their data from the 2005 election.

As always, the Board is eager to receive constructive suggestions for ways in which the services already offered can be expanded or improved, and we hope that campaigns will continue to communicate with us formally and informally, through these hearings, through response to the campaign surveys, and in any other ways that are convenient for the campaigns.

Thank you.

###