



New York City Campaign Finance Board

40 Rector Street, 7th Floor, New York, NY 10006

tel. 212.306.7100 fax 212.306.7143

www.nyccfb.info info@nyccfb.info

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

**City Council Committee on Governmental Operations
City Council Committee on Finance
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Good morning, Chairman Felder, Chairman Weprin and Committee members. I am Amy Loprest, Executive Director of the New York City Campaign Finance Board (CFB). With me are Deputy Executive Director Shauna Tarshis Denkensohn and General Counsel Sue Ellen Dodell. Shauna replaced our long-time Deputy Executive Director Carole Campolo, who retired this past fall.

FY2009 Budget

Pursuant to the New York City Charter, Section 1052(c), the CFB submitted its estimated budget for Fiscal Year 2009 to the Mayor on March 10. The Charter requires that the Mayor include the CFB's estimate in his Executive Budget. The budget request is attached to this testimony.

Local Law No. 34

Local Law No. 34, enacted in July 2007, made several changes to the Campaign Finance Program that resulted in significant new mandates for the Board. Foremost among these from an operational standpoint are the new deadlines placed on Board audits. Starting with the 2009 election cycle, final audits for Council and borough president

candidates must be completed within 14 months, and for citywide candidates within 16 months. We have initiated a review of our audit procedures, and—with the appropriate resources—we are confident we can meet these unprecedented deadlines without compromising the quality the public expects from the Board’s rigorous oversight of taxpayer funds paid to campaigns.

Local Law No. 34 also places new restrictions on contributions from those doing business with city government, giving New York City the most comprehensive limits on “pay-to-play” of any jurisdiction in the country. The Board is taking steps to implement this important reform. Phase 1 of the Doing Business Database was introduced last month, and the Board continues working with the Mayor’s Office of Contract Services and the Department of Information Technology and Telecommunications to complete Phases 2 and 3 according to the mandated schedule. We have incorporated feedback from the Council and the Administration to create a revised “Doing Business” card for contributors. With the database in place, the law requires the Board to enforce the restrictions, mandating expedited reviews of all contributions to ensure compliance with the new limits on “doing business” contributions. These reviews are to take place within 20 days of each disclosure filing date—and during the six weeks prior to each covered election, within three days.

The law institutes changes to CFB administrative procedures, requiring the Board to offer candidates administrative hearings to contest penalties and obligations to repay public funds. Local Law No. 34 also expands the Board’s training responsibilities, requiring mandatory attendance for all participating candidates at CFB compliance and software training seminars. Since the law took effect in January of this year, the CFB has certified 34 campaigns as having completed the two-part training course for the 2009 election. The CFB’s Candidate Services Unit continues to hold training sessions to help candidates comply with the law, and will increase its training schedule as the election grows nearer.

Personnel

In previous testimony before the Council, we estimated that these new mandates could require a budget increase of approximately 50 percent. We understand the fiscal constraints the city faces for the approaching fiscal year, and we are pleased to say that our anticipated budget increase is considerably lower than our initial estimate. Even after taking the directives of the new law into account, our overall increase from the FY2008 budget is only 19 percent.

To meet the mandates of the law, the Board plans to increase its staff by 30 percent, adding 22 full time positions and six seasonal employees. Among the new hires will be 12 auditors, four Candidate Services liaisons, two lawyers, and two staff who will focus exclusively on “doing business” administration. It is important we bring these new staffers on board during this fiscal year so we can ensure they are properly trained to do their jobs during the key months leading up to the 2009 elections. Even with these staffing increases, we were able to achieve some savings by cutting our non-personnel costs by \$185,000, a figure that does not include money budgeted for the Campaign Finance Fund.

Campaign Finance Fund and Voter Guide

For FY2009, the Board has appropriated \$1.5 million for the Campaign Finance Fund in preparation for potential special elections. The Board has allocated \$425,000 to print and distribute a possible Voter Guide.

Should these anticipated elections fail to transpire, the Board will return these monies to the General Fund, as in previous years. For FY2008, the Board returned \$800,000 in unallocated public matching funds; in FY2007, the Board returned \$3 million allocated for an anticipated city-wide Voter Guide that was not required.

2009 Citywide Elections

The first payment for the citywide elections of 2009 will be made in August of that year, which falls in FY2010. As the election grows closer, and we are better able to estimate how many candidates are expected to run, we will develop a projection of the expected amount of public matching funds needed.

Based on initial campaign filings and media reports, we expect that the 2009 elections will closely resemble the 2001 elections, with term limits creating open seats in all three citywide offices, four borough presidencies, and more than two-thirds of the City Council. There were 355 candidates who appeared on the ballot for a primary or general election for all offices in 2001. For FY2002, we budgeted \$63.3 million for the Public Fund, and paid \$42.3 million to candidates. The remainder was returned to the taxpayers.

Upcoming Board Initiatives

To commemorate the 20th anniversary of the passage of the Campaign Finance Act, the Board hosted a day-long conference at Fordham University on February 21st. The conference included five panel discussions on a wide range of issues, featuring experts in campaign finance from around the country. The Board would like to take this opportunity to thank the Council—especially Speaker Quinn and Chairman Felder—for their proclamation honoring the Board. We would also like to thank Speaker Quinn for her opening remarks.

We are using the occasion of the Board's 20th anniversary to look towards the future and improve the way the Board interacts with campaigns and the public. This week, we introduced a new, updated version of our Candidate Software for Managing and Reporting Transactions (C-SMART), making it easier for candidates to organize their financial information and comply with the law. The new software allows campaigns to generate letters and emails to donors and other lists, help campaigns manage their

fundraising, and synchronize data with QuickBooks and Microsoft Money. These new features were based on input we sought from campaigns after the 2005 election, and refined thanks to feedback from the campaigns which participated in our pilot program earlier this year.

On February 29th, the Board launched a new and improved website, designed to be more accessible and user-friendly. This spring, the Board will introduce a web-based gateway that will provide a personalized connection between campaigns and the CFB, providing instant and secure access for campaigns to an array of information and services online.

Conclusion

As always, the CFB looks forward to continuing to work with the Council to make the Program more effective and efficient. Thank you for your time, and we look forward to answering any questions you may have.