

**New York City Campaign Finance Board – Post-Election Hearings
December 1-2, 2009**

Opening Statement of Amy Loprest, Executive Director

Thank you Chairman Parkes, and thanks to all who have joined us to speak today. The post-election hearings conducted after each election since 1989 have been a valuable resource for the Board as we begin our post-election review of the Campaign Finance Program.

In addition to these hearings, we will be soliciting comment through a comprehensive survey of candidates, treasurers, campaign staff, and other interested parties. This online survey will give respondents the opportunity to provide anonymous feedback on their experience with the CFB during the 2009 election cycle. Campaigns will receive notifications about this survey in the coming weeks.

The Board will also undertake a comprehensive analysis of the data we collect from and about campaigns during the election cycle. You can find a packet of numbers and charts at the back of the room, containing some early analyses of the 2009 elections. Until we have received the final disclosure statements in January, any analysis of data we have received to date must be considered preliminary. More detailed analyses will be conducted as part of the Board's post-election report, which will be delivered in September of next year.

There are some interesting conclusions we can already draw from the 2009 elections. This was the first election with strict, low limits on contributions from people who do business with the City. Local Law No. 34 of 2007 instituted one of the broadest restrictions on "pay-to-play" anywhere in the country. The same legislation also increased the Program's matching rate to \$6-to-\$1 for the first \$175 of contributions from New York City residents. These changes were made with the hope that increasing the value of small contributions would encourage campaigns to further increase their outreach to small donors. Initial analysis shows that the number of small donors has indeed increased from 2005, and the average contribution size decreased. We hope to hear from campaigns on their own experiences with these issues.

Participation in the Campaign Finance Program increased as well. In all, 141 participants were on the ballot for the primary elections, representing 93 percent of all candidates on the ballot—matching the Program’s highest previous participation rate. For the general election, 96 participants were on the ballot, representing 66 percent of all candidates on the ballot. The Board disbursed \$27.3 million in public funds for the 2009 elections as of October 29, the last scheduled payment date, an increase from 2005, when the Board paid \$24.9 million to candidates.

The Program played a large role in this year’s citywide elections. In the race for mayor, a high-spending non-participant triggered a Tier Two bonus for his challenger, who was a participant. The two-tiered bonus matching rate can substantially increase the availability of public matching funds to candidates facing high-spending non-participants. As Father Parkes mentioned, one of the questions we must answer through our analysis is whether this bonus is adequate to provide participating candidates with the ability to compete.

Competitive races for both public advocate and comptroller saw four candidates in each race qualify for public funds, and in each, public funds were paid to candidates for a runoff election.

At the City Council level, more than \$11.2 million was paid to 124 candidates during the 2009 elections, both of which represent significant increases from the previous election. Father Parkes spoke briefly about the results: fewer candidates were elected without opposition, more challengers defeated incumbents, and more campaigns were competitive. At the same time, the size of the average contribution to a Council candidate dropped 25 percent, to \$181, and close to 90 percent of all contributors to Council candidates gave \$250 or less.

Another important function of the Campaign Finance Board is voter education. The main pieces of this effort are the nonpartisan Voter Guide and the Debate Program for citywide office. More than three million Guides were delivered to homes with a registered voter before the primary elections, and more than 4.3 million Guides were mailed before the general

election. This year, the CFB also helped the Voter Assistance Commission prepare the Video Voter Guide.

The 2009 Debate Program comprised 11 debates. All were broadcast on television, on WABC and NY1 News, on the radio on WNYC and 1010 WINS, and online via streaming video. The debates were also broadcast in a variety of foreign languages.

While the 2009 election was successful in many ways, several concerns remain. As Father Parkes mentioned, independent expenditures continue to pose a threat to the Program's ability to establish a more level playing field in New York City elections. When outside activity is coordinated with campaigns, there are additional concerns: the activity of a potentially major campaign contributor may go undisclosed; over-the-limit in-kind contributions can go undetected; and non-independent activity that is unaccounted for may constitute violations of the expenditure limit. We hope to discuss ways the Board can better monitor spending by outside parties in elections covered by the Program.

Though this year's elections were more competitive, so-called "sure winners" who face minimal opposition continue to receive substantial payments of public funds. Several participating incumbents did decline to accept public funds. Yet almost \$2 million in public matching funds were paid to candidates who won election with 60 percent of the vote. Of those payments, almost \$500,000 went to candidates who received 80 percent of the vote.

Several new initiatives are improving the efficiency of the Board's operations and increasing the flow of information between the Board and campaigns for City office. Earlier this year, the Board introduced a web-based gateway called C-Access, which offers campaigns an instant and secure link to an array of useful information and services online. We also provided campaigns with an updated version of our disclosure software, C-SMART, which provided campaigns with new functionalities designed to make it easier for campaigns to organize their finances and comply with the law. This was also the first election for which participating campaigns were required to attend trainings conducted by our Candidate Services Unit. In all 319 campaigns completed the two-part training course.

As always, the Board is eager to receive constructive suggestions for ways in which the services and programs we offer can be expanded or improved, and we hope that campaigns will continue to communicate with us both formally and informally.

Thank you.

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