TESTIMONY OF COALITION FOR THE HOMELESS
BEFORE THE NYC CAMPAIGN FINANCE BOARD

Public Hearing on Proposed Independent Expenditure Regulations
October 27, 2011

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I present this testimony on behalf of Coalition for the Homeless, a not-for-profit organization that assists more than 3,000 homeless New Yorkers each day. Since its founding in 1981, the Coalition has advocated for proven, cost-effective solutions to the crisis of modern homelessness, which now continues into its third decade. The Coalition has also struggled for more than 30 years to protect the rights of homeless people through litigation around the right to emergency shelter, the right to vote, and appropriate housing and services for homeless people living with mental illness and HIV/AIDS.

The Coalition operates a dozen direct-services programs that offer vital services to homeless, at-risk, and formerly-homeless New Yorkers, and demonstrate effective long-term solutions. These programs include supportive housing for families and individuals living with AIDS, a job-training program for homeless and formerly-homeless women, a Rental Assistance Program which provides rent subsidies and support services to help working homeless individuals secure private-market apartments, and two buildings in Manhattan which provide permanent housing for formerly-homeless families and individuals. Our summer sleep-away camp and after-school program help hundreds of homeless children each year. The Coalition's mobile soup kitchen distributes 900 nutritious meals to street homeless and hungry New Yorkers each night. Finally, our Crisis Intervention Department assists more than 1,000 homeless and at-risk households each month with eviction prevention assistance, client advocacy, referrals for shelter and emergency food programs, and assistance with public benefits.

The Coalition also represents homeless men and women as plaintiffs in Callahan v. Carey and Eldredge v. Koch. In 1981 the City and State entered into a consent decree in Callahan in which it was agreed that, "The City defendants shall provide shelter and board to each homeless man who applies for it provided that (a) the man meets the need standard to qualify for the home relief program established in New York State; or (b) the man by reason to physical, mental or social dysfunction is in need of temporary shelter." The Callahan consent decree and Eldredge case also guarantee basic standards for shelters for homeless men and women. Pursuant to the decree, the Coalition serves as court-appointed monitor of municipal shelters for homeless adults.

I am grateful for the opportunity to offer comments about proposed independent expenditure regulations.

Advocacy is one of the most effective tools to achieve our organization's goals. It's critical for nonprofits like ours to take part in the democratic process – alongside business and other

private interests. This is not only our First Amendment right; it is our responsibility to the individuals and communities we serve and represent.

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 modern homelessness. We are in the best position to provide guidance to City leaders because we are direct service providers and close relationships with our clients and other direct service agencies.

We strongly believe these new rules will decimate non-profit, grassroots and member-to-member legislative advocacy programs that have successfully rescued childcare funding for thousands of working families, stopped critical senior centers and firehouses from closing, and protected weekend library service at branches across the city.

The rules you've presented go well beyond the mandate of the Charter amendment and run counter to your mission of increasing citizen participation in the political process. Instead of simply regulating speech intended to sway the public and directly affect an election, you are regulating speech intended to educate the public on the decisions and policies of elected officials and communication by organizations with their own members.

The rule can't be defended as simply requiring "more disclosure" – it would also limit or prohibit much of our public advocacy, and our everyday engagement with public officials, by treating it as a so-called "in-kind contribution" to a "candidate."

Moving forward with these regulations threatens our ability to communicate with the public about legislative issues and participating effectively in policy debates. That is surely not the result New York City residents intended when they voted for the Charter amendment.

Advocacy allows organizations to serve their constituencies and promote their causes through educating the public and policymakers, conducting research, litigating, organizing, lobbying, and more. City Council members depend on nonprofits (often experts in their fields) to surface the impacts of proposed legislation, policies and budgeting on New York City communities.

For example, in recent years we have challenged many misguided policies advanced by the Bloomberg administration, including proposed funding cutbacks to vital services, and we've often done this in conjunction with City Council members and other local elected officials.

We are not political campaigns and shouldn't be required to file campaign disclosures – as these rules would require if we spend as little as $1,000 communicating with the public about an elected official's stand on legislative issues.

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.

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.

Reporting is not a simple process small nonprofit staff can add to current responsibilities. We're looking at as many as 12 scheduled reports, plus up to 14 more just before the primary or general election. Failure to 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. We can't afford to damage our reputation by subjecting ourselves to a potential CFB investigation.

Another concern is the requirement that organizations spending 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." Some of our contributors would stop supporting our work if we made their names public.

Reaching the $1,000 / $5,000 trigger is easy, even for smaller organizations – for example, our four-times-a-year newsletter expenses for printing and postage can easily exceed those amounts.

And we already disclose money we spend to influence policy decisions through lobbying disclosure reports (though such reports are far less complex and difficult to file than the proposed filing system). This is the proper place for nonprofits to disclose lobbying expenditures – not through the campaign finance board.

One especially troubling requirement that we would have to contend with in complying with these regulations is the requirement to declare our advocacy spending as "supporting" or "opposing" particular candidates. Again, we are not political campaigns or committees – we do not make such endorsements.

In fact, 501c(3) organizations are barred from making endorsements by the IRS, which would mean we would be 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. We've been advised that even filing with the Campaign Finance Board could put our nonprofit status in jeopardy because of the IRS restrictions on nonprofits participating in campaign activity.

In summary, nonprofit organizations have a unique and essential role to play in the policy process. The CFB should not interfere with our right to participate in legislative and issue advocacy. The consequences of these actions run counter to the CFB's broad goal of increasing participation in the democratic process.

Thank you again for the opportunity to offer testimony.