

neighborhood family services coalition

120 Broadway, Suite 230, New York, NY 10271 • phone: (212) 619-1661 • fax: (212) 619-1625 • www.nfsc-nyc.org

members

Brooklyn Community Services
CAMBA
Center for Family Life in Sunset Park
Citizens' Committee for Children
of New York City
Community Service Society
Council of Family and Child Caring
Agencies
Cypress Hills Local Development
Corporation
The Door
Episcopal Social Services
Flatbush Development Corporation
Goddard-Riverside Community
Center
Good Shepherd Services
Harlem Children's Zone
Harlem RBI
HeartShare Human Services
Little Sisters of the Assumption
Family Health Service
New Settlement Apartments
Community Services
New York Foundling Hospital
Queens Community House
Resilience Advocacy Project
Safe Space
SCAN New York
St. Raymond Community Outreach
Stanley M. Isaacs Neighborhood Center
United Neighborhood Houses
Youth Development Institute

facilitator

Michelle Yanche

co-directors

Gigi Li
Sierra Stoneman-Bell

staff assistant

Sophia Huda

October 19, 2011

New York City Campaign Finance Board
40 Rector Street, 7th Floor
New York, NY 10006

Dear New York City Campaign Finance Board:

In November of 2010 New York City voters approved an amendment to the City Charter requiring the disclosure of independent expenditures by individuals and groups to persuade voters on candidates and referenda on the ballot.

But we believe your proposed rules go well beyond the mandate and intent of the Charter amendment and run counter to your mission of increasing citizen participation in the political process.

Rather than simply regulating speech by wealthy individuals and groups intended to sway the public and directly affect an election, you are also regulating speech intended to educate the public on the decisions and policies of elected officials and communication by organizations with their own members. And, the rule can't be defended as simply requiring "more disclosure" – it would also limit or prohibit much of our membership and public advocacy, and our normal engagement with public officials, by treating it as a so-called "in-kind contribution" to a "candidate."

This threatens the ability of a wide range of non-partisan and not-for-profit organizations to communicate with the public about legislative issues, participating effectively in policy debates, and communicating with their own members and supporters about politics. And that is surely not the result City residents intended when they voted for the Charter amendment.

How We're Affected

This rule treats non-profit advocacy and membership organizations as if we were the same as political candidates in the current system. Under this rule, if our organizations spend as little as \$1,000 communicating with the public about an elected official's stand on legislative issues (if the elected official happens to be a candidate), we would have to file extensive financial reports for the first time. The same would be true if we were communicating with our own members about an election.

Reporting is not a simple process our often small staffs can add to their current responsibilities. There would be as many as 12 scheduled reports, plus up to 14 more just before the primary or general election. Failure to

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report, or reporting incorrectly, could lead to lengthy investigations, \$10,000 fines and even criminal prosecution, which in practice would mean nearly all groups subject to the new rules that are willing to take these risks would need to pay for legal counsel to ensure proper filing.

Organizations that spend more than \$5,000 would have to report and make public almost all of their sources of funding, including foundation grants, previously anonymous charitable giving, investment earnings and even membership dues as campaign “contributions.”

Organizations that spent money on legislative advocacy would also be forced to declare their spending as in support or opposition to particular candidates, *even for organizations that do not currently make such endorsements.*

The same rule would even apply to 501c(3) organizations who are barred from making endorsements by the IRS, putting them in the difficult position of either having to violate City law, violate Federal law or stop informing the public about important issues if the issue happens to be discussed by the City Council within three months of an election.

Notably, such disclosure is in many cases duplicative, as organizations that spend money to influence policy decisions must already file lobbying disclosure reports (though such reports are far less complex and difficult to file than the proposed filing system).

Strict rules and meaningful punishments are entirely appropriate for the independent PACs and expressly political groups whose spending the Charter amendment was meant to shine a light on. But the same regulation becomes onerous when applied to groups whose clear intention is public education, advocacy, or member service and representation.

There can be little question that given the high costs -- both in the complexity of CFB filing and the need to retain legal counsel – and the risks of erroneous reporting, that many groups would respond to the CFB’s proposed rules by limiting their own speech – an outcome at odds with the CFB’s broad goal of increasing participation in the democratic process.

The CFB can fulfill the City Charter amendment’s goal of bringing transparency and accountability to independent political expenditures without stifling speech that is critical to the democratic process by limiting its proposed rules to “express advocacy,” the spending that targets the *public* with speech that clearly supports or opposes candidates in elections. When organizations and wealthy people spend money communicating with the general public and say “Vote for Candidate X” or “Defeat Candidate Y,” they should disclose who they are, how much they spent, and who else financed that advertising. That’s what the Charter amendment was aimed at.

The CFB should not interfere with membership relationships, impose onerous and chilling requirements on legislative and issue advocacy, or force organizations to report irrelevant private

information just because they exercise their First Amendment rights.

Sincerely,



Gigi Li, Co-Director



Sierra Stoneman-Bell, Co-Director

Cc: Mayor Michael Bloomberg
City Council Speaker Christine Quinn