



**Campaign Finance Board
March 1, 2012
Public Comment**

Thank you for the opportunity to offer comments about modifications to the proposed independent expenditure regulations.

HSC is a coalition of nearly 200 not-for-profits strengthening the human services sector's ability to serve New Yorkers in need. As a non-partisan intermediary between government agencies and member organizations, we passionately champion the sector. We proactively negotiate with State and City government for mutually beneficial, solutions-based budget, policy, and legislative reform that improve our constituents' work and the lives of the individuals they serve.

Given the increasing role of independent expenditures in American politics, the Charter amendment's passage was a significant step forward for New York City's pioneering effort to bring transparency to the political process and limit the role of high-dollar campaign contributors in city elections. In the wake of the Supreme Court's Citizens United case, transparency is particularly important and we strongly support efforts to require the disclosure of independent expenditures. We are grateful the Campaign Finance Board is seeking increased transparency, while also factoring in the burdens of compliance and existing regulations.

HSC and our members greatly appreciate the modification of the proposed rules to exempt 501(c)(3) organizations from disclosure requirements for electioneering communications. Specifically, the definition of electioneering communication under the revised proposed rules does not include candidate-related communications made by a 501(c)(3) organization.

Nonprofits are already limited in campaign activity by their 501(c)(3) status, and requiring them to report electioneering communications, which are allowable under federal guidelines, would place a significant burden on organizations or curtail much needed advocacy efforts. Nonprofit organizations have a unique and essential role to play in the policy process. Through our advocacy work we help ensure the public interest is represented in critical debates that determine public policy and help shape the kind of City we live in. Our advocacy leads to more effective policies enacted to address the underlying causes of societal problems.

In creating this exemption, the CFB recognized that 501(c)(3) organizations are prohibited by the Internal Revenue Code from engaging in partisan political activities to support or oppose candidates of office. We appreciate the CFB hearing our concerns that the definition of electioneering in the original proposed rules might subject 501(c)(3) organizations engaged in issue advocacy to onerous reporting.

Additionally, HSC supports the changes that clarify and narrow the content of covered communications that must be reported as independent expenditures as well as the narrowing of the window of time such communications are considered electioneering

communications. We appreciate that the CFB revised its rules to bring the timeframe embodied in the definition of electioneering communication more in line with federal standards.

We understand that spending by 501(c)(3) groups meant to influence the outcome of a City ballot proposal is subject to disclosure under the revised proposed rules. This reporting requirement is consistent with voter and CFB intent to capture independent spending on NYC ballot initiatives because advocacy surrounding ballot initiatives is permissible for 501(c)(3) organizations and is not currently reportable to other governmental agencies. We encourage CFB to implement the specific disclosure rules for ballot-related spending in a manner that ensures that they are sufficiently tailored to achieve appropriate transparency without undue burden.

We also encourage the CFB to do significant outreach and education to the nonprofit sector to ensure compliance. Nonprofit organizations are unfamiliar with CFB's reporting scheme and may need training and support to ensure compliance. HSC is happy to work with the CFB to educate the nonprofit sector about disclosure and compliance under the new rules.

Again, HSC thanks the Campaign Finance Board for your work, and for giving us the opportunity to comment on the proposed rules. If you have any questions, please contact Michelle Jackson, General Counsel at (212) 836-1588 / jacksonm@humanservicescouncil.org