

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 PUBLIC HEARING BEFORE THE COMMITTEE ON
4 LAW AND GOVERNMENT

5 - - -
6 Room 400, City Hall
7 Philadelphia, Pennsylvania
8 Thursday, June 1, 2000
9 2:30 p.m.
10 - - -

11
12 Campaign Finance Reform Legislation:

13 Bill No. 000356
14 Bill No. 000357
15 Res. No. 000380

16 (Full text of above attached hereto.)
17
18
19
20
21
22
23
24
25

- - -

17 PRESENT: COUNCILMAN DAVID COHEN, Chair
18 COUNCILMAN ANGEL L. ORTIZ, Vice Chair
19 COUNCILMAN JAMES KENNEY
20 COUNCILMAN RICHARD MARIANO
21 COUNCILMAN MICHAEL A. NUTTER
22 COUNCILWOMAN BLONDELL REYNOLDS BROWN
23 COUNCILMAN FRANK RIZZO
24 COUNCIL PRESIDENT ANNA C. VERNA
25

- - -

23 VINCENT VARALLO ASSOCIATES, INC.
24 Registered Professional Reporters
25 Eleven Penn Center, Suite 600
Philadelphia, PA 19103
(215) 561-2220

1 6/1/00 LAW & GOV'T. - FINANCE CAMPAIGN REFORM

2 I N D E X

		Page
3	H. Fernandez, Former Mayoral Candidate	9
4	* Katherine Rutherford, National Civic League	19
5	* B. Dietrich, Phil. League of Women Voters	29
6	* M. Petro, Committee for Economic Development	34
7	* R. Avila, L.A. City Ethics Committee	45
8	* N. Gordon, NYC Campaign Finance Board. . . .	62
9	* M. Goldman, Americans for Democratic Action	90
10	* Ed Schwartz, Inst. For Study of Civic Values	96
11	* Angus Love, National Lawyers Guild	109
12	* D. Kulp, Lesbian and Gay Democratic Club	114
13	Kathy Miller, President, Philadelphia NOW. . .	118
14	* Darlene Cradle, Philadelphia ACORN	120
15	* Larry Frankel, Executive Director, PA ACLU	131
16	* Glenn Moramarco, Brennan Center.	157
17	* R. Wingert, B. Kauffman, Common Cause. . . .	163
18	Inja Coates, Cable Access.	174
19	Phyllis Gilbert, Sierra Club	179
20	* L. Townsend, Citizens for Consumer Justice	180
21	* David Masur, Penn PIRG	187
22	C. Juntikka, NYC Bar Association	198
23	(* Also provided handout(s) or written testimony.)	
24	Other Attached Written Testimony By:	
25	Dennis Pollard Jerome Kohlberg, Lai Har Cheung	

1 /00 LAW & GOV'T - BILL

2 P R O C E E D I N G S

3 COUNCILMAN COHEN: To all members of
4 the Law and Government Committee, the committee is
5 about to begin the hearings, which are scheduled
6 for 2 o'clock this afternoon.

7 - - -

8 COUNCILMAN COHEN: Councilman Nutter,
9 Councilman Goode, Councilman Rizzo, you're all
10 requested to come to the chambers so that we could
11 get started with the scheduled 2 o'clock hearing.
12 Councilman Mariano is here, Councilman Ortiz is
13 present, I'm Councilman Cohen, and I'm here.

14 - - -

15 COUNCILMAN COHEN: We're sorry for the
16 delay but Councilmembers are recovering from the
17 lunch they had in the Mayor's office. Now I'll
18 call the Council President, who's agreed to be the
19 fifth member.

20 City Council is now in session for the
21 purpose of hold a public hearing and a public
22 meeting on Bill No.'s 356 and 357, and Resolution
23 No. 380.

24 A quorum of the Law and Government
25 Committee is present. At my extreme left is

1 /00 LAW & GOV'T - BILL

2 Councilman Rizzo, to my immediate left is
3 Councilman Mariano, to the far right is Councilman
4 Ortiz -- no one would ever accuse him of being
5 there. And to my immediate right Council
6 President Verna, and myself, David Cohen. The
7 committee is now in session, a quorum hasn't been
8 established.

9 And I'm going to ask Councilman Ortiz,
10 who is one of the two principal sponsors of the
11 bill, to make a short statement.

12 COUNCILMAN ORTIZ: Thank you, Mr.
13 Chairman.

14 Campaign finance reform is something
15 that usually is discussed at the national level,
16 but as Mr. Kohlberg, a corporate leader of this
17 country said in a letter to this committee, change
18 has to come at the local level so that it can
19 germinate, grow and impact and give courage to
20 those that in Washington that are afraid to end
21 the pay-for-play situation.

22 Tragically enough, in Philadelphia,
23 pay-for-play has become a part of the political
24 lexicon, it has become a part of our culture. We
25 no longer find it unreasonable when people go and

1 /00 LAW & GOV'T - BILL

2 ask and request, and almost demand, fund-raisers
3 of 5, 10, 25,000 dollars a pop per person. We are
4 no longer surprised when a District Council race
5 can cost up to three-quarters of a million
6 dollars. We are no longer surprised when the
7 municipality and the County of Philadelphia and
8 the Commonwealth of Pennsylvania holds the most
9 expensive municipal election in history.

10 People can become candidates without
11 having any public policy, background or philosophy
12 or vision. We have seen that in our past primary
13 for mayor, where persons became viable candidates,
14 not because of their public policy visions, not
15 because of what they offered as a candidate in
16 terms of bringing the City into the 21st century,
17 but because a few very well-to-do individuals got
18 together and decided to raise a huge amount of
19 money to make candidates viable.

20 Money is becoming the pervasive
21 undermining force of the democracy in the United
22 States. We spend more money in political
23 campaigns, and the sum total of voters coming out
24 is less and less every year. In the last election
25 that we've had this year, candidates for senator

1 /00 LAW & GOV'T - BILL

2 of the United States running, other candidates,
3 two very important offices at the State level, and
4 we get 16 percent turnout. But money was spent in
5 bundles.

6 We need to grab hold of that so that
7 the days of pay-for-play can end, so that the
8 politicians who want and people who want to serve
9 in government and want to enter politics can have
10 a level playing field. So that what will count
11 will be not how much money you have in your
12 campaign account, but what you have in your mind,
13 your heart, and the vision that you want to bring
14 to the people of the city.

15 It should start here in Philadelphia,
16 it should start here. Other cities have done it.
17 New York has big political machines and stronger
18 than we have. L.A. has done it and they're
19 bigger. Over 75 cities across the nation have
20 said we have to take the money out of the public
21 discourse and bring back government to the people.

22 Government has gone from the people.
23 And don't kid yourself that every time there's a
24 TIF, that there's a development, that there's
25 something going on, that those people that sit at

1 /00 LAW & GOV'T - BILL

2 that table in front of City Council are usually
3 individuals that have contributed great gobs of
4 money to political races. And those are not the
5 issues upon which we should decide public policy.

6 We have, and I hope that we have, the
7 courage in this Council to be able to move
8 forward, to have the vision that we will no longer
9 tolerate money controlling elections, but let
10 people and issues be the controlling factor in
11 electing people to public office and public
12 service.

13 Thank you, Mr. Chairman.

14 COUNCILMAN COHEN: Thank you,
15 Councilman Ortiz.

16 Like all things in life, campaign
17 finance is a complicated question, because what
18 Councilman Ortiz said is certainly, in my
19 judgment, valid and true in 95, maybe 99 percent
20 of the cases. I would like campaign reform to get
21 rid of the embarrassment I always face. I'm
22 always very fearful that the press will go and
23 examine my return sheets because I would be
24 embarrassed at the report of how little I raised
25 and how little I spend. I'm always at the very

1 /00 LAW & GOV'T - BILL

2 bottom of the list and I dread looking up and
3 reading the reports of the press.

4 But I have to tell you that I suspect
5 if somebody tried to raise some of the sums of
6 money that Councilman Ortiz told us about, I would
7 be very concerned, because money and the big
8 bundles that we're beginning to get used to --
9 imagine \$27 million in the mayoral race in
10 Philadelphia was spent -- you say it was twice
11 that?

12 COUNCILMAN ORTIZ: \$27 million.

13 COUNCILMAN COHEN: Yeah, \$27 million is
14 outrageous. Because one thing we know, a good
15 businessman -- and much of the money, maybe almost
16 most of it, comes from large business groups, and
17 good businessmen never pay without being sure that
18 they get a return. We couch that return politely
19 in the media in terms of access.

20 What access means differs in different
21 people's minds. Some people maybe only want to
22 talk to a legislator, others say, We expect
23 results. Everybody says businesses are bottom-
24 line breeders, that it's the bottom line that
25 counts and the bottom line is results. That's

1 /00 LAW & GOV'T - BILL

2 kind of terrifying, because results politically
3 mean results in support of the interests
4 represented by the money-givers. And politics
5 should never be that.

6 And so I think we're embarking are here
7 in Philadelphia is a very important matter,
8 particularly when we've seen that the lack of
9 legislation permits huge sums of money to
10 influence outcomes.

11 The first panel -- why don't you both
12 stay at the table, but because there are time
13 restraints -- and we're delighted she's here,
14 she's a former colleague, and we'll introduce her
15 as "Councilwoman Happy Fernandez." She was a
16 strong candidate for mayor of the City in the last
17 election. She did not get those huge
18 contributions represented by the \$27 million
19 represented that I spoke about. She is now
20 president of the Moore College of Art. We're
21 happy to welcome you back, Happy, to your original
22 home. City Council -- that is not counting the
23 Temple professorship before.

24 Thank you.

25 MS. FERNANDEZ: It's great to be here.

1 /00 LAW & GOV'T - BILL

2 This seat is maybe a little higher than my seat
3 over here, but it's great to be here, particularly
4 to testify on this campaign finance reform bill.

5 And let me begin by complimenting
6 Councilman Ortiz, and I think Councilman Kenney
7 was a lead sponsor --

8 COUNCILMAN COHEN: Yes.

9 MS. FERNANDEZ: -- along with others
10 who have signed on 'cause I think it is an
11 excellent bill. Again, Councilman Ortiz, I think
12 it's much improved over the one that was in last
13 session where, as you recall, I felt couldn't put
14 my name to it 'cause I thought it needed to be
15 strengthened, and I think you've done that with
16 this bill.

17 My first reaction to campaign finance
18 reform finance bills is, no bill is better than a
19 bad bill. But I am here today to say I think this
20 is a very well-constructed bill. There may need
21 to be a few amendments, but I think it has many of
22 the elements in it that's strong enough and
23 comprehensive enough to try to level the playing
24 field so that people can again believe in
25 democracy and have greater trust and respect for

1 /00 LAW & GOV'T - BILL

2 their elected officials because they feel they
3 have a chance to run for office and that it's not
4 totally controlled by people who can make
5 sometimes obscene contributions to people who are
6 running.

7 So the thrust of your bill, the basic
8 grounds of it, I think, are excellent. And so I
9 do not feel that this is a bad bill; I think this
10 is a good bill and should be supported.

11 I'm sure, through these hearings, that
12 you will probably agree to make some small changes
13 and amendments?

14 COUNCILMAN ORTIZ: We're already doing
15 that.

16 MS. FERNANDEZ: And I'd be glad to talk
17 with you as you consider those amendments.

18 But overall, I just had a few points to
19 make, and that would be, I think the limits you're
20 trying to set are reasonable. But, as you know, I
21 think you really need to look at all of those
22 loopholes where people use soft money at the
23 national level, or the other big loophole is
24 people who are multimillionaires and who are
25 buying elections and feel they don't need to abide

1 /00 LAW & GOV'T - BILL

2 by campaign finance reform laws. I think we have
3 that happening at the federal presidential level,
4 and we're all very aware of what's happening over
5 in New Jersey right now.

6 And I think there is a backlash among
7 the citizens. They really don't like the idea
8 that people can buy their way into public office.

9 So I think it's very important to look
10 at all of the little details in this bill to try
11 to close as many of those loopholes as you can.

12 And that would lead to the strength of
13 your proposed independent campaign finance board.
14 I would like to suggest that instead of having
15 those five members appointed only by elected
16 officials, I would suggest that you have three to
17 four other citizens who are respected in the
18 community, perceived as independent, and could be
19 nominated by some of the citywide respected civic
20 business labor groups in the City, 'cause I think
21 that, again, would add to hopefully the reality,
22 but at least the perception, that this campaign
23 finance -- or this independent campaign finance
24 board really is there looking out for the interest
25 of the citizens and would have the clout it needs

1 /00 LAW & GOV'T - BILL

2 to keep people in line.

3 'Cause I think the biggest danger with
4 this bill is that if it's drawn too tightly, there
5 will be people who will want to run for office
6 outside of these rules and use their fortunes or
7 their friends' fortunes to get them in. So I
8 think having even more clout and the perception of
9 even more independence by that independent
10 campaign finance board is good.

11 Which leads to the other issue. I was
12 interested in the clause in the proposed bill that
13 says that there would be at least two televised
14 debates by the candidates running for various
15 offices and that you would try to attract media
16 attention to that. One of the big issues you'll
17 face is how to get sufficient media attention for
18 any of the candidates. And then if there are
19 people running outside of the framework you've
20 proposed, who are not going to abide by these
21 rules, how do you have enough media attention to
22 the candidates who want to play by these rules.
23 So that, again, you can't have someone going
24 around and being able to buy so much media that
25 drowns out or obscures the real issues.

1 /00 LAW & GOV'T - BILL

2 So, again, I think that independent
3 board and other civic and community groups would
4 have to be very, very vigilant, do all they can to
5 get the major television and radio stations and
6 the print media to give extensive coverage to the
7 various candidates at the various levels, even if
8 they aren't paying some of these incredible rates
9 that you have to pay to get on television.
10 Because, as you know, that is the biggest part of
11 a budget, particularly for anyone who's running
12 for mayor, is the TV costs, which are the single
13 largest item in most people's budgets.

14 The next item that I wanted to bring up
15 is what I would perceive as further discrimination
16 against or punishment of people who are already
17 elected officials within the City of Philadelphia.
18 And, again, having been one and as a person who
19 needed to resign my Council office in order to run
20 for mayor, while there are people coming from
21 other sectors who could be doing all they wanted
22 for as long as they wanted, or if they had
23 independent incomes, could resign and say, you
24 know, I don't need to work at all, I'll just
25 campaign steadily for two years.

1 /00 LAW & GOV'T - BILL

2 So I think the clause you have here
3 that says that someone who is currently an elected
4 official, not only according to the City Charter
5 has to resign in order to run for anything else,
6 but also could not use any of the funds that might
7 be in their campaign funds which, under your bill,
8 would be much more limited anyway, that those
9 could not be used. I think that's further
10 punishment and I think you ought to take a second
11 look at that.

12 So those were my major issues. I think
13 there's a lot of other little details. I would
14 frankly like to hear the debate about your
15 attempts to limit contributions of people who are
16 doing business with the City. I think that's the
17 area where you would find people still doing it
18 through wives or children or dogs or something in
19 order to make sure the politicians perceived that
20 their money had helped get them elected and were,
21 therefore, still buying access. I understand what
22 you're trying to do, but I think that needs some
23 pretty serious debate and examination.

24 COUNCILMAN ORTIZ: Well, the good thing
25 about it is that we have people that are already

1 /00 LAW & GOV'T - BILL

2 experienced in this public financing of political
3 elections -- L.A. and New York and other
4 individuals who are looked into those aspects that
5 you're looking at and that you have mentioned, and
6 that we will be looking very strongly as to how
7 those other boards have managed to monitor and
8 police those instances.

9 MS. FERNANDEZ: Right.

10 COUNCILMAN ORTIZ: And I think we'll
11 hear from L.A. and probably New York, and we'll
12 have some very interesting thought and comments as
13 to how four elections now, four election cycles
14 have gone through in L.A., and candidates for city
15 council and mayor have run under these guidelines
16 and have adhered to them.

17 So it's -- we will get the history and
18 the knowledge to be able to hopefully close all of
19 those loopholes.

20 MS. FERNANDEZ: So my bottom line is, I
21 think this is a well constructed bill, and after
22 the hearings and the various kinds of amendments,
23 I'd be glad to talk with you again, but I want to
24 compliment you on taking on this very important
25 issue.

1 /00 LAW & GOV'T - BILL

2 COUNCILMAN ORTIZ: You know, because
3 you were one of the candidates that ran for mayor
4 and that if you go back -- and I would love to see
5 a political historian do this, but if you go back
6 to the reporting in the print media or the TV and
7 other aspects in terms of that election, every
8 time that they reported on individuals that were
9 credible or viable, they mentioned only a few
10 because they had money. And then those
11 individuals that were behind in the money chase,
12 in the money aspect of getting it together and so
13 on -- you and Dwight and others -- were really
14 relegated to second-tier candidates, not because
15 of not having experience, not because of having
16 lack of political vision, not because you could
17 not handle the job and be able to do the job, but
18 the only reason that it was second-tier was
19 because of the level of money that each one of
20 those individuals had.

21 MS. FERNANDEZ: But that also -- you
22 know, I hope some of the reporters would take a
23 look at what that does. But you're right, I
24 raised over a million and a half dollars which you
25 think would be adequate for a mayor's race, but in

1 /00 LAW & GOV'T - BILL

2 this particular race, that was a modest amount.

3 But, again, as you know and a number of
4 people have said, the kind of time it takes to
5 raise that amount of money from a broad base of
6 people is a very time-consuming issue, and that
7 was actually one of the things I found most
8 distressing about running for mayor was all the
9 time it took to be raising money, when I would
10 much prefer to be out talking with people at all
11 the meetings and -- which we did anyway, but
12 that's also what adds to the stress of a mayor's
13 race.

14 COUNCILMAN ORTIZ: Thank you.

15 COUNCILMAN COHEN: Thank you very, very
16 much.

17 MS. FERNANDEZ: Thank you.

18 COUNCILMAN COHEN: We very much
19 appreciate your working through your schedule to
20 be with us here today. Thank you. Great.

21 The next speakers are going to be what
22 was considered panel number one before:
23 Katherine Rutherford of the National Civic League,
24 and Barbara Dietrich, President of the League of
25 Women Voters of Philadelphia.

1 /00 LAW & GOV'T - BILL

2 We welcome you both. Please identify
3 yourself for the record first and then proceed
4 with your testimony.

5 MS. RUTHERFORD: Okay. My name is
6 Katherine Rutherford, and I'm the Assistant
7 Director for the New Politics Program at the
8 National Civic League.

9 The National Civic League is a
10 106-year-old good-government organization that
11 held its first meeting here in Philadelphia. That
12 meeting was convened by such turn-of-the-century
13 progressives as Teddy Roosevelt, Louis Brandeis,
14 and Marshall Fields. At that time, they convened
15 a meeting of municipal administrators and
16 politicians and citizens to take a hard look at
17 what was happening with the political machine in
18 America, and specifically what they were looking
19 to do was to put government back into the hands of
20 the people at that time. That's when political
21 machines were at their height.

22 Through the New Politics Program at the
23 Civic League, we look to promote innovative
24 political reforms at the State and local level.
25 This, in fact, brings us full circle to our

1 /00 LAW & GOV'T - BILL

2 founding mission in 1894, which was to help local
3 reform groups learn from each other's successes
4 and failures and to develop specific proposals for
5 making government more honest, efficient, and
6 effective. The New Politics Program connects with
7 the National Civic League's philosophy that all
8 major political reform begins at the local level,
9 gains momentum, and is eventually codified in
10 federal law. This also extends to our interest in
11 political reform and democratic renewal.

12 In 1998, the National Civic League
13 published this book, Local Campaign Finance
14 Reform: Case Studies, Innovations and Model
15 Legislation, and this book has been distributed,
16 actually, to the City Councilmembers here in
17 Philadelphia and to many other elected officials
18 throughout the country as well as reform-minded
19 activists throughout the country. The book itself
20 was an enormous undertaking for our organization,
21 and along with that, it was an enormous leap of
22 faith. The suspicion at that time was that there
23 was a lot of activity happening on the local
24 municipal level around campaign finance reform,
25 but it was just a suspicion or a belief that local

1 /00 LAW & GOV'T - BILL

2 democracy was healthy and vital was confirmed
3 through the study. The study confirmed that over
4 75 municipalities within the country had passed,
5 enacted some type of campaign finance reform.

6 So we discovered through the survey
7 that a quiet movement was taking hold, and that
8 movement continues to move forward today.
9 Two-thirds of the reforms that we studied, that
10 are documented in this book, have been enacted
11 since 1990. Prior to 1990, other reforms has been
12 enacted. For example, in 1979, the City of
13 Seattle passed campaign finance reform that
14 included contribution limits. There are to date
15 133 municipal entities that have passed
16 contribution limits, so those extend beyond the
17 time period that this book was --

18 COUNCILMAN ORTIZ: And they are
19 constitutional within the federal --

20 MS. RUTHERFORD: Yes.

21 COUNCILMAN ORTIZ: Within the Supreme
22 Court decision?

23 MS. RUTHERFORD: Those are standing
24 pieces of legislation, yes.

25 I think it's important to say that

1 /00 LAW & GOV'T - BILL

2 local campaign finance reform is an ongoing
3 evolution. Indicators point to increasingly
4 comprehensive campaign finance reform being passed
5 over time. A lot of the municipalities that we've
6 looked at start out with a baseline model and move
7 forward into more comprehensive legislation.

8 COUNCILMAN COHEN: Could you tell us
9 some of the major cities that have passed it and
10 very roughly the kind of limitations they have,
11 just very briefly, maybe not exactly, but in
12 general.

13 MS. RUTHERFORD: Okay. And I will make
14 mine very rough because I believe someone from Los
15 Angeles as well as New York is going to follow me
16 in their testimony, and they're actually running
17 those programs.

18 But Philadelphia is one of the top ten
19 cities in the United States -- actually one of two
20 of the most populous City cities in the United
21 States that has no type of campaign finance
22 reform.

23 COUNCILMAN COHEN: But tell me, say, in
24 New York, where Giuliani and Hillary Clinton are
25 breaking all kinds of fund-raising records, in New

1 /00 LAW & GOV'T - BILL

2 Jersey, where Jon Corzine has raised maybe 35 to
3 \$40 million against an opponent that raised
4 \$2 million. Give us major states like that.

5 MS. RUTHERFORD: Okay. I can speak
6 more expertly to more local municipalities than I
7 can to state or federal-wide races, other than
8 what everyone reads in the newspaper, not
9 necessarily from my level of expertise.

10 COUNCILMAN ORTIZ: But New York -- New
11 York City has --

12 COUNCILMAN COHEN: New York City.

13 COUNCILMAN ORTIZ: New York City has a
14 campaign finance bill in place.

15 MS. RUTHERFORD: That's right. And New
16 York City and Los Angeles both have incredibly
17 comprehensive campaign finance reform legislation
18 that they work on. Both programs that -- two of
19 the administrators from those programs will speak
20 to you about the success of those. There's also
21 the City of Tuscon that has comprehensive campaign
22 finance reform. There are a number of cities --
23 there are actually, in total, in our database 16
24 cities and counties in the United States that have
25 what we tend to define as "comprehensive campaign

1 /00 LAW & GOV'T - BILL

2 finance reform legislation," which typically
3 including contribution limits, spending limits
4 that are tied to public financing, so some type of
5 public financing, either partial or full.

6 COUNCILMAN COHEN: And New York City's
7 one of them?

8 MS. RUTHERFORD: New York City is one
9 of the very successful models, as is Los Angeles.
10 And I would actually defer my questions to those
11 cities to those administrators.

12 COUNCILMAN COHEN: How about -- the
13 City of New York, yes.

14 COUNCILMAN ORTIZ: Not the state.

15 COUNCILMAN COHEN: Yeah.

16 MS. RUTHERFORD: Right, it's New York
17 City Campaign Finance Board.

18 COUNCILMAN COHEN: And how about in Los
19 Angeles?

20 MS. RUTHERFORD: That's the Los Angeles
21 City Ethics Commission.

22 COUNCILMAN COHEN: And we're going to
23 have -- I think the young woman's going to be a
24 witness on that.

25 MS. RUTHERFORD: That's right.

1 /00 LAW & GOV'T - BILL

2 COUNCILMAN COHEN: Some questions have
3 been raised about Los Angeles not having partisan
4 primaries, as we have in Philadelphia and a second
5 place in the State of New Jersey and often in the
6 state of New York. We'll be interested in knowing
7 how it applies there.

8 Well, we thank you very much.

9 COUNCILMAN ORTIZ: Let her finish.

10 COUNCILMAN COHEN: Have finished your
11 statement or --

12 MS. RUTHERFORD: A few more words.

13 In late 1999 through June of this year,
14 the New Politics Program has been working directly
15 with coalitions in five locations across the
16 country to catalyze the dialogue around campaign
17 finance reform and move it forward into concrete
18 policy proposals. These locations include
19 Philadelphia, Pennsylvania; West Chester County,
20 New York; Cincinnati, Ohio; Denver, Colorado; and
21 the State of New Jersey.

22 Our role on each side has been to put
23 our principles of collaborative problem-solving
24 and consensus-based decision-making into
25 practice. The application of these principles in

1 /00 LAW & GOV'T - BILL

2 each setting typically with a diversely
3 representative coalition has been inspiring at the
4 least. Elected officials and citizens care about
5 the health of their democracy at the local level.

6 In an exercise that we facilitated here
7 in Philadelphia, we asked a group a question that
8 gave the following answers. And the question was
9 really about what critical values in campaign
10 finance reform would you want to see reflected?
11 Their answers came out roughly as follows. These
12 are sort of the areas:

13 To address the perception of corruption
14 in the political process;

15 To free elected officials to govern,
16 rather than fund-raise;

17 To remove money from the access and/or
18 influence equation;

19 To bring new candidates into the
20 system;

21 To develop fair competition. I think
22 it's been referred to as "leveling the playing
23 field" in a lot of ways;

24 Increase voter participation;

25 And improve the political discourse.

1 /00 LAW & GOV'T - BILL

2 These values inform the shaping of a
3 policy that the Coalition developed, and many of
4 those elements are reflected in the proposal
5 before you today.

6 And the other thing I just wanted to do
7 quickly was to go through some of the larger
8 pieces of the legislation and let you know about
9 other municipalities where similar components have
10 been enacted.

11 So in terms of --- I've already
12 mentioned the mandatory contribution limits. In
13 our database, we have 133 municipalities that have
14 mandatory contribution limits, starting with
15 Seattle in 1979 and continuing forward to today.
16 And I should also preface this with, some of this
17 data was most recently modified in 1998, so there
18 could be a greater number than what I'm reporting
19 to you now.

20 In terms of the mandatory limit in
21 off-year elections for fund-raising, there are 16
22 municipalities in total that have some form of
23 time limits on fund-raising. Again, this is
24 covered in our book, and we have more information
25 at our office in Denver than is covered in this

1 /00 LAW & GOV'T - BILL

2 book, if anyone has any specific questions about
3 that.

4 In terms of the pay-to-play, which
5 Councilman Ortiz had mentioned, we also look at
6 this in this book, and a more broad sense, those
7 are categorized as conflict-of-interest laws.
8 There are about 16 municipalities in the country
9 currently that have those that type of policy
10 enacted.

11 And, finally, in terms of voluntary
12 spending limits tied to public financing, there
13 are 13 city-county entities that have enacted that
14 type of policy.

15 As I mentioned earlier, Philadelphia is
16 the largest city in America with no regulation on
17 campaign finance at the municipal level. It is
18 home to most expensive municipal election in
19 history, with a final tally of \$27.5 million.
20 Philadelphia now stands at a critical juncture of
21 opportunity -- the opportunity to lead the state
22 in local campaign finance reform policy, and by
23 extension, to pave the way for political reform
24 and democratic renewal at the local level.

25 Thank you.

1 /00 LAW & GOV'T - BILL

2 COUNCILMAN ORTIZ: Thank you.

3 COUNCILMAN COHEN: Thank you very much.

4 MS. RUTHERFORD: And also, just to let
5 you know, I didn't type up my testimony, but I
6 will be happy to hereafter; I will get you a copy
7 of this afternoon.

8 COUNCILMAN ORTIZ: Thank you very much.

9 COUNCILMAN COHEN: All right. We will
10 be grateful. Thank you.

11 Barbara Dietrich.

12 MS. DIETRICH: Good afternoon,
13 Councilman Cohen, Chair, and the members of the
14 law and government committee. I am Barbara
15 Dietrich, President of the League of Women Voters
16 of Philadelphia. And we have my testimony typed
17 out for you here.

18 COUNCILMAN COHEN: Very good.

19 MS. DIETRICH: The League of Women
20 Voters of Philadelphia has a continuing concern
21 for maximum citizen participation in the political
22 process. The campaign finance reform bill before
23 City Council provides an opportunity for
24 candidates to enhance the participation of their
25 constituents by soliciting monetary contributions

1 /00 LAW & GOV'T - BILL

2 that would not be overshadowed by large gifts of
3 money from donors who hope to curry favor with
4 elected officials. When candidates raise larger
5 numbers of small individual contributions, they
6 engage citizens in the local governmental process
7 and are more likely to get those persons to vote
8 for them.

9 The League, as conveners of the
10 Philadelphia Clean Money Clean Elections Campaign
11 Coalition, and its partners, would like to
12 cultivate a climate where elected officials are
13 accountable to their local voters, rather than to
14 outside contributors. As you know, the 1999
15 Philadelphia mayor's race had a national record of
16 \$27.5 million in total contributions, including
17 several \$100,000 donations, as reported in a
18 recent Inquirer editorial.

19 The provisions of the bill would also
20 eliminate the pay-to-play aspects of the current
21 system, which could help to put an end to the
22 perceived undue influence in the election process
23 caused by campaign fund-raising. Through a system
24 of public financing, citizens who may not have the
25 financial resources currently needed to be a

1 /00 LAW & GOV'T - BILL

2 strong candidate could have the chance to run for
3 public office. The high cost of winning an
4 election favors candidates who are either well off
5 or well-connected. In addition, incumbent
6 candidates must constantly funds for reelection,
7 which takes time away from the community which
8 they were elected to serve.

9 Presently, the general public has a low
10 level of trust in politics and government, which
11 could be one reason for apathy on Election Day.
12 An increase in the number of people who are able
13 to run for public office could lead to more
14 citizens exercising their right to vote.

15 Another provision in the ordinance
16 which the League favors is the inclusion of two
17 one-hour debates per covered election for
18 candidates. This commitment to discuss the issues
19 helps to dispel the cynicism of the electorate and
20 offers the assurance that all candidates are being
21 treated fairly and that there is no political
22 favoritism.

23 The League of Women Voters of
24 Philadelphia strongly supports the amendment to
25 the Home Rule Charter which would establish an

1 /00 LAW & GOV'T - BILL

2 independent campaign finance board. The
3 membership of that board is designed to be
4 nonpartisan, which is important to the League,
5 which, itself, is nonpartisan.

6 The amendment of the Philadelphia Home
7 Rule Charter is a serious matter. The League does
8 not automatically support or oppose a proposed
9 amendment. We support a change only when it would
10 better serve all citizens. The League does
11 support the question to be submitted to the voters
12 at the general election on November 7, 2000
13 regarding the amendment of the Charter.

14 In a city which is known as "the Cradle
15 of Liberty," we can offer the opportunity to all
16 of our citizens to make a difference in the life
17 of the community by empowering them politically.
18 Government of the people, by the people, and for
19 the people is still a goal worthy of pursuit by
20 all who hold elective office. Campaign finance
21 reform can be the hallmark of this City Council's
22 continued concern for its constituents in the new
23 millennium.

24 Thank you.

25 COUNCILMAN COHEN: Thank you very much.

1 /00 LAW & GOV'T - BILL

2 Any questions for Miss Dietrich?

3 There's just one that I may want to
4 repeat. You know, we're so careful in our
5 discourse when we say "the perceived concern of
6 money-buying influence." Does anyone have any
7 question on that?

8 MS. DIETRICH: I don't think so.

9 COUNCILMAN COHEN: You know, why would
10 so many businesses spend so much money if they
11 didn't they were getting solid results from it?

12 MS. DIETRICH: Yes.

13 COUNCILMAN COHEN: The only genuine
14 answer I've ever heard anybody give that made any
15 sense was, Well, if we can all businessmen to do
16 it, you know, it jacks up the price of the
17 contributions, and then we can say, as candidates
18 have in local elections, everybody contributes to
19 us, so it means none of them have any influence,
20 you know, and I think that strains our
21 imagination, it strains our ability to believe our
22 public issues.

23 MS. DIETRICH: Yes.

24 COUNCILMAN COHEN: Thank you, Miss
25 Dietrich.

1 /00 LAW & GOV'T - BILL

2 MS. DIETRICH: You're welcome.

3 COUNCILMAN COHEN: The next panel will
4 be Mike Petro, Vice President for Business and
5 Government Policy of the Committee for Economic
6 Development.

7 (Witness comes forward.)

8 COUNCILMAN COHEN: We appreciate you're
9 being here. We know you've got to dash off to
10 Washington. Is that the headquarters of your
11 organization?

12 MR. PETRO: Yes, sir. We're located
13 both in New York and in Washington, DC.

14 COUNCILMAN COHEN: All right.

15 MR. PETRO: But I work out of the
16 Washington office, so. . .

17 COUNCILMAN COHEN: All right. Please,
18 for the record, would you state your name and
19 organization, and proceed.

20 MR. PETRO: Sure. Let me introduce
21 myself. My name is Michael J. Petro, and I am the
22 Vice President for Business and Government Policy
23 for the Committee for Economic Development, CED.

24 CED was formed nearly six decades ago
25 by a group of business executives to promote the

1 /00 LAW & GOV'T - BILL

2 Marshall Plan. Today we remain an independent
3 research and policy organization of some 220
4 business leaders and prominent university
5 presidents. We are a nonprofit, nonpartisan
6 organization dedicated to studying and proposing
7 policies that promote steady economic growth,
8 increased productivity, and living standards and
9 greater and more equal opportunity for every
10 citizen and an improved quality of life for all.

11 In March of 1999, CED released a report
12 entitled "Investing in the People's Business, a
13 Business Proposal for Campaign Finance Reform."
14 The recommendations contained in that report were
15 developed by a special committee cochaired by Ed
16 Kangas, Chairman of Deloitte Touche, and George
17 Rupp, the President of Columbia University. Since
18 the release of the report, more than 200 prominent
19 business leaders and civic leaders throughout the
20 country have endorsed our recommendations.

21 Over the past year, CED has put to rest
22 the idea that the business community supports the
23 status quo, loves giving ever-increasing amounts
24 of money to campaigns, is unconcerned about the
25 damage the system is doing to our democratic

1 /00 LAW & GOV'T - BILL

2 institutions, and opposes far-reaching reform.
3 The business executives involved in our efforts
4 are, first and foremost, concerned about the
5 negative impact our current system of funding
6 elections on democracy shareholders, the voters,
7 but they are also convinced that the status quo
8 threatens our economic and business climate.

9 Our report says a vibrant economy and
10 well-functioning business system will not remain
11 viable in an environment of real or perceived
12 corruption, which will corrode confidence in
13 government and business. If public policy
14 decisions are made, or appear to be made, on the
15 basis of political contributions, not only will
16 policy be suspect, but its uncertain arbitrary
17 character would make business-planning less
18 effective and the economy less productive.

19 CED is focusing on reforming the
20 federal system. In brief, we call for banning
21 so-called soft money, increasing candidates'
22 access to resources by increasing slightly the
23 current federal contributions limit, and
24 establishing a partial public financing system
25 adopting voluntary spending limits, similar to

1 /00 LAW & GOV'T - BILL

2 your proposal today.

3 This afternoon, let me focus on the
4 public-financing and spending-limit components of
5 our plan, as you consider a similar proposal.
6 Under our proposal, Congressional candidates would
7 receive \$2 for every dollar received from an
8 individual donor up to a maximum of \$400 for each
9 contribution of \$200. Candidates would qualify by
10 raising a threshold amount of money in small
11 dollar-donations. Those who accept the public
12 financing would be required to abide by spending
13 limits.

14 As you might imagine, the public
15 financing part of our plan surprises many people.
16 The common and wrong assumption is that the
17 business executives would not support this type of
18 public expenditure, but as the CED report says, we
19 make no apology for proposing direct public
20 financing of this program. The improvement of our
21 campaign finance system is a public benefit and it
22 should, therefore, be publicly funded. It's an
23 investment in the people's business.

24 Our business leaders had very specific
25 reasons for supporting public finance. First,

1 /00 LAW & GOV'T - BILL

2 they were concerned about the decline in
3 contributions from smaller donors. By providing
4 matching funds, we hope to leverage more
5 contributions from small donors. Under our plan,
6 for example, a \$200 contribution would be worth
7 \$600 to the candidate.

8 Second, the public subsidy provides an
9 incentive for candidates to seek smaller
10 contributions from a larger number of donors.
11 Today, candidates, for understandable reasons,
12 focus almost exclusively on contributors with deep
13 pockets, to the exclusion of average citizens.

14 Third, public financing helps reduce
15 the escalating burden of fund-raising. Our
16 business executives are appalled at how much time
17 elected officials spend fund-raising. They
18 clearly understand that the chase dollars
19 distracts officeholders from doing the people's
20 business.

21 Fourth, our members view public
22 financing as a way to diminish the risk of
23 corruption and, just as important, the appearance
24 of corruption, which erodes public confidence in
25 our democratic institutions. Matching smaller

1 /00 LAW & GOV'T - BILL

2 contributions broadens the base of financial
3 support and reduces candidate' reliance on
4 special-interest money.

5 And, finally, and probably more
6 important, we believe that public financing will
7 enhance competition in elections by providing
8 challengers with sufficient funds to run viable
9 campaigns. This is another overlooked perspective
10 of corporate executives. They are
11 pro-competition. As they looked at the federal
12 races, especially those in the U.S. House of
13 Representatives, they saw that there are very few
14 competitive races. This diminishes the choices
15 voters can make. Today, fund-raising burdens and
16 obstacles discourage many good candidates from
17 running in the first place.

18 Those are our main reasons for
19 advocating a system of public funding of federal
20 elections. It's important to stress here that we
21 believe that public funding needs to be linked to
22 voluntary spending limits.

23 Let me close by reiterating why
24 business leaders are joining the reform cause.
25 Like most Americans, they understand that the

1 /00 LAW & GOV'T - BILL

2 current system of financing elections is out of
3 control. Increasingly, business leaders are
4 pitted against each other in the competition for
5 ever-larger contributions. Corporate executives
6 understand that the public sees them as part of
7 the problem; they want to be a part of the
8 solution.

9 Importantly, business leaders are
10 concerned about how the system of funding
11 elections skews public policy in a dangerous way.
12 As our cochairman, Ed Kangas, recently reported,
13 today, many business leaders are alarmed that
14 decisions in Washington may be made on the basis
15 of who put the largest pile of cash on the table,
16 instead of what makes sense or what is best for
17 the country. Creating public policy on the basis
18 of political contributions makes business planning
19 less effective and the economy less productive.

20 While these words referred to flaws of
21 our federal system, I think they offer some sound
22 advice for those looking at any reform proposal.
23 The voters, whether nationally or in this great
24 City of Philadelphia, will benefit from reform
25 that ensures their voice is protected and that

1 /00 LAW & GOV'T - BILL

2 they can have a greater faith in their democratic
3 institutions.

4 I applaud your efforts to consider
5 meaningful reform, and I appreciate your interest
6 in our work and perspective. And thank you for
7 asking me here today.

8 COUNCILMAN COHEN: Thank you.

9 Are you familiar with the Philadelphia
10 bill?

11 MR. PETRO: Yes, I am.

12 COUNCILMAN COHEN: Could you tell us
13 what you feel about it. Are there any suggestions
14 you have? Does it go in the right direction from
15 your point of view? And when I say "you," I'm
16 referring to your organization.

17 MR. PETRO: To the organization, yeah.
18 I think the -- especially the public financing
19 part of it, which mirrors the CED proposal, is
20 clearly in the right direction. Our trustees
21 looked at some of the similar issues that you guys
22 did here, and in certain cases, just were less
23 concerned about -- in one particular instance it
24 was raised that people shouldn't be able to make
25 contributions if they had businesses before

1 /00 LAW & GOV'T - BILL

2 certain committees, and our trustees rejected
3 that, but it wasn't any strong rejection; it was
4 just that they were mainly concerned about it
5 getting soft money out of the system and concerned
6 about having some sort of a system that promoted
7 competition inside.

8 And I think that they would applaud you
9 here today because that's what they would view
10 that that does.

11 COUNCILMAN COHEN: Councilman Ortiz?

12 COUNCILMAN ORTIZ: Rosemary, I asked
13 her to come in if she wanted to, but she said that
14 she would contact you, and I'm glad that you
15 actually did come.

16 Are there other Philadelphia business
17 people that are members of the Committee for
18 Economic Development?

19 MR. PETRO: Yeah, we have about ten
20 people in the Philadelphia area that have endorsed
21 CED's proposal. And last March, we put together a
22 lunch here in Philadelphia, where we brought
23 together some business leaders, just to talk about
24 the issue, engage them in a dialogue about this
25 issue, because what we find is, as you talk to

1 /00 LAW & GOV'T - BILL

2 them more and more, they don't like the system,
3 they don't like the shakedown. They use that term
4 a lot.

5 COUNCILMAN ORTIZ: Shakedown.

6 MR. PETRO: Shakedown, and they don't
7 like it. But, quite frankly, I think there are an
8 awful lot of people don't want to stick neck out,
9 and they're sort of waiting to see what happens
10 with some of these business movements.

11 And Mr. Rizzo, I think, attended our
12 lunch in March, the CED lunch that we had and
13 talking about this issue, and we were going around
14 the country, using our trustee base as an anchor
15 and having them as -- Rosemary invited some of her
16 friends and we talked about the issue, and we had
17 about 30 or so people who, you know, I think were
18 very favorably inclined.

19 COUNCILMAN ORTIZ: So as well as
20 pay-to-play, this mean be the beginning of the end
21 of the shakedown politics across the country.

22 MR. PETRO: Absolutely, yeah.

23 COUNCILMAN COHEN: Well, business folk
24 are victims as well as maybe unlawful
25 beneficiaries of the current system.

1 /00 LAW & GOV'T - BILL

2 MR. PETRO: Yes. I mean, one of the
3 things -- what happened with our organization was
4 after the '96 elections, a number of our trustees
5 came forward and they said, Enough is enough, this
6 was way out of control. And what they were
7 particularly offended by was the phone call that
8 pitted them against their competitor in the same
9 industry. You know what I mean? And that was
10 particularly offensive to them.

11 What we state in our report is that we
12 would rather compete in the marketplace. As
13 business leaders, we'd rather compete in the
14 marketplace than the political arena. And I think
15 that you will find, as go around the country and
16 you talk to business leader, there's more and more
17 sentiment in that direction.

18 COUNCILMAN ORTIZ: Thank you.

19 COUNCILMAN COHEN: Thank you very much.
20 Any questions, Councilman Rizzo?

21 COUNCILMAN ORTIZ: Thank you. I like
22 that terminology "shakedown."

23 COUNCILMAN COHEN: Yeah. You've added
24 a new word to our lexicon. Thank you.

25 I'm going to ask the next one Rebecca

1 /00 LAW & GOV'T - BILL

2 Avila, the Executive Director of the Los Angeles
3 City Ethics Committee.

4 (Witness comes forward.)

5 COUNCILMAN COHEN: We're delighted to
6 have you here.

7 MS. AVILA: Good afternoon.

8 COUNCILMAN COHEN: Will you please
9 state your name and tell us the situation in Los
10 Angeles.

11 MS. AVILA: My name is Rebecca Avila,
12 and I am the Executive Director of the City of Los
13 Angeles Ethics Commission. In the City of Los
14 Angeles, my organization, our city agency, the
15 City Ethics Commission, has jurisdiction over the
16 city's ethics, lobbying, and campaign finance
17 laws. It is a city agency funded by the general
18 fund. We have five commissioners, each appointed
19 by a different elected official. The Commission
20 has the authority to hire and fire me, the
21 Executive Director, and I have the authority over
22 the staff.

23 COUNCILMAN RIZZO: Who are the elected
24 officials that appoint the commissioners.

25 MS. AVILA: The mayor, city attorney,

1 /00 LAW & GOV'T - BILL

2 city controller, the council president, and the
3 council president pro tem. The theory behind
4 having a different elected official appoint a
5 member of the Commission is that no single elected
6 official would, thereby, be able to control the
7 action or decisions of the Ethics Commission. We
8 have 22 staff people and a budget of approximately
9 \$1.2 million.

10 This afternoon, I understand you want
11 me to focus on our campaign finance program. The
12 City of Los Angeles's campaign finance program is
13 very comprehensive, and as part of that, it's also
14 very complex. It's a program that was really
15 adopted in two states. In 1985, the voters of Los
16 Angeles approved the ballot measure that enacted
17 contribution limits. The limits on contributions
18 in the City of Los Angeles for citywide office --
19 and that would be the offices of mayor, city
20 attorney, and controller -- \$1,000 per person per
21 election, with the primary and the runoff being
22 considered separate elections.

23 For the offices of city council -- and
24 we have 15 city councilmembers and they're elected
25 by district. Unlike Philadelphia, we do not have

1 /00 LAW & GOV'T - BILL

2 any at-large members of our city council. The
3 contribution limits for them are \$500 per person
4 per election.

5 In 1990, the voters of Los Angeles were
6 faced with a ballot measure that included a
7 partial public financing system for campaigns, as
8 well as the creation of our agency, the City
9 Ethics Commission, to administer and enforce that
10 program. In addition to the contribution limits
11 then, in 1990, what we enacted was a funding for
12 the partial public financing program, a
13 fund-raising window. There is no longer
14 continuous fund-raising for our city elections in
15 the City of Los Angeles.

16 If you are a candidate for citywide
17 office, you can begin fund-raising 24 months
18 before the election in which you will appear on
19 the ballot. If you are running for city council,
20 you may begin fund-raising 18 months before the
21 election on which you appear on the ballot. There
22 will be a proposal before our city council to
23 continue to consider shortening the fund-raising
24 window to 18 months for citywide office and 12
25 months for city council.

1 /00 LAW & GOV'T - BILL

2 In addition to the fund-raising window,
3 we also have-- and in addition to the individual
4 contribution limits, we have a limit known as "the
5 aggregate contribution limit," and that's the
6 limit on the total amount an individual can make
7 to all candidates in the race. There is also a
8 limit on the total amount of contributions a
9 candidate can accept from non-individuals --
10 corporations, labor unions, or what have you PACs.

11 COUNCILMAN ORTIZ: And what is that
12 limit?

13 MS. AVILA: It varies, depending on the
14 office. It's 900,000 for the office of mayor.

15 Finally, we also have a mandatory
16 training requirement. Every candidate and
17 treasurer is required to attend a training session
18 conducted by our agency, and they are also subject
19 to mandatory audits. Any campaign that spends
20 \$100,000 or more or any campaign that receives any
21 public funding will be audited by our office.

22 The partial public financing program is
23 voluntary. A candidate can choose not to
24 participate. If they want to participate in the
25 program, they agree to limit their spending and

1 /00 LAW & GOV'T - BILL

2 they agree to limit the amount of personal funds
3 they are going to use in their race. They also
4 agree to debate their opponents.

5 The formula to get public matching
6 funds is \$1 to every dollar of contribution you
7 receive from an individual. Let me give you an
8 example. As I mentioned to you before, the limit
9 in a council race is \$500, so I, as the candidate,
10 could accept a \$500 contribution from an
11 individual, and \$250 of that contribution will be
12 matched by public financing. There is a maximum
13 on the total amount of public financing a
14 candidate can receive in a given election.

15 Does the program work? We've conducted
16 an extensive analysis of the four elections in
17 which the program has been operating. You should
18 have been provided with a copy of two studies.
19 One is Investing in Competition: Campaign Finance
20 Reform in the City of Los Angeles. It looks at
21 three elections. And then there's an addendum
22 that we produced last year, after the most recent
23 election.

24 Based on these four elections, here's
25 what our analysis demonstrated:

1 /00 LAW & GOV'T - BILL

2 The program has succeeded in
3 controlling spending, particularly by incumbents
4 and by candidates in open-seat races.
5 Historically, open-seat races were the most
6 expensive races conducted in our city.

7 In addition, challengers have been
8 provided with more resources, which has enabled
9 them to get their message out and compete more
10 effectively with incumbents.

11 In addition to the statistics, however,
12 I think it's important to take a moment to listen
13 to what the candidates had to say about their
14 experiences. After every election, we surveyed
15 the candidates and their treasurers, and here's
16 what they said:

17 First of all, on the subject of
18 spending limits, there's been concern -- there was
19 concern in our city of over whether our spending
20 limits were high enough to enable people to
21 compete effectively. Candidates have said that
22 the amount of our spending limits are high enough
23 so that it doesn't matter. It gives confidence to
24 their donors that there will be a level playing
25 field. And most importantly, what they like best

1 /00 LAW & GOV'T - BILL

2 about the program, naturally enough, is the public
3 matching program. It enables them to spend more
4 time communicating with the voters, walking
5 precincts, participating in candidate forums, and
6 less time on the phone raising money. Incumbent
7 candidates who participated in the program also
8 noted that it enabled them to spend more time on
9 council business during the election instead of
10 campaigning.

11 They estimate that between 30 and 75
12 percent of their time is spent fund-raising, and
13 the program frees them from spending even more
14 time on that activity.

15 Finally, participation in our program
16 has been very high. Eighty-eight percent of the
17 candidates in the last election participated in
18 the program -- all of the incumbents except one.

19 COUNCILMAN ORTIZ: Did he win or lose,
20 or she win or lose?

21 MS. AVILA: He won. One note about
22 estimating the cost --

23 COUNCILMAN COHEN: I didn't get which
24 one won.

25 COUNCILMAN ORTIZ: The one that did not

1 /00 LAW & GOV'T - BILL

2 participate.

3 MS. AVILA: That's correct, the
4 incumbent who did not participate still was
5 successful in getting elected.

6 COUNCILMAN ORTIZ: Okay.

7 MS. AVILA: A note about how much --

8 COUNCILMAN COHEN: Isn't it important
9 that the electorate kind of vote on the campaign
10 issue --

11 MS. AVILA: Yes.

12 COUNCILMAN COHEN: -- considering it is
13 a very important factor, the person's
14 participation?

15 MS. AVILA: I think it's certainly
16 important for us. The proposition that was on the
17 ballot that created the partial public financing
18 program was approved by 57 percent of the voting
19 electorate in that election. So the program is
20 perceived to have widespread public support.
21 We've also had consistent editorial support by the
22 local media.

23 As a result, there has not been any
24 backlash on participants for taking public
25 financing in their elections, and I think that's

1 /00 LAW & GOV'T - BILL

2 been an important factor.

3 COUNCILMAN COHEN: Well, I think more
4 important would be the factor of making it clear
5 to people who are perceived as trying to buy an
6 election that it can't be done. For example, Jon
7 Corzine may have many very fine aspects to his
8 campaign in New Jersey, but isn't it kind of a
9 disgrace to have one candidate have enough money
10 available so that he can spend \$40 million in a
11 race in which in normal fund-raising, maybe he
12 could only raise, even at the highest level, 2 to
13 4 million?

14 And I think the public votes on
15 campaign financing when they vote in an election
16 like, where somebody's clearly using his money to
17 try to buy the election, I think you've got to say
18 it's that the plain.

19 And I'm concerned in this coming
20 election. One candidate has chosen not to
21 participate and indicates that -- I think that
22 gives a very clear indication of the character and
23 of the integrity of the candidate.

24 And so I think you vote on campaign
25 finance reform in more than one way. You vote on

1 /00 LAW & GOV'T - BILL

2 bills like this, which I think are important to
3 pass, and you vote when the candidate flouts the
4 public campaign laws when they get enacted.

5 MS. AVILA: Well, our experience in the
6 City of Los Angeles has been rather an interesting
7 one in terms of the wealth candidate issue. Both
8 the state level and at the local level, we have
9 had candidates spend a great deal of their
10 personal funds on their campaigns. Some win, some
11 how. Our current mayor spent a great deal of his
12 personal wealth to get elected the first time.

13 But I do think it's important to note
14 that that was the first election under our partial
15 public financing system, and his opponent, while
16 he was defeated, I don't think there's anybody in
17 the city who would say he was not able to get his
18 message out. Because of the partial public
19 financing system, he was able to compete more
20 effectively against the wealthy candidate, who
21 ultimately won.

22 COUNCILMAN COHEN: Didn't you have a
23 candidate, I think, by the name of Huffington,
24 running for the U.S. Senate --

25 MS. AVILA: Who lost.

1 /00 LAW & GOV'T - BILL

2 COUNCILMAN COHEN: -- who tried to buy
3 his -- it seemed as if he was trying to buy his
4 way. He spent an enormous sum of money and he was
5 defeated, wasn't he? I don't know whether he was
6 a Democrat or a Republican. I don't remember the
7 particulars.

8 COUNCILMAN ORTIZ: He was a Republican,
9 David.

10 COUNCILMAN COHEN: He was a Republican?

11 MS. AVILA: And he was defeated.

12 One final point, perhaps, and that is
13 that, in terms of estimating the cost of the
14 program, I would caution interested parties from
15 simply doing a simple mathematical calculation and
16 thinking that the program will cost as much as the
17 maximum amount available times the number of
18 candidates. You could do that calculation, but it
19 will overestimate the cost of the program.

20 What we have seen is, while candidate
21 will opt in to participate in the program, they
22 still have to qualify to receive the matching
23 funds, and even if they qualify to receive the
24 matching funds, it is a matching program, so they
25 have to raise contributions in order to get

1 /00 LAW & GOV'T - BILL

2 matched. So we've had very few candidates
3 actually reach the maximum.

4 COUNCILMAN ORTIZ: How are the funds
5 appropriated for the matching funds?

6 MS. AVILA: There is a requirement in
7 our city charter that the council and the mayor
8 appropriate \$2 million from our general fund every
9 fiscal year until the fund equals \$8 million, plus
10 interest. The fund cannot exceed that amount.

11 So, for example, in our current fiscal
12 year, the appropriation from the city council and
13 the mayor was a few hundred thousand dollars and
14 because the program -- the fund will be fully
15 funded this year.

16 Now, we have an election coming up in
17 2001. It's a very big election for us, we will
18 have nine open seats on the ballot. So I expect
19 there to be a large demand on the fund. However,
20 we still think we can withstand that demand. In
21 fact, the Commission is recommending to the city
22 council that we consider tweaking our formula to
23 go to a two-to-one match instead of a
24 dollar-for-dollar match.

25 COUNCILMAN ORTIZ: And in terms of the

1 /00 LAW & GOV'T - BILL

2 limits in spending, what are the limits on the
3 mayoral and the city council races?

4 MS. AVILA: Let me just refer to my
5 chart so I give you the right numbers.

6 For the mayor's race, in the primary,
7 the spending limit is \$2.2 million. The maximum
8 matching funds available to you if you qualify is
9 \$667,000. If you go to a runoff, the spending
10 limit would be \$1.7 million, and the maximum
11 matching funds would be \$800,000.

12 For comparison purposes, for city
13 council candidates, the spending limit in the
14 primary would be \$330,000, the maximum matching
15 funds available, \$100,000. And then the runoff
16 for council candidates, it would be \$275,000
17 spending limit, and the maximum matching funds
18 would be \$125,000.

19 COUNCILMAN ORTIZ: So the spending
20 limit for mayoral in a city of, what,
21 3 million-plus, and probably more, is \$2 million?

22 MS. AVILA: \$2.2 million.

23 COUNCILMAN ORTIZ: \$2.2 million in
24 order to be able to qualify for public funds?

25 MS. AVILA: No, that's not the

1 /00 LAW & GOV'T - BILL

2 qualification; that's the spending limit.

3 COUNCILMAN ORTIZ: Oh, that's the
4 spending limit.

5 MS. AVILA: That's the spending limit.

6 COUNCILMAN ORTIZ: Okay, very good.

7 MS. AVILA: In order to qualify for the
8 program -- for mayor, you have to raise \$150,000
9 or more and contributions of 500,000 or less
10 within 24 months of the election.

11 COUNCILMAN ORTIZ: Oh, okay. And your
12 city council is proportionately the same?

13 MS. AVILA: \$25,000 is the threshold
14 for our city council candidates.

15 COUNCILMAN ORTIZ: Thank you.

16 COUNCILMAN COHEN: Thank you.

17 Councilman Rizzo?

18 COUNCILMAN RIZZO: Thank you.

19 Welcome to Philadelphia.

20 MS. AVILA: Thank you.

21 COUNCILMAN RIZZO: Could you describe
22 in your process if a candidate loans his campaign
23 or her campaign money, is that candidate allowed
24 to recover that loan?

25 MS. AVILA: Yes. A participant in the

1 /00 LAW & GOV'T - BILL

2 campaign finance -- if you opt into the partial
3 public financing system, remember, part of that is
4 that you agreed to limit the personal funds you're
5 going to use. And that would include a loan. So
6 if you're a council candidate, you have agreed to
7 limit your personal funds to \$25,000. And it can
8 be a combination of loans or contributions. If
9 you loan the money, you can certainly get paid
10 back.

11 COUNCILMAN RIZZO: Thank you.

12 Thank you, Councilman.

13 COUNCILMAN COHEN: Thank you very much.

14 Well, thank you very much.

15 MS. AVILA: Thank you. It's been a
16 pleasure.

17 COUNCILMAN COHEN: Councilman Ortiz, do
18 you have any other questions?

19 COUNCILMAN ORTIZ: No. We will have --
20 you -- hopefully, the model that we have -- and
21 your campaigns are nonpartisan?

22 MS. AVILA: That's correct. And I know
23 that's a significant difference from your
24 situation here. We have change nonpartisan
25 elections in the City of Los Angeles.

1 /00 LAW & GOV'T - BILL

2 Before I leave, the one final thing I
3 would say to you is that it is a continuing
4 process. We a great program, it's a comprehensive
5 program, but we are continually trying to improve
6 it.

7 COUNCILMAN ORTIZ: You know, it's
8 funny. One comment that was made to me the other
9 day by a very good friend and a political friend,
10 he said, Hey, look, this is Philadelphia, this is
11 a big city. I mean, you're coming from a bigger
12 city than we are. But this is Philadelphia. I
13 mean, you're going to go out and ask the people of
14 Philadelphia to give money to politicians so that
15 they can run their campaigns? Ha!

16 You know, there's that sort of cynical
17 type of attitude that people will not invest in
18 their government. And I think that permeates a
19 part of our political environment here in the
20 city, that we don't believe that people will buy
21 into a public financing formula.

22 I think the same situation was in L.A.,
23 right? I believe politicians didn't believe that
24 people would buy into, you know, a public
25 financing formula. Was there this same sort of

1 /00 LAW & GOV'T - BILL

2 cynicism about the electorate there?

3 MS. AVILA: Yes, there was. In fact,
4 in our case, it was compounded by the fact that
5 the ballot measure that created our push of public
6 financing system also included a 30 per pay raise
7 for our elected officials.

8 COUNCILMAN ORTIZ: For your city
9 council?

10 MS. AVILA: For our city council, in
11 exchange for them no longer having outside
12 employment.

13 The conventional wisdom at the time was
14 that that was a poison pill and that the voters
15 would not support the ballot measure. As a
16 result, the city council wrote the most ethics
17 ordinance in the country for a local municipality
18 because they believed that they wouldn't
19 ultimately have to live under those rules. They
20 were quite surprised when the voters approved it
21 by 57 percent.

22 COUNCILMAN ORTIZ: I think if we give
23 the people of Philadelphia a chance to vote on
24 whether they prefer the current system or a new
25 one, I think they'll opt for a new one. I have

1 /00 LAW & GOV'T - BILL

2 that faith in the people. And just like in L.A.,
3 it happened; and in New York, the same thing, I
4 think. I think we can buy into it.

5 MS. AVILA: Well, we stand ready to
6 assist you.

7 COUNCILMAN ORTIZ: Thank you.

8 COUNCILMAN COHEN: Thank you very much.

9 Nicole Gordon, Executive Director of
10 the New York City Campaign Finance Board.

11 (Witness comes forward.)

12 COUNCILMAN COHEN: Miss Gordon, welcome
13 to Philadelphia.

14 MS. GORDON: Thank you so much for
15 inviting me to be here today. I have a number of
16 handouts, and I wonder if I could distribute them.

17 COUNCILMAN ORTIZ: Identify yourself
18 for the record.

19 MS. GORDON: Right. My name is Nicole
20 Gordon. I'm the Executive Director of the New
21 York City Campaign Finance Board. It's a
22 nonpartisan independent city agency that
23 administers New York City's program of public
24 financing.

25 COUNCILMAN COHEN: If you would give

1 /00 LAW & GOV'T - BILL

2 the handouts to the gentleman that's approaching
3 you from the Sergeant-At-Arms office, he will make
4 the distribution.

5 COUNCILMAN ORTIZ: Was that established
6 also by the people voting?

7 MS. GORDON: It was established first
8 by legislation by our city council and, in a
9 sense, confirmed by a charter revision that was
10 voted upon and approved by almost 80 percent of
11 the population.

12 COUNCILMAN ORTIZ: 80 percent.

13 MS. GORDON: Yes. It was a
14 comprehensive charter revision, included which was
15 the campaign finance program.

16 Let me give these handouts. One is my
17 prepared testimony which, I must say, I have more
18 -- I have some amendments to -- having studied
19 them additionally on the way down here.

20 And in addition to that, I'd like to
21 hand up copies of a voter guide that we -- a
22 nonpartisan voter guide that we publish that goes
23 to every registered voter in the City of New York,
24 some pamphlets that describe the mandate of our
25 Board, and various publications, rules,

1 /00 LAW & GOV'T - BILL

2 comprehensive report that we publish after each
3 election, which I see you have provided for in
4 your proposed bill, as well.

5 COUNCILMAN ORTIZ: And these are
6 partisan elections?

7 MS. GORDON: These are partisan
8 elections, yes.

9 COUNCILMAN ORTIZ: In which there is
10 existing borough machineries of the Democratic and
11 Republican party and other parties in New York.

12 MS. GORDON: Oh, yes, that's correct.

13 If it's acceptable to you, then I will
14 just begin with my prepared testimony, which I
15 will just try to summarize rather than read every
16 word that's printed here.

17 COUNCILMAN ORTIZ: Yes, please do that.

18 MS. GORDON: First of all, I want to
19 congratulate this body for giving serious
20 consideration to finance reform. It is surely the
21 most difficult subject that a legislature grapples
22 with. And one of the reasons, I think, is that
23 every member of the legislature is an expert on
24 the subject matter. But I do believe that
25 strengthening the democratic process by reducing

1 /00 LAW & GOV'T - BILL

2 the role that money plays in elections is the
3 urgent concern of every legislative body.

4 In New York City, our program of
5 reform, which was first enacted by the New York
6 City Council in 1988, is evidence that campaign
7 finance reform can succeed, but to echo what Becky
8 Avila just mentioned, it is a continual process of
9 reform, it must be constantly revisited, changes
10 have to be made constantly. But having had 12
11 years experience with that process in New York
12 City, I am pleased to have the opportunity to give
13 you some reflections on our experience.

14 One aspect of the New York City
15 Campaign Finance Board that I urge you to include
16 in your bill is that it is charged to operate in
17 a, quote, nonpartisan manner, and I think that's a
18 crucial concern.

19 COUNCILMAN ORTIZ: For the Board.

20 MS. GORDON: The Board is charged.

21 Now, unlike our City Board of
22 Elections, for example, which is bipartisan, which
23 I think is a very different, our board is
24 nonpartisan, and I am pleased to say that the
25 culture of our Board has, from its inception, been

1 /00 LAW & GOV'T - BILL

2 truly nonpartisan. People leave their party
3 affiliation at the door, and when they come into
4 the room and have to vote on penalties or anything
5 else, they have to judge every matter on its
6 merits.

7 Our program gives matching funds to
8 candidates who agree to contribution expenditure
9 limits, a ban on corporate contributions, detailed
10 disclosure of their campaign finances, and they
11 must submit themselves to the audit powers of the
12 Board, and that's another item that I want to
13 amend in my testimony.

14 As I read your bill -- and I don't know
15 what other provisions of law might apply to the
16 board that you're proposing. I did not see there
17 the power of audit or of subpoena or the other
18 kinds of powers that I think an investigatory body
19 needs to have, and I think that's particularly
20 important when a body is giving out public
21 matching funds. The public, while I think it will
22 support these programs, it must do so with the
23 feeling that the money will be given out fairly
24 and that it will be given out for the purposes
25 that it was intended for, and that requires a

1 /00 LAW & GOV'T - BILL

2 board has the power to do full investigations and
3 to call people to account if they are not properly
4 spending the money or are not entitled to it.

5 In addition, in New York City, we do
6 have a provision that requires candidates for
7 citywide office who join the program to
8 participate in a series of mandatory debates.

9 And let me digress again for just a
10 moment there. Our board, years ago, published a
11 report advising against linking mandatory debates
12 to a program of public financing. Our city
13 council, nonetheless, decided to go forward with
14 that. We have had one experience with it in the
15 1997 elections in New York City. I think it went
16 very, very well. I think the Board is pleased
17 with it. I think possibly, if the Board were
18 presented with the same question today, they would
19 have a different opinion from the one that they
20 expressed some few years ago, but I think it is a
21 very treacherous territory for a government agency
22 to get involved with, and I would urge you to be
23 very cautious about how you proceed in this area.

24 I notice, for example, that you have
25 this for all the various offices. In New York

1 /00 LAW & GOV'T - BILL

2 City, we only have it for the citywide campaigns,
3 and it is very difficult for a board to do. Also
4 in New York, we have a provision that allows us to
5 choose sponsors to conduct the debates. We don't
6 do that ourselves. And it wasn't clear to me from
7 your legislation whether you intend that the board
8 itself will administer the debates, which I think
9 might not be the appropriate thing for the board
10 --

11 COUNCILMAN ORTIZ: That's a good point.

12 MS. GORDON: -- itself to be doing.

13 Our program is open to candidates for
14 three citywide offices. That's mayor, controller,
15 and public advocate. It is also open to the 5
16 borough president offices and to the 51 city
17 council seats.

18 COUNCILMAN ORTIZ: Your city council
19 seats are all districts, right?

20 MS. GORDON: Districts, right. We
21 don't have any at large. No, that's a distinction
22 from Philadelphia.

23 The candidates who are entitled to
24 receive public funds are people who are on the
25 ballot, who have an opponent on the ballot, and

1 /00 LAW & GOV'T - BILL

2 who have met the threshold fund-raising
3 requirements. And if they qualify, they then can
4 receive matching funds of up to \$4 for every \$1,
5 up to \$250 per contributor, and the contributions
6 must come from residents of New York City.

7 COUNCILMAN ORTIZ: They must come from
8 residents?

9 MS. GORDON: That is correct. To be
10 matched.

11 Since 1988, when our program was
12 established, there have been many changes in our
13 program. The public funds matching rate was one
14 change, the contribution limits have been reduced,
15 the ban upon corporate contributions was
16 introduced. The mandatory, as I mentioned, was
17 added, and there were other limitations on PAC
18 contributions. And each change was made in order
19 to improve the program after the Board had made
20 recommendations. The city council has not always
21 accepted our recommendations, but I can say that
22 they have really improved the program a great deal
23 over time.

24 I'd also like to mention that among the
25 results that the program has had in New York City

1 /00 LAW & GOV'T - BILL

2 are:

3 Number one, we have successfully
4 reduced the size, the average size of private
5 contributions to candidates;.

6 We have increased the number of
7 individuals who felt it was useful to make
8 contributions;

9 It has created a more even playing
10 field among serious candidate, particularly as a
11 result of spending limits;

12 It has created greater opportunities
13 for credible candidates to run competitive
14 campaigns;

15 And it has provided the public with
16 nearly instantaneous access through the Board's
17 Web site and its searchable database to
18 candidates' campaign finance information.

19 COUNCILMAN ORTIZ: What are the
20 spending limits in terms of mayor and council?

21 MS. GORDON: For mayor, for the primary
22 -- the primary and the general election have
23 separate spending limits, and it's something over
24 -- it's over 5.2 million for each election. For
25 city council, it is about -- depending on the

1 /00 LAW & GOV'T - BILL

2 pre-election year spending, it ranges in the
3 150 to 200,000 range, and 200,000 is the top.

4 COUNCILMAN COHEN: Are the candidates
5 for mayor accepted? What's been your experience
6 since the law has been enacted with your mayoralty
7 races?

8 MS. GORDON: You mean whether they have
9 opted in?

10 COUNCILMAN COHEN: Whether they have
11 opted to follow this.

12 MS. GORDON: Almost everyone has opted
13 in. We had two exceptions that are worth
14 mentioning. One was Rod Lauder, who ran a race in
15 which he spent \$12 million in the primary alone.
16 He did not opt in.

17 COUNCILMAN ORTIZ: Who was that?

18 MS. GORDON: He was defeated.

19 COUNCILMAN COHEN: Who was that?

20 MS. GORDON: Ron Lauder.

21 And Andy Stein, years ago, thought
22 about running. He began a campaign and he had to
23 withdraw because the public was offended by the
24 nature of his spending in the context of what
25 other candidates were doing.

1 /00 LAW & GOV'T - BILL

2 COUNCILMAN ORTIZ: Who was that?

3 MS. GORDON: Andy Stein.

4 COUNCILMAN ORTIZ: Andy Stein, ah, yes.

5 He ran and he did not opt to --

6 MS. GORDON: He ran and he withdrew.

7 He started to run and then he withdrew, and I
8 think it's fair to say that that was largely
9 because of the adverse publicity that he received
10 that related to his fund-raising and spending
11 outside the program's requirements.

12 And one of the most important aspects
13 of our program is that the support we've gotten
14 from the civic groups and from the editorial
15 boards has been very, very strong. And I think
16 it's fair to say that the New York Times, for
17 example, would probably not endorse a candidate,
18 for mayor at least, who was not a participant in
19 the program. They are very, very strong
20 proponents of our law.

21 COUNCILMAN COHEN: Let me say that
22 Councilman Nutter, a member of the committee, has
23 also joined us.

24 Councilman Rizzo, did you have a
25 question?

1 /00 LAW & GOV'T - BILL

2 COUNCILMAN RIZZO: Hi. Welcome to
3 Philadelphia.

4 COUNCILMAN COHEN: Councilman Kenney
5 also has joined the hearing.

6 Yeah, go ahead.

7 COUNCILMAN RIZZO: The question I have,
8 in your district races, is the district candidate
9 required to live in the district?

10 MS. GORDON: Yes. I think, as a
11 technical matter, they -- I'm not sure what the
12 date is by which the candidate has to be a
13 resident, I'm not sure of that, but the answer is
14 yes.

15 COUNCILMAN RIZZO: So if a person
16 decides to run for a district office, not a
17 citywide office or precinct -- I don't know how
18 you refer to them there.

19 MS. GORDON: District, yeah.

20 COUNCILMAN RIZZO: District?

21 COUNCILMAN COHEN: Let me interrupt
22 again. Councilwoman Blondell Reynolds Brown is
23 also attending the hearing. Councilman Kenney,
24 who I mentioned a moment ago, is the other chief
25 cosponsor of this bill, together with Councilman

1 /00 LAW & GOV'T - BILL

2 Ortiz.

3 COUNCILMAN RIZZO: So the unanswered
4 part of the question is that if you decide to run,
5 you may be able to move into the district that day
6 and qualify?

7 MS. GORDON: Oh, I don't know about
8 that. That's a matter of election law, what
9 district you live in and what timing is of the
10 residency. I don't know what the period of time
11 is that you have to have lived there, I just don't
12 know the answer to that question.

13 COUNCILMAN RIZZO: But the answer --

14 MS. GORDON: You must live in your
15 district in order to be a representative from that
16 direct, yes.

17 COUNCILMAN COHEN: You might want to
18 take back as a message to New York that maybe they
19 ought to reconsider the question of having only
20 district council members. I want you to notice
21 that of the five Councilmembers currently in the
22 room, each one is a Councilperson-at-large.

23 COUNCILMAN ORTIZ: Except for
24 Mr. Nutter.

25 COUNCILMAN COHEN: Except for

1 /00 LAW & GOV'T - BILL

2 Councilman Nutter, who came in to save the
3 District Councilmembers, and he is one of the ten
4 District Councilmembers. We're five of the seven
5 Council-at-large. That's just an aside.

6 MS. GORDON: That's certainly a very
7 interesting observation. I will bring it back to
8 New York.

9 I wanted to return to the disclosure
10 for just a minute, another item in which I was a
11 little bit confused about the local law that you
12 are proposing. I don't know what the candidates
13 are already required to disclose to the Board of
14 Elections, but there are some elements that are
15 important to include.

16 COUNCILMAN COHEN: All of them have to

17 --

18 MS. GORDON: Well, for example, when a
19 contribution is reported to the Board of
20 Elections, must it include things like employer
21 information or occupation? We consider those to
22 be very important pieces of information.

23 COUNCILMAN COHEN: Yes, except that we
24 have basically no auditing aspect at all. People
25 file their complaints and the only way a return

1 /00 LAW & GOV'T - BILL

2 gets examined at all is if a competitor files a
3 demand for it, and there are very, very few
4 demands ever filed.

5 MS. GORDON: Right. Well, I would
6 couple my earlier suggestion that you look into
7 the audit powers of this board with a concern
8 about what kind of disclosure will be made. In
9 New York, we have a board of elections that, I
10 think, similarly does not do a lot of audit and
11 does not have as stringent requirements. But for
12 the voluntary part of our program, we require
13 additional information from the candidates that
14 the Board of Elections does not require, such as
15 occupation and employer information, and we also
16 audit every single candidate who joins our
17 program.

18 COUNCILMAN COHEN: Of your own
19 initiative.

20 MS. GORDON: Yes, we do, every single
21 candidate.

22 COUNCILMAN COHEN: So you do that on
23 your own initiative.

24 MS. GORDON: Yes.

25 COUNCILMAN COHEN: That would be an

1 /00 LAW & GOV'T - BILL

2 addition and one I think we ought to consider.

3 MS. GORDON: We're not required to
4 audit every single candidate by law but as a
5 matter of practice that's what we do, but we do
6 have explicit audit powers in our law for the
7 Board.

8 And we also have Internet disclosure.
9 We provide candidates -- software to the
10 candidate, and we have virtually instantaneous
11 disclosure to the public of the candidates'
12 filings.

13 COUNCILMAN ORTIZ: How does that work?
14 The candidate files to the Board, and then you
15 instantaneously put it on the Internet?

16 MS. GORDON: We give them campaign
17 finance software. They enter the data directly
18 onto the software, and when it's a filing date,
19 they hand us a disk and we stick it in a computer,
20 it gets up loaded instantaneously, and it goes
21 into the --

22 COUNCILMAN ORTIZ: That's something we
23 got to put in our bill.

24 MS. GORDON: Well, you have provided, I
25 noticed, for software, the Internet was not

1 /00 LAW & GOV'T - BILL

2 mentioned, but it's time for that too, yes. And
3 we would be pleased to give you a copy of our
4 software package, if that would be helpful to you.

5 COUNCILMAN ORTIZ: I would really
6 appreciate that.

7 MS. GORDON: Right, we'll be happy to
8 do that.

9 Our board is also mandated to publish
10 the nonpartisan voter guide that I just handed up.
11 It provides information about candidates, ballot
12 proposals, and voting in elections, and it is sent
13 to all registered voters in New York City. It
14 also includes candidates regardless whether they
15 choose to opt into our voluntary program.

16 And I think what's important about it,
17 especially for the small council races, is that it
18 is a free -- for the candidate, it is free, it is
19 targeted to the audience that pertains to the
20 candidate, and it also allows the voters the
21 opportunity to get information about candidates in
22 a nonpartisan format.

23 COUNCILMAN ORTIZ: If I may, because
24 one of the preoccupations that have been expressed
25 to me is that Philadelphia is still one of the

1 /00 LAW & GOV'T - BILL

2 last big cities with, I would say, a party
3 machine.

4 COUNCILMAN COHEN: Can I suggest that
5 this be the last question. And if you could stay,
6 it might be helpful because there may be questions
7 that come up, but there are a great many witnesses
8 that have to be heard yet.

9 COUNCILMAN ORTIZ: So many concerns
10 that they have expressed to me has been that
11 Philadelphia is one of the last big cities with a
12 party machine. I know that New York has, like,
13 five different party machines -- the Bronx
14 machine, the Manhattan Democratic machine, the
15 Brooklyn Democratic machine, the Staten Island,
16 and so on. And that this type of bill would
17 inhibit or prevent or would hamper, hamper
18 independent candidacies challenging the candidates
19 that would be endorsed by the machine and this
20 would be preventing individual candidacies from
21 coming forward and being successful.

22 Has that -- how's that experience
23 happened in New York?

24 MS. GORDON: I don't -- I think that a
25 good system of public financing adds more

1 /00 LAW & GOV'T - BILL

2 candidates. I don't see that it takes them away.
3 I don't see what that argument would really be. I
4 think other problems --

5 COUNCILMAN COHEN: Well, I'll tell you
6 what the argument is. In Philadelphia, for
7 example, the Democratic party is one of the
8 strongest organized Democratic parties. Most of
9 us sitting at the table welcome that fact, but the
10 other side of it is that that organization can put
11 out on Election Day an army of committee people
12 who work, say, on behalf of the endorsed
13 candidates, and an independent candidate who is
14 not endorsed has to find some means, if they want
15 to run seriously, to combat that, and it means
16 they have to raise far more money to produce their
17 own army.

18 MS. GORDON: In New York City, we
19 attribute to the candidate the party spending on
20 that candidate's behalf. In other words, if the
21 party puts out a card that has your name and says
22 "Vote for John Doe," we would expect, unless the
23 candidate can show us differently, and no one ever
24 has, that that will be charged to John Doe's
25 campaign as a contribution by the party to that

1 /00 LAW & GOV'T - BILL

2 campaign and as an expenditure by that campaign.

3 So that controls the behavior -- so far
4 has controlled that behavior.

5 COUNCILMAN ORTIZ: Hmm. Interesting.

6 COUNCILMAN COHEN: That's an
7 interesting concept, yes.

8 MS. GORDON: I'd like to summarize. I
9 know you have a lot of witnesses, but I do want to
10 make a few points that I think are very important.

11 COUNCILMAN COHEN: Go ahead.

12 MS. GORDON: One is that in New York
13 City, we have a provision that protects the Board
14 against lengthy vacancies, and that provision is
15 that after a certain period of time, if the
16 appointing authority does not make an appointment,
17 the Board can make a new appointment.

18 I would urge that only because
19 sometimes the elected officials, for whatever
20 reason, may not want to fill a vacancy or they're
21 not paying attention to it, and it's very
22 important that this board always have a full
23 complement of members.

24 Another thing is that the budget should
25 have some special protections. In New York City,

1 /00 LAW & GOV'T - BILL

2 we have -- and I think we've built in certain
3 things and I don't know enough about how your
4 system here works. But in New York, for example,
5 our operating budget, as well as the public fund,
6 we estimate that number, our mayor must include
7 our estimate in the executive budget that he could
8 -- it could be she, but it's always been he --
9 submits to the Council, and even though the
10 Council and Mayor may negotiate something out
11 later, our number is where they start, and that's
12 a very important budget protection.

13 COUNCILMAN COHEN: It certainly is.

14 MS. GORDON: Another --

15 COUNCILMAN COHEN: We may want to adopt
16 it as a general procedure, not limit it only to
17 campaign reform.

18 MS. GORDON: Another concern is that
19 meaningful penalties have to be available for
20 violations of the law. In New York City,
21 penalties are up to \$10,000 per violation. There
22 are possibly criminal penalties, but for the most
23 part, that \$10,000 figure has been -- per
24 violation has been sufficient to be a very strong
25 check. And I questioned whether the current draft

1 /00 LAW & GOV'T - BILL

2 really addresses the notion of penalties to a
3 degree that will safeguard the public fund.

4 I'd also just on a few last points,
5 I'll mention that I do believe expenditure limits
6 must be high enough to allow people to opt into
7 the system. People can use a low expenditure
8 limit as an excuse not to opt into the system.

9 And in addition, a low spending limit
10 can have, whether intentionally or otherwise, the
11 effect of prevent lesser known candidates from
12 spending enough money in order to get their name
13 out. A well-known person or an incumbent has many
14 other avenues to communicate with the public, but
15 a lesser known person or an insurgent needs to
16 have sufficient money to make the case.

17 On public the funds, I think you have
18 to be very cautious about how much money is going
19 out to candidates and at what stage. As an
20 administrator, I am very concerned that we have
21 the time to look at candidates' filings to assure
22 ourselves that these people are in compliance with
23 the law because once that money goes out, just try
24 and collect it. It's not easy, and especially
25 when you have formulas that are very generous,

1 /00 LAW & GOV'T - BILL

2 that's something you have to be prepared to deal
3 with.

4 On independent expenditures, I had a
5 question about your draft. It read to me as
6 though any independent expenditure, no matter how
7 small, would suddenly trigger a 10-to-1 match, and
8 I don't know if that was the intent, but I thought
9 that might be.

10 COUNCILMAN ORTIZ: No, it wasn't the
11 intent.

12 MS. GORDON: Oh, all right. Well, the
13 way I read it, it seemed that way to me.

14 Another thing. On filings. In New
15 York City, we have a filing schedule. It's
16 intended to go at the same pace as the Board of
17 Elections filing schedule. The Philadelphia
18 proposal could mandate that the candidates file on
19 as much as a monthly basis, and I would just
20 mention that even the frequency of our filings,
21 which is not as frequent as what you're calling
22 for, has been said by some candidates to be
23 burdensome. It can also be burdensome for an
24 administrative agency.

25 And then the last couple of points I

1 /00 LAW & GOV'T - BILL

2 would make. On the add-on provision, the sort of
3 self-taxing arrangement, I'm not aware of any tax
4 checkoff system, whether it is an add-on or even
5 an allocation of what's already being. I've taxed
6 never seen one in the country that has worked.
7 And I would urge you to delete that. That's my
8 personal opinion, I'm not necessarily representing
9 my board, but I think that's an invitation to have
10 a referendum every year and to lose it, that
11 people are checking it off and, therefore, this is
12 not worthy. There is no other government
13 expenditure, generally speaking, that asks people
14 to check it off.

15 And I think one of the important
16 psychological facts about having a campaign
17 finance program is, it has to be treated as an
18 important integral aspect of democracy. It's not
19 something separate, it's not a luxury. We spend
20 millions of dollars in New York City, 30 million a
21 year on our board of elections, just to get the
22 machinery out, the physical machinery out so that
23 we have votes.

24 Our program, to date, after a decade,
25 has never cumulatively cost that much money to

1 /00 LAW & GOV'T - BILL

2 operate, or even in terms of the money that's been
3 given to candidates. And I believe it should be
4 thought of as money that makes democracy
5 meaningful, not some luxury. So I, just as an
6 ideological matter as well as practical one, I
7 don't think that the tax deductions -- the tax
8 checkoffs are very meaningful.

9 And then my last point that I want to
10 leave you with, we have in New York a new
11 provision that applies the same rules as the
12 campaign finance program has to transition in
13 inaugural expenses. There has been some
14 experience in New York State and in New York City
15 where candidates were able to raise money after
16 they were elected in order to pay for transition
17 in inaugural expenses that were never scrutinized,
18 nobody knew who the contributor were, etc., and in
19 many ways, that money is even more influential
20 than campaign contributions.

21 So I want to say again, I applaud you
22 for looking into this subject. I know it's a very
23 difficult one but I think it's a very worthy one.
24 And I do caution, however that the devil is very
25 often in the details, and it's important to get

1 /00 LAW & GOV'T - BILL

2 the details right when you ultimately pass this
3 law.

4 COUNCILMAN COHEN: Well, we thank you
5 very, very much. Obviously, you've had an
6 enormous amount.

7 COUNCILMAN ORTIZ: David, before she
8 leaves --

9 COUNCILMAN COHEN: Just one last
10 question.

11 COUNCILMAN ORTIZ: I saw in the New
12 York Times not too ago some punitive measures that
13 the Board took, and a friend of mine was involved
14 in that, Guillermo Leonares (ph.) and some other
15 -- the borough president, or whatever it is. And
16 what were the fines levied at that time?

17 MS. GORDON: I believe the fine that
18 you are describing was \$60,000, and it was a very
19 large amount of money. I should mention two
20 things, however. I want to say first about
21 Councilmember Leonares, he has been a very staunch
22 supporter of campaign finance reform.

23 COUNCILMAN ORTIZ: I know he has.

24 MS. GORDON: And he also is, I believe,
25 the very first Dominican representative in our

1 /00 LAW & GOV'T - BILL

2 city council and maybe across a lot of other
3 offices, and he gave very moving testimony before
4 our board how he really could not have run except
5 for this program. He's now in his second, in his
6 term last term, and in the last election, our
7 board found that his campaign had failed to report
8 many, many expenditures and had gone way over the
9 expenditure limit.

10 Under our law, if you go over the
11 expenditure limit, the maximum fine is three times
12 the amount of money by which you went over the
13 limit. And I think he had the second highest, in
14 terms of percentage, the second highest overage
15 that the Board had ever seen. But that was the
16 subject. It was over-the-limit expenditures, and
17 I believe it was a 2- or 3-to-1 calculation of the
18 amount by which he went over the limit, that his
19 campaign went over the limit, I should say.

20 COUNCILMAN ORTIZ: No, he's a good
21 friend, and I served on like three boards with
22 him, and he was talking to me about it, but it is
23 part of the process that we need, perhaps, to
24 institute here.

25 COUNCILMAN COHEN: And he still

1 /00 LAW & GOV'T - BILL

2 supports campaign finance reform.

3 COUNCILMAN ORTIZ: Yes, he does,
4 fervently.

5 COUNCILMAN COHEN: Very good.

6 Well, thank you. We're very
7 appreciative.

8 MS. GORDON: Thank you.

9 COUNCILMAN COHEN: We're going to go
10 over all of those items very much in the
11 preparation of a report that will be following
12 this meeting.

13 MS. GORDON: All right, good.

14 COUNCILMAN COHEN: We thank you for it.

15 MS. GORDON: Thank you.

16 COUNCILMAN COHEN: Now a local panel
17 consisting of Kathy Miller, President of the
18 National Organization for Women, Philadelphia
19 Chapter; Liberty City Gay and Lesbian Democratic
20 Club, and I understand Denise Kulp, the Co-Chair,
21 will be testifying. Also as part of the panel
22 will be Mary Goldman, for the Americans for
23 Democratic Action; and Ed Schwartz, President of
24 the Institute for the Study of Civic Values, and a
25 former Councilman. And I understand Mary Goldman

1 /00 LAW & GOV'T - BILL

2 is going to speak first for the panel.

3 (Witness comes forward.)

4 COUNCILMAN COHEN: Well, Angus Love, of
5 the National Lawyers Guild, why don't you come
6 forward also and join the panel.

7 Mary Goldman, why don't you exercise
8 the rights of seniority and start.

9 MS. GOLDMAN: It is worth something
10 these days, isn't it?

11 COUNCILMAN COHEN: Well, I'm
12 particularly sensitive to that.

13 MS. GOLDMAN: I understand that,
14 David. I'm with you, baby.

15 Thank you all, Councilmembers, for
16 having these hearings, and especially for taking
17 up this important issue.

18 Over time, as campaign spending has
19 escalated out of control, there seems to have been
20 a deterioration in people voting and being
21 involved, and I know this particularly because I
22 live near students, and it is terribly depressing
23 to see how they're not voting these days at the
24 University of Pennsylvania.

25 As many of you know, ADA has been

1 /00 LAW & GOV'T - BILL

2 involved in virtually every municipal election
3 since our founding, in 1949. So we agree that
4 campaign reform, finance reform is vital,
5 necessary, and overdue in Philadelphia, and we
6 support the adoption of limits on individual and
7 PAC contributions.

8 However, we think that this bill does
9 not adequately address the many nuances and
10 intricacies of campaign finance reform and
11 shouldn't be passed at this time. And I think
12 we've heard recently from New York a lot of the
13 reasons why not, and our overlap some of that.
14 Instead, we'd like to spend several months working
15 with Council to develop legislation that
16 comprehensively addresses the needs of the City of
17 Philadelphia with all peculiarities. So we're
18 going to urge all of you to hold this bill and
19 work with us in order to pass a really
20 comprehensive bill after the summer recess.

21 Some of the concerns we have:

22 The voluntary expenditure limits are so
23 low that they would discourage people from
24 challenging incumbents, which is the opposite of
25 what the bill is designed to do, and I think you

1 /00 LAW & GOV'T - BILL

2 may have raised them between the bill I saw today,
3 and I haven't seen that.

4 If the purpose of this effort is to
5 create more level playing field, then the overall
6 limits must be increased; otherwise, citizens will
7 view this bill as an effort to protect incumbents.

8 The bill does not give voluntary
9 expenditure limits for the Row Offices, just for
10 Mayor and City Council, and that should be spelled
11 out as well.

12 The bill does not address what happens
13 to any campaign funds that candidates have in the
14 bank prior to the day of the enactment of this
15 law.

16 The topic of independent campaign
17 expenditures is extremely complex, and we're not
18 sure that this bill addresses all of these issues.
19 The bill calls for a 10-to-1 public financing for
20 a candidate whose opponent has an independent
21 campaign contribution, and do we really want to
22 discourage all independent organizations such as
23 ours from getting involved in campaigns? Is this
24 provision legal? Is it desirable? And how do
25 other cities address it? And what are the

1 /00 LAW & GOV'T - BILL

2 ramifications that this brings up?

3 The makeup of the campaign finance
4 board seems peculiar and subject to political
5 influence. How can we ensure that it does not
6 give advisory opinions that are pro-incumbent or
7 otherwise subject to political influence. I don't
8 know in Philadelphia if we can do this. We should
9 have a try at it.

10 How do we make sure that this system
11 does not simply encourage campaigns to go
12 underground as the federal finance reform system
13 has done with soft money. For example, can we
14 figure out a way to make sure that ward leaders
15 are covered? No other city in America has a
16 stronger ward system as Philadelphia. And as a
17 former ward leader, I know that the ward system is
18 susceptible to abuse and a serious lack of
19 oversight.

20 In addition, how do we ensure that
21 candidates do not shift their campaign
22 expenditures to state campaign accounts, which are
23 not regulated?

24 The additional limits on people who do
25 business with the City are probably unnecessary if

1 /00 LAW & GOV'T - BILL

2 we have a \$1,000 limit on individual
3 contributions. Also, this provision would be a
4 nightmare to administer, and the cost would
5 outweigh whatever small benefit it would add to
6 the bill.

7 The limits on off-year fund-raising may
8 not be practical and should probably be either
9 increased or done away with.

10 How can we improve upon the enforcement
11 mechanisms of the bill? As many of you know, the
12 current reporting requirements are not currently
13 regulated by the District Attorney or any other
14 City officials. What's make us think that this
15 system will work any better? And it sounds like
16 it does in New York, so we, it seems to me, need
17 to study that much more carefully.

18 Finally, what will all of this cost us
19 as taxpayers? As you know, the City has many
20 serious needs right now, and we must have a good
21 estimate of the cost. And what it cost in other
22 cities? Although I personally think that we have
23 to do it -- we need to have campaign finance
24 reform, whatever it costs, again, based on some of
25 the past testimony. I think they're absolutely

1 /00 LAW & GOV'T - BILL

2 right.

3 We understand that these are
4 complicated issues that can't be resolved in a few
5 hours or even a few days, but it would be a
6 serious mistake to try to rush this bill to
7 passage. This bill may be our only attempt to
8 achieve true finance reform in this generation of
9 Philadelphia politics.

10 With that in mind, we urge members of
11 Council to hold this bill at this time, and we
12 stand ready to work with you to develop the
13 legislation that we all can support.

14 We should not rush to reform, as
15 Congress did in the post-Watergate era. We in
16 Philadelphia need to engage in a thoughtful
17 process so that we can make a more perfect
18 campaign finance reform bill.

19 Thank you.

20 COUNCILMAN COHEN: Thank you. I'm
21 going to suggest to all members of Council, those
22 at the table, those in other seats, that we hold
23 questions until the panel all has an opportunity
24 -- each member of the panel has an opportunity to
25 make their statement, then questions can be

1 /00 LAW & GOV'T - BILL

2 directed at any member of the panel.

3 The next one is going to be Councilman
4 Schwartz.

5 MR. SCHWARTZ: Thanks, Councilman
6 Cohen, and I appreciate the opportunity to share
7 some thoughts on this today.

8 I guess it's a question of half-empty,
9 half-full in this instance. I certainly came at
10 this with the notion, this bill, that this is in
11 effect the next step in a conversation about what
12 a final bill will look like. These are
13 complicated matters, and I agree completely with
14 the ADA and Mary Goldman that we need to try to do
15 it right, or it will be done wrong; but on the
16 other hand, there's a tendency, when you do move
17 toward a new system, to see all the potential
18 faults of it.

19 And I guess the first thing I want to
20 do mostly here is to weigh in on behalf of at
21 least the bill and what it's attempting to do, and
22 as the framework for this conversation, to urge
23 that we really make a strong effort to move
24 forward in producing a system that will work. And
25 I do they think that we benefit from the fact that

1 /00 LAW & GOV'T - BILL

2 two major cities, and perhaps some others, but New
3 York and Los Angeles, which are hardly small
4 towns, have adopted systems of this kind that seem
5 to be working fairly well. And they have offered
6 us valuable advice. And, therefore, we can
7 benefit from their experience.

8 I would like to address at least some
9 reactions in general and issues that I think we
10 have to raise and bring to the attention of the
11 committee some of the work that we have been doing
12 on the role that the media and spending on the
13 media plays this in this process, which, I think,
14 really has to be taken into account as what we're
15 trying to do deal with as we deal with the
16 question of money.

17 COUNCILMAN COHEN: Well, let me just
18 say I don't think you ought to take -- any people
19 here ought to take the point of view that because
20 this matter's before Council that it's a sure shot
21 for passage; it isn't. Councilmembers are
22 basically becoming familiar with the issue for the
23 first time.

24 There are lots of questions by the
25 whole Council body. One of the considerations is

1 /00 LAW & GOV'T - BILL

2 that the thought behind pushing it onto a vote to
3 get on the ballot in November was that in the
4 presidential election, more voters seem to be
5 attuned, more are interested, that Senator McCain
6 campaign, whether you regard him as an
7 independent, a right-wing conservative or a
8 right-wing radical, whichever way, but he has
9 heightened the interest of everybody. And there
10 was concern expressed that this may be the best
11 time.

12 So I just suggest that you think about
13 that. That's one of the factors that maybe we
14 won't get a perfectly bill, but at least if we can
15 get some bill that makes sense, this may be the
16 best time for passage. You all raise good points
17 about, you know, how the bill can obviously be
18 worked on and approved, but will it be worthwhile
19 doing it and maybe using four years of possible
20 momentum.

21 So I'm just suggesting that don't
22 assume that this bill is ready for passage. There
23 would have to be a lot of work done in City
24 Council. We think this hearing will be very
25 helpful in the process, but I'm just suggesting

1 /00 LAW & GOV'T - BILL

2 you might want to think of those concerns. That's
3 what we're going to be thinking of in evaluating
4 whether we move forward or take more time to
5 prepare a better bill. And we'll be interested in
6 your reactions, you know, in the next few weeks,
7 when that decision has to be made.

8 To get it on the November ballot,
9 Council has to complete its action by no later
10 than June 22nd, which is when we are scheduled to
11 recess. If don't complete it by then, it means
12 there's no chance of making the November ballot.

13 So just keep that in mind and, you
14 know, you have your own evaluations, and we'll
15 appreciate them.

16 Councilman Kenney?

17 COUNCILMAN KENNEY: Thank you,
18 Councilman.

19 I may have been wrong on counting the
20 dates, but I had a discussion with Councilman
21 Ortiz, and he had mentioned something about the
22 final passage of the bill by the 13th of September
23 would get us still on the ballot for November.

24 COUNCILMAN COHEN: By when?

25 COUNCILMAN KENNEY: September 13th.

1 /00 LAW & GOV'T - BILL

2 I'm not sure whether or not that's accurate.

3 Yeah, September 13th would be our drop-dead date
4 for the November election.

5 COUNCILMAN COHEN: And when do we come
6 back?

7 COUNCILMAN KENNEY: We come back
8 September 13th -- 14th, I'm sorry.

9 COUNCILMAN COHEN: So this bill would
10 have to be --

11 COUNCILMAN KENNEY: Finally voted on.

12 COUNCILMAN COHEN: -- in a position to
13 be voted by the first day we come back.

14 COUNCILMAN KENNEY: Right. But we'd
15 have to vote it finally by that date in order to
16 make the November election, I think.

17 Well, I'll tell you what, why don't we
18 have the tech staff figure that out but I think
19 that's the situation.

20 COUNCILMAN COHEN: Yeah.

21 COUNCILMAN KENNEY: Okay, thank you.

22 MR. SCHWARTZ: Let me just add from my
23 perspective.

24 COUNCILMAN COHEN: Go ahead. I just
25 wanted to get that on your radar screen.

1 /00 LAW & GOV'T - BILL

2 MR. SCHWARTZ: No, no, I understand. I
3 just want to make it clear that my coming here --
4 I'm coming here with the attitude that I think you
5 have a Herculean task, really in getting this bill
6 together for passage -- no offense to the bill.
7 We have had all the public support in the world at
8 the federal level for finance reform, and it
9 doesn't pass because the devil does lie in the
10 details, and when people start getting down to
11 individual provisions, they can't agree on them.
12 And from my understanding, even the major citizen
13 groups in the field out here who are fighting for
14 this don't agree. So, yes, everybody's for it
15 until you start getting down to the specifics, and
16 it doesn't pass along.

17 And you throw that into the equation
18 along with the obvious question that taxpayers
19 will ask about an additional expenditure of public
20 money for something at a time when the City's
21 finances are now being propelled again at risk. I
22 think we have our work cut out for us, but I do --
23 that's why, in a way, I come here saying I support
24 this. With all the things that we have to do, the
25 first thing we have to say is, We support this,

1 /00 LAW & GOV'T - BILL

2 this an public objective that we need to achieve.

3 And now is the time to achieve it.

4 We did finish the last year of a
5 mayor's race which recast entirely the framework
6 of local politics in this city. When I ran for
7 City Council years ago, I was proud, and still am,
8 to say that I spent no more than about \$60,000 to
9 win a Council-at-large seat, and at that time, I
10 guess it was close to the fourth largest city in
11 the United States. There are candidates in
12 California running for legislative seats who have
13 to spend \$1.2 million just to win a state
14 legislative seat because they don't have a
15 grassroots system of organizing, and they do have
16 to rely entirely on the media, which is what
17 raises the cost to the astronomical levels.

18 Well, last year, we virtually threw out
19 the remnants of the grassroots system until
20 Election Day and fought the whole thing out on
21 television, and that's what jacked the price up.
22 And I have some evidence here that might be useful
23 to you in your deliberations. But we do have work
24 cut out for us.

25 I think that, in fact, just to take

1 /00 LAW & GOV'T - BILL

2 turns of two of the basic framework here, leaving
3 aside the question of how much public money ought
4 to go into this and how. I think the limits on
5 contributions from individuals and businesses with
6 contracts with the City are especially justified.
7 That really galls people to see that in the
8 paper. And the limits, I would say, on off-year
9 elections, if it's impractical to do it -- maybe
10 we can't, but it seems to me this endless round of
11 fund-raising that goes on is something that is
12 really offensive to the candidate themselves, as
13 well as the public.

14 And, frankly, these things could go
15 into effect even if there were no limits on
16 spending because what they would require, then, of
17 people is that they broaden base of people from
18 whom they have to raise money. And that in itself
19 democratizes the process.

20 Now, of course, the problem we have is
21 that given court decisions, that doesn't rule out
22 the millionaire spending, as you point out with
23 Corzine trying to be senator, his own money or her
24 own money to win a seat. I believe the courts
25 have ruled that it's unconstitutional to prevent

1 /00 LAW & GOV'T - BILL

2 that. So this is where the expenditure limits
3 become almost essential.

4 And the caveat I would emphasize here
5 is a comment that was made earlier, and that is
6 that you really do have to look carefully at what
7 it costs an insurgent to win a race against an
8 incumbent as a as basis for your spending
9 limitations.

10 I recall that there was one year -- and
11 I don't one which one it was -- in the federal
12 where the limits that Congress proposed, or some
13 people proposed, to set were in fact lower than it
14 cost any insurgent to beat any incumbent in the
15 previous election anywhere in any district in the
16 United States. That's not campaign finance
17 reform; that's an incumbent racket, and it didn't
18 go through.

19 So you have to look at that. I say
20 that, as we, Councilmen, all three of us have been
21 insurgents at one point or another, we know what
22 we needed to do. And if the die was cast in a way
23 that you couldn't spend the amount to meet your
24 basic needs, but an incumbent could get himself or
25 herself in the press every day, that's not going

1 /00 LAW & GOV'T - BILL

2 to work. So that's got to be examined, what did
3 it cost for insurgents to win.

4 Finally, I would say that if the
5 spending is to be reduced significantly, we do
6 have to, in fact, address an aggressive effort to
7 broaden the coverage of these races by the
8 conventional media, and here I'm not waiting for a
9 bill.

10 In part, as a result of what was
11 happening last year, the Institute connected with
12 Paul Taylor, who, you may recall, was the
13 political reporter here in Philadelphia for a
14 number of years for the Inquirer, went on to
15 become the political reporter for the Washington
16 Post and then quit his job, out of his own outrage
17 at what was developing in American democracy. And
18 Paul created an organization called "The Alliance
19 for Better Campaigns," and they have been leading
20 the fight to expand not free air time, but news
21 coverage -- issue-oriented, like debates, news
22 coverage of campaigns a month before the primary
23 and the general election, and they have
24 piggybacked in this year on a proposal that came
25 out on a presidential commission on this subject,

1 /00 LAW & GOV'T - BILL

2 which has called for every station to devote at
3 least five minutes over the course of the period
4 of time from 5 to 11:30 at night the month before
5 primary and general election campaigns for
6 issue-oriented coverage of the candidates. And
7 we're not talking about a particular candidate;
8 we're talking about all the candidates. So it's a
9 very reasonable kind of request.

10 But I can tell you, having pursued this
11 spring, and we will now go more aggressively in
12 the fall, with our local stations. There's been a
13 lot of resistance to this. But here are the
14 stakes. I have given to you two spreadsheets,
15 which we, in fact, developed for the Alliance for
16 Better Campaigns because the biggest campaign last
17 year in the country was our mayor's race. And so
18 they were using our mayor's race as an object
19 lesson, in a sense, for what goes on. They had us
20 go to all the stations and get the public file on
21 campaign contributions. And then Jamison (ph.),
22 who does this work at Penn, did a careful analysis
23 of the news coverage.

24 Well, you will see two spreadsheets
25 that John Street and Sam Katz each spent close to

1 /00 LAW & GOV'T - BILL

2 \$2.5 million -- in the range of \$2.5 million
3 between Labor Day and November, 2.5. That's
4 \$5 million of the amount that they raised that was
5 put into the four stations in this area during
6 that two-month period of time. That's where the
7 money goes. And, meanwhile, there was nothing
8 like that kind of coverage on the news stations
9 night after night of their efforts or others, as
10 much coverage as there appeared to be.

11 We are witnessing now this barrage of
12 ads back and forth between Corzine and now Florio.
13 Do we have comparable news coverage for the South
14 Jersey of that senate campaign, issue-oriented
15 coverage? I don't think so.

16 So if we're going to be able to
17 significantly reduce the amount that candidates
18 have to spend, particularly at the mayor's level,
19 we're going to have to simultaneously address
20 that, and I would suggest to you that that we are
21 doing that this year now, and I will be calling
22 upon your assistance in dealing with some of our
23 local media this fall. This spring, the primary
24 turned out to be, let's say, less interesting than
25 it might have been, although the senate race was

1 /00 LAW & GOV'T - BILL

2 there for people to cover if they wanted to.

3 There will no excuses like this in the
4 fall and there will be no excuses like this in the
5 future for a mayor's race. Obviously, for some of
6 the other races like Council-at-large or District
7 Council, some of our races -- I've come back now
8 as a candidate -- you can't get media, there are
9 too many candidates and they can't choose, so we
10 have to go out and dig.

11 And I'll end with this: it is a good
12 point of comparison in a way. Because we could
13 not, in fact, get media, then we had to rely on
14 the system of grassroots politics to carry us
15 forward. This forced all of us to go night after
16 night to ward meetings, to community meetings, to
17 use our contacts with various kinds of
18 organizations to get other contacts, to pyramid
19 our support from the bottom up to the point where,
20 on Election Day, we might end up on a ballot that
21 actually did benefit from some spending.

22 And the result is that even now, even
23 last year, I heard numbers of 100,000, \$120,000
24 that people had to spend to run at large. In
25 other cities, those kinds of candidates, our kinds

1 /00 LAW & GOV'T - BILL

2 of candidates, could not do that, because they,
3 too, would have had to figure out a way to buy
4 enough media time to get attention.

5 So we have a very good point of
6 contrast in this system, between a system that
7 depends upon the media and a system that depends
8 upon people. And the closer we can get through
9 both media reform and finance reform to moving
10 politicians back to the people, the better
11 democracy we will have.

12 Thank you.

13 (Applause.)

14 COUNCILMAN COHEN: Thank you very much.

15 Angus Love, of the National Lawyers
16 Guild.

17 MR. LOVE: Thank you, Councilman
18 Cohen. And I thank Chairman Ortiz and the Law and
19 Government Committee for the opportunity to
20 testify today.

21 Angus Love, on behalf of the
22 Philadelphia Chapter of the National Lawyers
23 Guild. The Guild was founded in 1937 as the first
24 racially-integrated national bar association.
25 Through the years, Guild members have been active

1 /00 LAW & GOV'T - BILL

2 in the development and implementation of the New
3 Deal, fought against the McCarthy-era scare
4 tactics, provided organizational and legal skills
5 to the civil rights movement, assisted draft
6 resistance during the Vietnam War, and most
7 recently, fighting for economic rights and
8 corporate responsibility.

9 We have over 5,000 members and 200
10 chapters. The preamble to the National Lawyers
11 Guild Convention states we hold human rights more
12 sacred than property rights. Thus, we are here
13 today to speak on behalf of campaign finance
14 reform.

15 In the political arena, it is obvious
16 that property interests in the form of campaign
17 contributions are overwhelming human rights.
18 Campaign spending is clearly out of control. Each
19 new election cycle breaks records from the
20 previous cycle. The recent mayoralty election
21 that's been well documented here is just another
22 example. Spending in Councilmatic races has
23 reached the half a million dollars. On the
24 national level, as Councilman Cohen pointed out,
25 George Bush has rejected public financing. As he

1 /00 LAW & GOV'T - BILL

2 also pointed out, Jon Corzine is breaking all
3 spending levels in his senatorial campaign against
4 Jim Florio.

5 As the need for money increases, the
6 amount of time spent tending to the people's
7 business decreases. Governor Ridge started
8 fund-raising for his reelection campaign a few
9 short weeks after winning his first term. As many
10 of the large contributors expect access, the voice
11 of the people, or the vox populi, is greatly
12 diminished.

13 Community organizations and lobbyists
14 with which the Guild often works with are armed
15 only with ideas quickly forgotten when political
16 action committees and lobbyists show up with
17 envelopes stuffed with campaign contributions. If
18 we are to strengthen the democratic traditions,
19 campaign reform must take place.

20 Many of the causes that I and fellow
21 Guild members are committed to hinge upon campaign
22 finance reform. Only when a candidate has the
23 sufficient time to tend to the people's people's
24 business and has not mortgaged their positions on
25 important issues of the day can a real debate take

1 /00 LAW & GOV'T - BILL

2 place on the important social issues of our time.
3 True campaign financing reform can keep the
4 democratic principles that we hold so dear from
5 eroding into a kleptocracy.

6 While we stand steadfastly behind the
7 idea of campaign finance reform, we do not naively
8 assume that every and any scheme put forth will
9 bring about the desired result. We know the long
10 march begins with one step. We are here today to
11 urge the City Council to take the first step by
12 scrutinizing Bills 356, 357, and 380 in the
13 included Charter change and come up with a
14 comprehensive campaign finance reform proposal.
15 Philadelphia has been in the forefront of many
16 great social movements. This Council adoption of
17 the death penalty moratorium was another historic
18 step in our city in the tradition of our
19 forefathers. Emerging issues such as campaign
20 finance reform often begin at the local, or
21 grassroots levels. We ask you once again to take
22 the lead in our Commonwealth in the area of
23 campaign finance reform. We ask you to follow the
24 lead of other municipalities, as we've heard
25 today, such as New York and Los Angeles. We are

1 /00 LAW & GOV'T - BILL

2 well aware that many of the proposals are flawed
3 and often lead to countermeasures by those
4 comfortable with the status quo. Thus, we do not
5 want to rush into this area. Indeed, certain
6 aspects of the current proposals may inhibit
7 participation of certain grassroots candidates.
8 We also welcome the amendments that have been
9 offered and think they take a step in the right
10 direction in curing the problems.

11 In 1976, the Supreme Court decided the
12 Buckley case. At that time, the Court indicated
13 that campaign ads that do not specifically use the
14 words "vote for" or "vote against" or similar
15 phrases would now fall under the restrictions in
16 the initial efforts of campaign reform at the
17 national level, i.e., matching funds. And I know
18 we have someone from the Brennan Center here today
19 to speak to their recent study regarding the
20 Buckley decision and how it's really failed to
21 address the issue and allow the proliferation of
22 soft money to thwart any kind of meaningful
23 reform.

24 The deal recently struck in Washington
25 to allow four judges in the U.S. District Court

1 /00 LAW & GOV'T - BILL

2 for the Eastern District to advance to a vote in
3 the Senate, I believe, was cut by allowing an
4 individual who opposes campaign financing reform
5 to be elected to the Federal Elections Commission.
6 This will only make matters worse. We are aware
7 that for every move, there is a countermove.
8 Despite this knowledge, we must move forward if we
9 are truly interested in a participatory
10 democracy.

11 Those who term these bills
12 "anti-incumbency" should come up with reasonable
13 alternatives. This issue is too important to be
14 left twisting in the political winds. We urge
15 everyone to take a long hard, look at the proposed
16 legislation and come up with a workable solution
17 to this festering wound in our democratic process.
18 We commend you for taking this important first
19 step.

20 COUNCILMAN ORTIZ: Thank you.

21 Denise Kulp, please, and then Kathy
22 Miller.

23 MS. KULP: Good afternoon. My
24 testimony deals, I think, more specifically with,
25 I believe, the effects that complain finance

1 /00 LAW & GOV'T - BILL

2 reform will have on grassroots organizations.

3 I've been the co-chair of Liberty City
4 Lesbian and Gay Democratic Club since 1996. We
5 have over 400 members locally, a mailing list of
6 over 5,000. And in 1999, we were part of an
7 effort to register and identify lesbian and gay
8 voters in the City. We were successful in
9 identifying over 18,000 lesbians and gay voters in
10 Philadelphia, over 15,000 of whom are Democrats.

11 Since 1998, I've been the co-chair of
12 the National Stonewall Democrat Federation, a
13 national organization of gay, lesbian, bisexual,
14 and transgender Democrats and Democratic clubs
15 across the country. National Stonewall has over
16 50 affiliate organizations throughout the U.S. and
17 over 20,000 members.

18 Just over a year ago, the City of
19 Philadelphia came through a Democratic primary in
20 which we had five viable candidates for mayor, and
21 it's no secret that the candidate that was
22 supported by all of the major lesbian and gay
23 political organizations in the City did not win.
24 It was the most expensive Democratic primary in
25 the City's history and one of the most expensive

1 /00 LAW & GOV'T - BILL

2 in the country. And it was the amount of money
3 contributed during the primary that determined who
4 the winner would be.

5 Seeing that two candidates had far and
6 away the most money raised, the media decided that
7 the race was between these two financial
8 front-runners. A lot of people, deciding that the
9 person wanted to vote for had no chance to win,
10 ended up voting for one of the two with the most
11 money. A lot of people, having been told that the
12 person they wanted to vote for had no chance the
13 winning, decided that they wouldn't vote.

14 And this is how campaign finance reform
15 positive effect in Philadelphia. As was made
16 clear by last spring's Democratic primary, the
17 people who have the effect on the outcome of the
18 race here in the City are the people with money.
19 The lack of a cap on campaign fund-raising takes
20 away the decision of who will win from the people
21 and awards it to those who have the money to make
22 substantial contributions to a politician's
23 campaign. It takes power away from the people and
24 grassroots organizations like the ones I represent
25 and puts it in the hands of people who often don't

1 /00 LAW & GOV'T - BILL

2 even live in the City but have financial interests
3 here.

4 And I really encourage members of
5 Council to look at the article about the economic
6 development in Philadelphia that was in the New
7 Yorker this week, by Nicholas Lemon, that talks
8 about that.

9 Grassroots organizations may not have
10 much money, but we are rich in votes, and we have
11 worked hard to get our constituencies out to vote
12 on Election Day, but it's hard to counteract the
13 belief that an individual's vote will have little
14 effect in the face of millions of dollars and the
15 coffers of the predetermined winners. Everyone
16 bemoans the fact of low voter turnout, but we must
17 have the courage to take the steps needed that
18 would erase some of the causes of low turnout.
19 And one of the causes is the idea that the outcome
20 of an election has already been determined by
21 money. Campaign finance reform will help to
22 democratize the democratic process and allow the
23 people who are registered to vote once again to
24 determine the results of Philadelphia elections.

25 Liberty City Lesbians and Gay Democrat

1 /00 LAW & GOV'T - BILL

2 Chub wholeheartedly endorses campaign finance
3 reform in Philadelphia, and we're very willing to
4 work with Council and the committee on whatever
5 bills -- on how the bills are final written in the
6 City thank you.

7 Thank you.

8 COUNCILMAN ORTIZ: Miss Miller.

9 MS. MILLER: Thank you. I'm Kathy
10 Miller, the President of Philadelphia NOW, and I
11 appreciate very much that City Council is holding
12 these hearings, and I appreciate Law and
13 Government Committee and Councilman Cohen for
14 doing this.

15 I'm delighted that the issue of
16 campaign finance reform is being given some
17 serious consideration. I'm probably the least
18 technical witness on this. And my major concern
19 here is the effect that campaign finance reform
20 has on the potential of women taking a more active
21 voice in governing ourselves. It took women 72
22 years to get the right to vote, we've had it for
23 80 years, and we still have a very small
24 percentage of women in the governing bodies.

25 COUNCILMAN ORTIZ: But not in this

1 /00 LAW & GOV'T - BILL

2 Council. We have a lot of good women in this

3 Council.

4 MS. MILLER: We have a lot of good
5 women, well but 6 out of 17 is not even half.

6 COUNCILMAN ORTIZ: Okay, we're not half
7 there, but --

8 MS. MILLER: We're not half there.
9 We're not doing bad but we're not half there.

10 COUNCILMAN ORTIZ: But a few years ago,
11 there were none -- well, a couple.

12 MS. MILLER: And things are moving and
13 I think things have been moving, and I would be
14 interested in term of, like, Los Angeles and New
15 York whether they can tell whether the impact has
16 been on having more women, in fact, run for office
17 or not, but that we're still one of the major
18 difficulties for women --

19 COUNCILMAN ORTIZ: I know one in New
20 York who ran an insurgent campaign against a very
21 well-financed individual. Margarita Lopez,
22 Margarita ran an insurgent -- am I right? -- an
23 insurgent campaign, a really grassroots campaign.
24 And the only way that Margarita Lopez was
25 successful was because New York City had public

1 /00 LAW & GOV'T - BILL

2 financing, and she ran against an individual or
3 two individuals. She ran against -- I know one
4 individual that really out-raced her tremendously,
5 and she was able to -- this is to me the proof of
6 independent candidacies being able to overcome the
7 party machinery, because Margarita was not only
8 Puerto Rican, she was a lesbian Puerto Rican, and
9 she was running on a ticket that really was a
10 progressive agenda that she was pushing, and she
11 has become one of the more vocal City
12 Councilmembers, one of the thorns on Giuliani's
13 side.

14 MS. MILLER: Yeah. This is exactly
15 what we're hoping will happen with the finance
16 reform, that if we change the way local elections
17 are financed, then more women will be able to
18 actively take part. One of the biggest barriers
19 for women has been how elections are financed, and
20 women historically have had the lack of access of
21 control of money.

22 I know some people have raised concerns
23 that finance reform will hamper women, or that
24 just as women are starting to learn to play by the
25 rules, they're changing the rules. Most groups of

1 /00 LAW & GOV'T - BILL

2 women who I know who are politically active feel
3 like campaign finance reform is essential to women
4 getting in there, that we're quite aware of the
5 fact that campaign finance reform will change --
6 can actually help level the playing field. I
7 don't think it will make it even; I think women
8 will still have an uphill battle, but it lessens
9 the difference and makes it a more even playing
10 field.

11 And I was here when we honored Granny D
12 for her long and valiant walk across the United
13 States to call attention to the campaign finance
14 reform issue. I sincerely hope that we will not
15 just honor her.

16 COUNCILMAN ORTIZ: I hope that we will
17 honor her by passing a meaningful campaign finance
18 reform bill.

19 MS. MILLER: Yes, that's my hope too.

20 Thank you very much.

21 COUNCILMAN ORTIZ: Darlene Cradle,
22 because she's a part a community panel, and I know
23 that she has a short statement.

24 Stay, please.

25 (Witness comes forward.)

1 /00 LAW & GOV'T - BILL

2 COUNCILMAN ORTIZ: Just bring in a
3 chair in there.

4 Identify yourself for the record and
5 proceed with your testimony.

6 MS. CRADLE: Okay. Good afternoon. My
7 name is Darlene Cradle. I am a board member with
8 Philadelphia ACORN. ACORN has 5,000 members
9 strong. It's a very strong organization for low-
10 and moderate- income people.

11 Too often, low- and moderate-income
12 neighborhoods are denied access to democracy
13 because one of the simple facts: money. We can't
14 make large contributions, and often people running
15 for elected office listen to their contributors.

16 We need to take big money out of
17 politics and pass strong campaign finance reform
18 legislation here in Philadelphia. It should be
19 about one person/one vote instead of one dollar/
20 one vote. On behalf ACORN, we support
21 Councilperson Kenney and Ortiz and request for
22 campaign finance reform.

23 Take money out of politics and put
24 democracy back in.

25 Thank you.

1 /00 LAW & GOV'T - BILL

2 COUNCILMAN ORTIZ: Thank you.

3 Mary said something when she testified,
4 and we're not rushing. I mean, today Nicole
5 Gordon's and Rebecca Avila's testimony were -- and
6 the facts and the issues that they brought in are
7 some things that we want to bring integrating into
8 the bill, putting it into the bill, but we have to
9 begin at one point, and I want to be able, from
10 all of testimony that we have and we are getting,
11 to be able to come out with the most comprehensive
12 bill possible.

13 And if individuals such as Marguerita
14 Lopez can succeed in the machine-hard,
15 nitty-gritty politics of New York City -- I know
16 some of the Bronx boys. Freddie Ferrell (ph.) is
17 a friend of mine, Jose Rivera is a friend.
18 Roberto Ramirez, I spoke -- I spoke to him because
19 we're involved with the Vieques issue and are
20 doing a lot of stuff. And they play hard
21 politics. They play, I would say, even harder
22 politics than we do here, if that can be possible.

23 And -- but you still see people. I
24 mean, you have an iconoclast like Jose Rivera, who
25 is a Puerto Rican in the South Bronx, who takes

1 /00 LAW & GOV'T - BILL

2 the most outlandish progressive, really
3 progressive positions. You have people like
4 Margarita Lopez succeeding against big-money
5 interests and big-machine interests.

6 So -- and the only way -- and Guillermo
7 Leonares, Guillermo Leonares succeeded again
8 against machine interests, against the Manhattan
9 Democratic machine in there, and he was able to
10 succeed and run for a Democratic district that
11 because of his politics -- not only that he was
12 Dominican and the first Dominican running for a
13 council seat in New York City, but he was
14 under-financed, and his politics -- his politics
15 are very similar to mine, in terms of progressive
16 outlook, in terms of the issues that he takes on
17 and advocates for. And he was easy able to
18 overcome those odds and win, and win.

19 So I think that one of the issues that
20 that proves to me is that if you have it done
21 well, if it is established well and the limits are
22 set in such a way that they're realistic and
23 people are able to organize and get out their
24 message, independent politics, I think, will not
25 only survive, but I think will thrive under this

1 /00 LAW & GOV'T - BILL

2 system.

3 Yes, Ed?

4 MR. SCHWARTZ: I think it's a procedure
5 in terms of looking at this. The starting point
6 -- what seems to fly most is the spending limits
7 on individual contributions. I mean, we all kind
8 of accept that in other races. And so there's a
9 lot of precedent there, you can't give more. That
10 doesn't solve the problem if the individuals have
11 a lot of money themselves, but it certainly does a
12 lot to broaden the base of, as I said, people who
13 contribute.

14 I think the second issue you need to
15 look at rather quickly really revolves around the
16 fiscal implications of this. I don't think you
17 should treat this lightly. I've just finished
18 reading the PICA report on the City's financing.
19 They're raising all these risks, you have a
20 projected budget that doesn't include pay
21 increases for employees and the rest of it.

22 What does this realistically look like
23 it's going to cost in order to achieve any
24 meaningful result?

25 COUNCILMAN ORTIZ: I agree, Ed. You

1 /00 LAW & GOV'T - BILL

2 know, when this thing was approved in New York,
3 New York was going through some sort of fiscal
4 situations itself at that point. And, again, I go
5 back to one thing that impressed me at the end
6 there when Miss Gordon says that the fund has to
7 be considered important, and I wrote it here on
8 this paper, as an integral aspect of democracy.

9 MR. SCHWARTZ: I heard that and I think
10 that --

11 COUNCILMAN ORTIZ: And the thing is
12 that we spend a lot of money very foolishly in
13 this city, millions of dollars. I think we are
14 not the size of New York, we're not "8 million
15 stories in the Naked City." You know, we are
16 1.2 million; by the time the census comes out,
17 maybe 1.1 million, who knows?

18 And so we want to make it very
19 rational. And I do not believe -- Rebecca Avila
20 said that in the last election, the expenditures
21 from the fund were in the hundreds of thousands of
22 dollars. Is that right, Rebecca? You know, in a
23 city of 3 million people.

24 And so what we have to go by is the
25 experience of other cities and what they have gone

1 /00 LAW & GOV'T - BILL

2 through. It's like when they were talking to us
3 about domestic partnership here. One of the
4 issues that they kept saying to me in arguing
5 against the domestic partnership bills was the
6 same phrase you used -- you got to consider the
7 fiscal implications of this on the budget. It is
8 going to put a huge hole in the City budget.
9 Well, we have approved it, people. It's
10 functioning, and it has not.

11 Either at one point in time, we're
12 going to have to have the courage to invest -- as
13 Nicole Gordon said, invest in democracy. And as
14 Mr. Pedro said when he came in and said to invest
15 in it and, you know, let the citizens of
16 Philadelphia be the judge of whether they want to
17 do this or not. And I believe that, just like in
18 New York, the people of New York voted it in and
19 the people of L.A. voted it in, and I think the
20 people of Philadelphia will fool us. I think they
21 will approve it.

22 MR. SCHWARTZ: I'm merely saying -- I'm
23 not disagreeing with you and, in fact, again, we
24 do have the experience of these other cities,
25 which may be very assuring, and I certainly think

1 /00 LAW & GOV'T - BILL

2 that, you know, I'm inclined to support it. I
3 mean, we seem on a stadium or whatever you think
4 of the project, \$200 million, oh, yeah, that's
5 nice. So when you really want to do something --

6 COUNCILMAN ORTIZ: A billion.

7 MR. SCHWARTZ: Yeah. Well, I'm just
8 saying that we're spending \$200 million more,
9 etc.. Whatever the number is, it's a lot, right?
10 And people accept it.

11 Again, I'm merely saying, as a
12 procedure for dealing with this, coming up with --
13 you may end up with a number that's so reasonable
14 based on what we're trying to accomplish here that
15 it will reassure people, and then that becomes the
16 basis in part on working backwards toward the
17 spending limits that are appropriate, keeping in
18 mind these concerns about insurgency that I
19 raised.

20 COUNCILMAN ORTIZ: But I do believe --
21 Mary, go ahead, say it.

22 MS. GOLDMAN: First of all, let me say,
23 I think you drove away from me when we were
24 talking, and I didn't hang up on you.

25 COUNCILMAN ORTIZ: No, I just ran out

1 /00 LAW & GOV'T - BILL

2 -- the cell phone.

3 MS. GOLDMAN: You went someplace, but I
4 figured, oh, okay, I just want to make sure I
5 didn't --

6 COUNCILMAN ORTIZ: It's the cell phone.

7 MS. GOLDMAN: Okay. You know, I think
8 Ed is right, and that's why we brought up the
9 amount, because of all of this. And so we have to
10 make sure that there is proper oversight, that the
11 audits are in place because we all need to be
12 pulling on the same (unintelligible). We
13 absolutely want campaign finance reform, we are
14 totally 100 percent with you on that.

15 We just want to have it so that it's
16 the easiest sell because of, I think, some of the
17 reasons we said. You know, it's going to be a
18 hard thing, and if people are saying, but you're
19 not going to keep track of where it's going and
20 who's doing what to whom, in this town, it's, you
21 know, it won't work.

22 COUNCILMAN ORTIZ: No, the audit idea,
23 those ideas we want to integrate that into the
24 bill.

25 The people have to have confidence, as

1 /00 LAW & GOV'T - BILL

2 Nicole Gordon said. The people have to have
3 confidence that the money that is being taken out
4 of the fund is going to be spent responsibly, that
5 it is going to be spent in what we're talking
6 about, that it's going to be spent in good
7 government, in helping government become more
8 responsible and much more responsive.

9 MS. GOLDMAN: And they have been able,
10 evidently, to amend it in New York, and I'm not
11 saying that we're rushing -- well, we feel a
12 little rushed, for whatever reason, it's two weeks
13 and here's the hearing, and we only have a couple
14 weeks, and all of these things have been left out,
15 and we want to have a full discussion so we can
16 get everything in as fast as possible.

17 COUNCILMAN ORTIZ: Well, Mary,
18 remember, we tried to do this last term and it
19 never came up to a hearing. Now --

20 MS. GOLDMAN: Well, it wonderful.

21 COUNCILMAN ORTIZ: And now we're at the
22 hearing level and we're moving along.

23 MS. GOLDMAN: And we thank you for all
24 of that.

25 COUNCILMAN ORTIZ: Okay, thank you.

1 /00 LAW & GOV'T - BILL

2 MR. SCHWARTZ: Thank you.

3 COUNCILMAN ORTIZ: Robert Wingert,
4 Larry Frankel and Glenn Moramarco of the Brennan
5 Center.

6 (Witnesses come forward.)

7 COUNCILMAN ORTIZ: I really appreciate
8 you guys listen to all of this because I know that
9 some of you -- I know that Mr. Moramarco and I
10 have discussed this issue for a long time now, and
11 I know that you must have heard this testimony
12 many times before, so I appreciate it.

13 Whoever is going to go first, please
14 grab the microphone and identify yourself for the
15 record.

16 MR. FRANKEL: My name is Larry Frankel,
17 the Executive Director of the American Civil
18 Liberties Union of Pennsylvania. And I'll wait
19 till the two Councilmen are actually pretending to
20 pay attention.

21 COUNCILMAN ORTIZ: Yes.

22 MR. FRANKEL: I want to thank you for
23 inviting me to testify today on the campaign
24 finance reform bills. I compliment you for
25 initiating this discussion and especially commend

1 /00 LAW & GOV'T - BILL

2 you for considering the idea of public financing
3 for candidates in Philadelphia elections.

4 I want to first state that I cannot
5 present you an official position of the ACLU of
6 Philadelphia. The Board of Directors is meeting
7 next week and we'll have the bills on the agenda.
8 I think they will also have my testimony to
9 consider. I have tried to highlight in my
10 testimony what I think are the issues that I
11 expect to at least -- if I don't bring them to the
12 Board, the Board will probably want to consider
13 them if they, you know, continue to formulate
14 their position on these bills, and I hope that my
15 review of those issues will add to your
16 perspective and consideration on the legislation.

17 Of course, we'll address the issue the
18 constitutionality. As you know, the U.S. Supreme
19 Court has upheld federal and state laws limiting
20 the amount that individuals and Political Action
21 Committees can contribute. That's the Buckley
22 case and Nixon v. Shrink Missouri Government PAC
23 upheld state limitations.

24 On the other hand, the Supreme Court,
25 starting in Buckley, has been much more skeptical

1 /00 LAW & GOV'T - BILL

2 about legislation of limits on expenditures, and
3 particularly in the area of independent
4 expenditures, whether they're by political
5 parties, incorporated political associations, or
6 Political Action Committees. If they're
7 independent, not coordinated with the campaigns,
8 it's going to difficult to regulate them.

9 In Buckley, the Supreme Court also held
10 that Congress could engage in public financing of
11 elections and may conditions acceptance of public
12 funds on agreements by candidates to abide by
13 specific expenditure limitations such as you guys
14 have set forth in your bill. However, to
15 withstand constitutional scrutiny, the public
16 funding system must be truly voluntary and not
17 coercive. With those principles in mind, let me
18 discuss several specific aspects of the
19 legislation.

20 Certainly, the contribution limits for
21 all candidates, the mandatory limits on all
22 candidates, would probably survive a
23 constitutional challenge. I do not think that the
24 same can be said with regard to limits on how much
25 any candidate can raise in an off-year. I don't

1 /00 LAW & GOV'T - BILL

2 know of any particular precedent that would
3 support this kind of temporal restriction, both on
4 the raising and giving of money, 'cause it also
5 affects those who give money. You're saying I
6 can't give to candidate in X-year if he's already
7 hit the limit, so it's not just affecting the
8 candidate's ability to raise money, it affects the
9 person who might want to give money. In light of
10 the Supreme Court's holding in Buckley about
11 expenditures and, of course, skeptical views on a
12 variety of restrictions on defended expenditures,
13 I am doubtful this kind of regulation would be
14 looked upon with favor, although there be some
15 cases that indicate it could. I also think -- and
16 I will get later into my testimony -- that there
17 may be practical reasons that it may not be a good
18 idea.

19 I'm going to shift my focus now to the
20 public financing aspects of the bill. Nationally,
21 the ACLU has been very supportive of public
22 financing as the most sensible campaign finance
23 reform and one that runs into the least
24 constitutional problems. We believe that the
25 public would be well-served if government provides

1 /00 LAW & GOV'T - BILL

2 the means for candidates to deliver their message,
3 give them the floor, give them the ability to get
4 out into what is the media market for their
5 candidacies and get their message out. As long as
6 the system is truly voluntary and not coercive,
7 the ACLU supports this means of reform.

8 I would anticipate that my board and
9 others would focus on a couple aspects that appear
10 problematic. First, the amounts provided to
11 candidates seem insufficient. I can't imagine any
12 credible candidate for mayor of the City of
13 Philadelphia thinking he or she can wage a
14 competitive campaign and deliver his her message
15 for \$750,000. While many may think that the
16 amounts spent in the last election were extremely
17 large and offensive, it still takes money to be on
18 TV, on the radio, put out print material, and
19 maintain a campaign. So 750,000 probably won't do
20 it. The amounts aren't necessarily coercive, but
21 they may be virtually unattractive.

22 Now, I see your amendments, and I'm
23 going to get to amendments before I finish my
24 testimony, Councilman. I've had a chance to look
25 at the amendments.

1 /00 LAW & GOV'T - BILL

2 The other issue I want to address is a
3 more complicated issue, and that's the impact of
4 independent expenditures. First of all -- and
5 this isn't in my testimony -- I don't know if your
6 definition may need some tweaking. I was looking
7 at one of the cases which I'll discuss and in
8 Minnesota. Although the law was invalidated, they
9 at least made it clear that independent
10 expenditures did not involve newsletters sent out
11 by organizations that may indicate, you know,
12 ratings of candidates. You know, there's all
13 sorts of organizations in the City that yearly,
14 you know, like to let their members know how they
15 feel about that, and I don't know that we want to
16 make independent expenditures, and the definition
17 isn't clear in the bill.

18 But more problematic is the section
19 that says that if it's determined that a candidate
20 who participates in the public funding system is
21 the subject of an independent expenditure
22 campaign, then that participating candidate shall
23 receive public funds at a rate of \$10 for each \$1
24 of eligible contributions made. I'm not
25 completely certain of what this really means.

1 /00 LAW & GOV'T - BILL

2 Does it mean a campaign against you? which is what
3 it logically sounds like. But what about an
4 independent expenditure campaigns on behalf of a
5 candidate? That is not really described in the
6 legislation. I mean, if the candidate has a
7 campaign on behalf of them, should the opponents
8 of that candidate get money?

9 While I'm not completely certain of
10 what the provision really means, it does sound
11 like you could have a massive infusion of public
12 funds to a candidate as a result of that kind of
13 independent expenditure campaign. And we believe
14 that this impacts on first-amendment rights. And
15 I'll give you an example.

16 Suppose the labor unions get together
17 and decide to target, let's say, a District
18 Council race, and they want to spend considerable
19 sums on an independent campaign against a
20 candidate who they think is hostile to their
21 interests. Well, according to the bill, that
22 would trigger off public funds being distributed
23 to the candidate they're opposing because they've
24 chosen to get involved in a race that they care
25 about, and then they affect their members and the

1 /00 LAW & GOV'T - BILL

2 livelihood of their members.

3 Now, there's conflicting court
4 decisions about whether this indeed does impinge
5 on first-amendment rights. The most recent case
6 is from the First Circuit, and I know that my -- I
7 think I can call him "a colleague" here, because
8 we've been on a debate at least together, and he's
9 come and spoken to my board. They were involved
10 in successfully defending law in Maine, which had
11 a provision, although not a 10-to-1 provision.

12 But there's another case from the
13 Eighth Circuit which invalidated a Maine law which
14 had a matching-fund provision when they were
15 running independent expenditure campaigns. You
16 know, just to get a flavor, the court there went
17 the other way, and they described a system in
18 these words:

19 "Thus, by advocating a candidate's
20 defeat or her opponent's victory by an independent
21 expenditure, the individual committee or fund
22 working for the candidate's defeat instead has
23 increased the maximum amount she may spend and
24 given her the wherewithal to increase that
25 spending merely by exercising a first-amendment

1 /00 LAW & GOV'T - BILL

2 right to make expenditures opposing her or
3 supporting her opponent. Thus, the individual or
4 group intending to contribute to her defeat
5 becomes directly responsible for adding to her
6 campaign coffers."

7 Now, I understand that independent
8 expenditure campaigns are an issue that's going to
9 have to be dealt with if you're going to have
10 public financing, but I think it does become
11 problematic, and I used labor unions as an
12 example. I could use a race involving a
13 pro-choice candidate or a pro-life or a pro-gun
14 safety candidate or a whole range of issues. I
15 mean, we're not even talking about people who've
16 got a financial interest per se in government but
17 who care about an issue deeply. And I think we
18 have to really grapple with what the consequences
19 of giving a candidate matching funds because that
20 group has decided to exercise its right to be
21 involved in the election.

22 I don't have an easy answer to it. I
23 know it's a problem that has to be addressed, and
24 it is a first-amendment issue. And I think that
25 although the courts are split, I think that we

1 /00 LAW & GOV'T - BILL

2 have to look at that.

3 COUNCILMAN ORTIZ: I don't we want to
4 infringe on the first amendment in any way.

5 MR. FRANKEL: I don't think you are
6 either, and I think we want to be careful. And I
7 know there's going to be further work on the bill,
8 but I think we need to look at what some of other
9 cities and states that have public financing and
10 see how we solve that problem.

11 I would also like to address another
12 constitutional point, and that is the
13 ineligibility of individuals or businesses to
14 enter into a contract for goods or services, city
15 financial services if they donate to political
16 campaigns. And I know eliminating pay-to-play
17 sounds like good political rhetoric, but in
18 reality, it means many individuals could lose
19 their rights to give money to candidates of their
20 choosing.

21 I mean, I think if you read this
22 broadly enough, you've got a law firm, and that
23 means every lawyer in that law firm cannot donate
24 any money or that law firm cannot apply to do any
25 work for the City, and that, I think, is

1 /00 LAW & GOV'T - BILL

2 inhibiting a tremendous amount of first-amendment
3 activity. And if you've got maximum contribution
4 levels already, I'm not sure that you need to also
5 have that kind of provision in here.

6 One final constitutional question --
7 maybe it's not constitutional, but it fits in
8 here, which I'm not about to address, but I think
9 some lawyers who understand Home Rule Charter and
10 the interaction with State law really need to take
11 a look at is whether the City even has the
12 authority to do this. As you know, Councilman, I
13 do lobbying up in Harrisburg, and I'm sure you
14 know the State House has passed a bill with an
15 amendment that is sitting over in the State
16 Senate, which would make it clear that the City
17 has the authority to do it.

18 One would ask, why do they think they
19 have to pass such a bill if the City already has
20 the authority? I think it's a question I'm not
21 prepared to even try to answer, but given the
22 history of some attempts by this body to enact
23 legislation to only see either the State
24 legislature or overrule it or the courts throw it
25 out, I think it ought to be looked at carefully.

1 /00 LAW & GOV'T - BILL

2 And one thing I would certainly suggest
3 -- at least with regard to the legislature -- if
4 this bill comes out as a Democratic-only bill,
5 without bringing some Republicans on board, you
6 probably are guaranteeing a bill in Harrisburg
7 passing rather quickly with the Governor's
8 signature trying to overturn it. I mean, I think
9 you really need to make this bipartisan and yet
10 they not see it in any way as a Democratic attempt
11 to make it harder for Republicans to participate.
12 That's not an ACLU position; that's just, I think,
13 you know, a gratuitous advice. But having seen
14 enough things this Council's done interfered up in
15 Harrisburg, I don't think it, you know, can be
16 lightly dismissed, and that may change if the
17 majority in the House changes, but I don't know
18 that we can anticipate that.

19 Moving beyond some of the
20 constitutional issues, I just want to point out
21 when I view campaign finance reform proposals, and
22 I've had an opportunity to do so, I think one of
23 the questions that we really have to ask is
24 whether the proposal -- how much the proposals
25 really favor incumbents, because oftentimes, I

1 /00 LAW & GOV'T - BILL

2 think if you look at it closely, and maybe, you
3 know, this makes people vote in favor of them some
4 more and probably sometimes some proposals don't
5 pass, you have provisions that do help
6 incumbents.

7 I think the public has a right to
8 expect that if you change the system, it's going
9 to be more competitive, not less competitive. And
10 I think you have to be careful at looking at some
11 provisions to make sure that you don't
12 inadvertently make it less competitive.

13 I think limiting challengers to how
14 much they can raise -- not just incumbents but
15 challengers, to how much they can raise in
16 off-years, particularly when you have a primary
17 that's in May, can create a lot of problems for
18 the non-incumbent. I mean, can you imagine --
19 what if Sam Katz could only have raised \$100,000 a
20 year each year before the general election? He
21 would have started off much further behind than he
22 already was. Can you imagine somebody running
23 against an incumbent Councilperson and not being
24 able to try and build up a war chest prior to the
25 election year and then even be taken seriously?

1 /00 LAW & GOV'T - BILL

2 You know, incumbents maybe can't raise
3 more than that either, but they already have a
4 whole lot of built-in advantages. They, you know,
5 have newsletters they can send out, they can do
6 all sorts of community events, they get all sorts
7 of press. I mean, the challengers really need to
8 be able to raise money sometimes to run an
9 effective campaign, and this would limit them.

10 I think the limits on expenditures on
11 candidates for -- the public financing also
12 inhibits the challengers, and I see that the
13 amendment that you've got proposed would increase
14 those amounts. And I think that is important
15 because you want to make it so it's attractive
16 enough for a challenger to say, Yeah, I'll go with
17 public financing because that that will really
18 give me enough money to be credible and out there.

19 One risk that I see, and if you'll let
20 me play off this scenario, I think a savvy
21 incumbent would realize, you know, I've got enough
22 name recognition, I've got the ability to deliver
23 my message through my office, I'll go with public
24 financing. If my opponent doesn't go with public
25 financing but raises enough money, I'll get even

1 /00 LAW & GOV'T - BILL

2 more public financing money, so if they're
3 successful in raising money, I'll benefit also.

4 So I think you just want to take some
5 time to make sure you are not -- I mean, you are
6 incumbent, but I think your motives are well and
7 good, and we don't want to --

8 COUNCILMAN ORTIZ: How did Feingold win
9 like that in Minnesota?

10 MR. FRANKEL: Feingold was in
11 Wisconsin.

12 COUNCILMAN ORTIZ: In Wisconsin, and he
13 squeaked through but he made it against the
14 challenger, who spent huge amounts of money.

15 MR. FRANKEL: Mm-hmm, mm-hmm. But I
16 would want to note some practical issues that I
17 noticed in reading the bill. It's silent on the
18 status of campaign funds already accumulated
19 before the law goes into effect. What is going to
20 happen if, you know, somebody's got half a million
21 in the bank already? You know, they're going to
22 have an advantage, I don't think you can take it
23 away from them and say they can't use it, and I
24 would be interested -- and I haven't had the time
25 -- to like learn from the experience of New York

1 /00 LAW & GOV'T - BILL

2 and Los Angeles, what they did. I mean, how did
3 they, time-wise, implement this to this deal with
4 that issue?

5 Are the enforcement tools sufficient to
6 really discourage political operatives from trying
7 to skirt the various prohibitions contained in the
8 bill, or is this a regulatory system that is so
9 full of potential loopholes as to be nearly
10 unenforceable like the federal law? You need
11 strong tools and strong teeth. I mean, we've seen
12 what's gone on at the federal level. There was
13 even a story in the Wall Street Journal today
14 about even some of the Republicans were
15 questioning some of Congressman's DeLay's tactics.
16 I mean, you've got people who spend a lot of time
17 scheming and thinking about where's the loophole
18 and how do I get around it? They know they can
19 because the enforcement mechanism isn't --

20 COUNCILMAN ORTIZ: I think that's been
21 the advice we got both from L.A. and New York in
22 terms of being very strong along those lines. And
23 I think that's something that we would hope to
24 integrate into the -- I mean, the hearing has been
25 very instructive, because it has shown where it is

1 /00 LAW & GOV'T - BILL

2 that we need to go to make it a stronger bill and
3 a much more relevant and meaningful bill.

4 MR. FRANKEL: Yeah. I think the
5 hearing's been very good in that regard.

6 I also have a series of questions about
7 Council-at-large elections. First let's go to
8 what's the debate going to look like? If you have
9 20 to 25 participating candidates, only the most
10 diehard are going to listen to 20 to 25
11 candidates, believe me. I know that someone
12 mentioned the Senate race. In the primary here,
13 we had six candidates up on a debate. I mean, how
14 many people watched one full one, much less four
15 or five, you know, especially when everybody
16 recognizes -- except those candidates who aren't
17 extremely competitive -- that maybe you're down to
18 7 or 8 but you still have to listen to the other
19 15 because of the way the debate structure is.
20 It's just something pragmatically that has to be
21 thought out.

22 COUNCILMAN ORTIZ: Councilman Kenney,
23 you want to say something?

24 COUNCILMAN KENNEY: No -- eventually,
25 yes, I have a couple questions.

1 /00 LAW & GOV'T - BILL

2 MR. FRANKEL: Another question I have
3 is, how do you deal with an independent
4 expenditure campaign in the Council-at-large
5 elections? What if, say, there's ten candidates
6 who are participating candidates and there's an
7 expenditure campaign in favor of one? Do you give
8 matching funds to the other nine? Do you figure
9 out which one is actually the target of the
10 campaign and give that one -- I mean, I don't know
11 what the answer to any of that is. I don't know
12 that anybody does yet, and while we can learn some
13 things, I think, from New York City and possibly
14 Los Angeles since they don't have at-large
15 elections, those issues are a little different.

16 And the last point I'd like to make is,
17 we also need to consider the impact of the lack of
18 State regulation and the lack of State law in this
19 area. I don't know -- again, I think it's useful
20 to look at what's going on in other cities and
21 what kind of laws those states may have. But
22 Pennsylvania is pretty notorious for having
23 virtually no State regulation of campaign finance,
24 certainly the amounts that given.

25 And can we successfully regulate -- can

1 /00 LAW & GOV'T - BILL

2 one successfully regulate their activities so that
3 they are not becoming the vehicles for what, you
4 know, generically we might call "soft money," that
5 then is used to influence elections in the City?
6 I think that has to be seriously looked at. I
7 don't know what the experience has been in other
8 places, but there's a whole range of other
9 entities interested in what occurs in Philadelphia
10 that are not necessarily, you know, any
11 candidate's campaign committee in this city. And
12 I think you have to consider the interaction
13 between the two in making sure you have a strong
14 bill.

15 My final comment is the one point --
16 and I don't know how you build it into the
17 legislation, but the woman from New York said you
18 got to constantly be vigilant and probably modify
19 the system as you see the problems that arise and
20 address, you know, things that nobody's even
21 thought of here today that you'll see once you
22 implement a system.

23 But in closing, I want to commend you
24 for initiating this discussion. It's the
25 beginning of what I think is an important process

1 /00 LAW & GOV'T - BILL

2 here. I hope that the focus will be on a public
3 financing system. And to the extent we have time
4 and some expertise to provide, we'll be happy to
5 assist.

6 COUNCILMAN ORTIZ: Jimmy?

7 COUNCILMAN KENNEY: Yeah, thank you.

8 There's two general issues that get
9 raised from most of the testimony that comes from
10 people with legal expertise and legal background,
11 and that is one on constitutionality. And I'm
12 wondering how you view the continuing success and
13 existence of both New York and Los Angeles and
14 some other major cities that they have not been
15 either struck down or challenged for their
16 constitutionality and can be more restrictive, or
17 as restrictive, as what's being proposed here.

18 MR. FRANKEL: I'm not completely
19 familiar with all of the provisions in those
20 bills. Let me tell you what I think is
21 unquestionably sound here: restrictions on the
22 amount that people can give. The Supreme Court
23 decision this year made it clear that as long as
24 you've got some rational basis for setting those
25 amounts and the amounts I see are chosen are

1 /00 LAW & GOV'T - BILL

2 pretty much the federal amounts, those are going
3 to be upheld. A voluntary system of public
4 financing with an agreement that you will not
5 spend beyond those amounts, that's going to be
6 constitutional.

7 Some of others, you know, I don't even
8 know if those other cities have some of the kind
9 of provisions here with regard to the time --

10 COUNCILMAN KENNEY: Los Angeles, I
11 believe, does.

12 MR. FRANKEL: Los Angeles does. And I
13 don't know whether anybody's ever challenged it on
14 that basis as well and whether it poses any kind
15 of problems. I don't know what the term limits
16 there may be, and that may affect some of that to
17 a certain degree.

18 I just caution that it struck me in
19 terms of reading it and, you know, no criticism of
20 it. You know, we had less than two weeks. And,
21 frankly, there's been some other business on the
22 table, and I'm glad to hear there will be further
23 time to take a look and do some further research.

24 In the independent expenditures,
25 there's a split in the courts, and I think there's

1 /00 LAW & GOV'T - BILL

2 still a lot of work that needs to be done.

3 So I think the general framework is
4 there and in place. There may be some particular
5 issues. I don't see, you know, a court striking
6 down the whole thing. There may be certain
7 details that may be --

8 COUNCILMAN KENNEY: Do you believe that
9 the State -- that the Commonwealth's lack of
10 oversights provision law on -- statute on this
11 particular issue is maybe, in the long run, good
12 for us? Because they're not prohibiting us from
13 doing anything. If they're silent on the issue,
14 would it indicate some leeway for us to monitor
15 ourselves because they are silent on a specific
16 issues? Is that's how courts have ruled or have
17 they ruled alternatively on those kinds of
18 issues?

19 MR. FRANKEL: I'm going to say I need
20 to look at that a little more closely. You know,
21 maybe it's a gut reaction, but obviously, some
22 people in the state legislature think you don't
23 have that authority.

24 COUNCILMAN ORTIZ: Well, we do have an
25 opinion from the City Solicitor that says we can

1 /00 LAW & GOV'T - BILL

2 do it and it is defensible. I understand a lot of
3 folks in the legislature will always say that we
4 don't have the authority to do anything.

5 MR. FRANKEL: They also thought you had
6 the authority some gun-control legislation.

7 COUNCILMAN KENNEY: I was actually
8 surprised that it got out of the House, frankly,
9 and-- well, it got out of the House and it is in
10 the Senate, and I think some of the conversations,
11 informal conversations, that I've had and others
12 have had with senators in trying to explain what
13 it is we're trying to accomplish, I think there's
14 been somewhat a softening of what you would expect
15 them to be against it. I mean, some prominent who
16 have people raised a lot of money themselves say,
17 Well, yeah, if you explain it that way, I
18 understand it, and if you guys want to police
19 yourselves, that's fine. As long as you're not
20 imposing upon our ability to raise money, we don't
21 really care.

22 So I think there's a possibility it may
23 even get out of the Senate.

24 MR. FRANKEL: If I may. I think
25 there's a possibility. I think to aid that -- I

1 /00 LAW & GOV'T - BILL

2 mean, I think you would be on much better grounds
3 if the bill was passed in the Senate and signed by
4 the Governor, and no one could then come in and
5 say they didn't give you the authority. You know,
6 you take that away.

7 But I will go back to the -- I think
8 it's much more likely to pass the Senate if it
9 appears there is significant bipartisan support
10 for the legislation because, frankly, the House --
11 it was easy. They know, we pass it, we can say we
12 voted for campaign finance reform, and let the
13 Senate be the bad guys. I mean, you know, that
14 happens all the time, as you know well. Let the
15 other guy be the bad guy. It's different when you
16 have a unicameral legislature like City Council,
17 you can't play that game.

18 COUNCILMAN KENNEY: And I guess as a
19 matter of comment, I find it difficult, although I
20 understand the concept of the first-amendment
21 issue as it relates to television advertising, but
22 I guess you would at least acknowledge the fact
23 that from, I guess, maybe a truth in advertising
24 situation, it's difficult to defend the amounts of
25 money that are spent to spin a person's image in

1 /00 LAW & GOV'T - BILL

2 ways that maybe really don't relate to issues but
3 more relate to trying to portray a person in a
4 particular way. I mean, Neil Oxman's favorite
5 comment that I've read in a story in the
6 Washington Post was that he viewed his job as
7 keeping people from going to the polls, which I
8 thought -- I called him up about it and had a
9 discussion with him about it, which I think is
10 kind of crazy in the long run if you're looking at
11 it that way.

12 So money, in some ways, large amounts
13 of money, are being raised to put stuff on
14 television that really make people not want to go
15 out and vote. And I'm wondering if in the end
16 analysis, maybe from a legal standpoint it may be
17 accurate, but from a moral or practical
18 standpoint, it really isn't even promoting the
19 first amendment; it's stifling in some ways
20 people's desire to participate in their
21 democracy.

22 And I don't know a legal way around it,
23 but just from a comment, an observation
24 standpoint, I mean, you look at some of the
25 commercials that you see in the last election,

1 /00 LAW & GOV'T - BILL

2 that you see in the presidential election and you
3 see in the mayoral elections, I mean, we all know
4 these people, and we're saying, Who is this person
5 on television spending 10, \$15 million, creating
6 an image that we know may not even be true?

7 But all that aside, the fact that
8 campaigns have become so electronic and so
9 televised so product-slick, I think, in many ways,
10 has detracted from people's desire to participate
11 anymore. And if we could ratchet down the amounts
12 and change the ballfields from major-league
13 ballparks and go into a minor-league ballpark
14 price-wise, it may get more people wanting to at
15 listen to what we have to say as opposed to
16 flipping the dial as we show up in their homes
17 unsolicited.

18 COUNCILMAN ORTIZ: Glenn Moramarco and
19 then we'll follow with Common Cause. And, you
20 know, you cannot read this thing, but just give me
21 the stuff and this will be included in the record
22 because it's a good analysis of the New York bill
23 here.

24 MR. MORAMARCO: Sure let me just make
25 sure that everyone in Council is clear about the

1 /00 LAW & GOV'T - BILL

2 Brennan Center or at least what we've been doing
3 recently.

4 COUNCILMAN ORTIZ: Identify yourself
5 for the record.

6 MR. MORAMARCO: Sure. Glenn Moramarco
7 from the Brennan Center for Justice at NYU School
8 of Law.

9 The Brennan Center was founded about
10 five years ago by former law clerks and friends of
11 Justice Brennan to work on issues that were of
12 concern to the justice. A premier one is
13 democracy. In that line, we've been involved in
14 campaign finance reform for some time now and have
15 really been very active in litigating these issues
16 on a day-to-day basis.

17 We represented parties in the Shrink
18 Missouri case that has been discussed today. We
19 got Senator McCain on the ballot in New York. I'm
20 representing Ralph Nader now to get him on the
21 ballot in North Carolina. I successfully the
22 Maine Clean Elections Act case, which was the
23 first full public funding statewide initiative in
24 the country. And I think people have read in the
25 Philadelphia Inquirer on Monday about our landmark

1 /00 LAW & GOV'T - BILL

2 study of issue advocacy that just came out,
3 analyzing all of the ads from the 1998 election.

4 But in terms of litigation, we bring
5 some expertise to the field here, and I would like
6 to discuss then a case that Larry brought up,
7 because, actually, I would go farther. I'm not in
8 fundamental disagreement with Larry on some of
9 these issues. I think the worse thing that could
10 happen would be if you pass a law that then gets
11 struck down, because a lot of effort is obviously
12 going into this, and I see from all the testimony
13 that there really is a ground swell of support in
14 this city for good and effective public financing
15 campaign reform system. So it would be silly to
16 lose it then in some details that may not be
17 necessary. And while I don't think a court would
18 strike down the whole bill, I think you ought to
19 know going in which are the potentially
20 problematic areas here.

21 Again, I agree with Larry that on the
22 broad parameters which mirror what are in L.A. and
23 New York, you're fine. Mandatory contribution
24 limits, public funding, voluntary spending limits
25 those are all sound and reasonable, and you're not

1 /00 LAW & GOV'T - BILL

2 going to have any problem, but there are some
3 aspects to this bill that are a little unique that
4 you need to need to give a little bit more thought
5 to, perhaps.

6 The lower contribution limits, for
7 example, for those seeking government contracts or
8 benefits, I actually think that that would
9 survive. I think the case law on that is pretty
10 good. If you decide you want to keep it, and I
11 can't tell from the amendments whether or not
12 that's something you're jettisoning or not, but I
13 think it's a legal matter that that would survive
14 based on a good precedent in the D.C. Circuit,
15 basically based on the Securities and Exchange
16 Commission rules on pay-to-play.

17 What the federal rule now is that you
18 can only give \$250, which is very close to your
19 \$200 limit. And I think the court there was
20 satisfied that by allowing some de minimis
21 contribution, you weren't cutting off a person's
22 first-amendment right, but you were attacking an
23 area in which there really is more pervasive
24 opportunity for corruption. There are a number of
25 states with similar provisions to this; it is not

1 /00 LAW & GOV'T - BILL

2 unique to the Philadelphia bill. And so I think
3 that that is something that you could pretty
4 strongly defend if you decide politically you want
5 to keep it.

6 On the other hand, the 10-to-1 match
7 for independent expenditures, I think, really is
8 questionable both in terms of policy and
9 constitutional validity. There are two cases on
10 that, and I defended the successful one in Maine,
11 which is the only positive precedent in this
12 area. But that was a 1-to-1 match, and the Court
13 there was persuaded that with a 1-to-1 match, you
14 can say that it's furthering first-amendment
15 values because when somebody speaks, there's a
16 right to reply. And there really is, you know, a
17 furtherance of a debate here is like giving equal
18 time.

19 Here, this 10-to-1 match seems to be to
20 just be punitive. It's saying to people, If you
21 have an independent expenditure, the person you're
22 against is really going to be helped
23 tremendously.

24 There are other ways to do this. You
25 could do this the way Maine does. You can say if

1 /00 LAW & GOV'T - BILL

2 somebody's the target of an independent
3 expenditure, the City will match the amount of
4 that expenditure, or you can raise their otherwise
5 their voluntary spending limit by the amount of
6 the independent expenditure. There are lots of
7 ways to do that, but I think a court would see
8 10-to-1 as punitive.

9 A closer call is the total contribution
10 limits for off-year fund-raising. There's not a
11 lot of case law on it, it's mostly at the State
12 level. There aren't federal decisions on it, I
13 don't think the State Court decisions are that
14 well-reasoned, they go both ways. I mean, I think
15 you just should know that that's a gamble. You
16 may not want to invite the problem unless, for
17 political reasons, you think it's very important.

18 I don't believe there's anything like
19 that in New York, and I'd be surprised if there is
20 in L.A., but I don't know L.A. very well at all.
21 But it's a problem area.

22 The other thing I would suggest is, it
23 seems to me the penalty section here really needs
24 beefing up. Under the federal system, what you
25 have is, you tie the potential penalties to the

1 /00 LAW & GOV'T - BILL

2 magnitude of the violation, so that if it involves
3 contributions or expenditures of \$50,000 -- there
4 are basically two tiers in the federal system.
5 For regular civil violations, it can be \$5,000 or
6 the amount involved in the nondisclosure or
7 non-reporting. And if it's willful, it can be
8 \$10,000 or twice the amount. It seems to me, you
9 want to tie whatever the penalty is to the
10 magnitude of the offense.

11 I know that Common Cause also raises an
12 issue about independent expenditures, which I did
13 not address in my testimony, but just want to say
14 for the record that I think their recommendation
15 is really quite good, and you should look at the
16 definition of "independent expenditures" more
17 closely and go with the bill that they
18 recommended.

19 This is the most -- this is one of the
20 most contested areas in public finance today.
21 It's very, very difficult to predict what the
22 courts will approve in this area, but I think the
23 bill that is put forth in Common Cause's
24 recommendation is really quite a good one.

25 MR. WINGERT: My name is Robert

1 /00 LAW & GOV'T - BILL

2 Wingert. I'm a Philadelphia resident and business
3 person and a former member of the Pennsylvania
4 Common Cause Government Board. With me today is
5 Barry Kauffman, who is the Executive Director of
6 the State Governing Board of Common Cause.

7 I'm going to be very brief because much
8 of what I had to say would be redundant, and in
9 light of the honor, it would waste everyone's
10 time.

11 We applaud what you're trying to do
12 here. We appreciate what it would do to open the
13 doors for people who otherwise wouldn't have a
14 shot at public office, and we appreciate also the
15 concept of limiting campaign contributions to a
16 level that would force potential candidates to get
17 out and play the field a little more in terms of
18 fund-raising. Obviously, they wouldn't spend a
19 lot of time lobbying big-ticket contributors and
20 avoiding the small gain.

21 We know that these reforms can work
22 because where they've been implemented in other
23 locales, they've worked. And we know that -- we
24 have some information that we can elaborate on
25 that issue if you would like.

1 /00 LAW & GOV'T - BILL

2 We have several recommendations for
3 changes to the proposed legislation, and we are
4 submitting those along with my written testimony
5 for your review.

6 I'll turn this over now to Barry.

7 MR. KAUFFMAN: Thank you for conducting
8 this hearing today. I think it's very important.
9 I think it will add some momentum to your efforts.

10 I just have a few brief comments.
11 Common Cause, you will notice in our written
12 comments -- and we're not going into that at this
13 time does -- does share almost all of the concerns
14 that the Brennan Center has raised as well as the
15 ACLU, and we have some suggested ways of remedying
16 those problems. Four points which we did not put
17 in written testimony, which I would -- I think
18 it's important to reinforce from prior speakers.
19 And that's:

20 I think New York suggested that you
21 have audit and subpoena power. I think it's
22 really important if we're going to protect the
23 public purse. Public finance is important, it's
24 worthwhile, but I do think we need to protect it.

25 I think we need to apply party

1 /00 LAW & GOV'T - BILL

2 expenditures on behalf of a candidate to the
3 overall expenditure limits of that candidate. I
4 think that was suggested by one other person.

5 One of the bills -- again, this is a
6 technical amendment now. I think we have to make
7 it absolutely clear that the expenditure limits
8 are in the aggregate, that you cannot give \$1,000
9 once, \$1,000 twice, \$1,000 three times, but 333,
10 and 333 and 333 make the 1,000. So that all those
11 limits are in the other aggregate.

12 And every other municipality I've
13 talked to -- and I did get a chance to talk to
14 several yesterday -- made it absolutely clear that
15 you must have a nonpartisan tough-minded
16 enforcement agency to keep the public's confidence
17 in this.

18 And the one issue which has come up
19 quite a few times -- and I think it's an issue
20 we're all going to have to deal with as we promote
21 this, and that is the cost. It's a legitimate
22 issue, but I think we can win on that issue,
23 because in the several municipalities I talked to,
24 they noted the pay-to-play does seem to diminish,
25 that there is less incentive to have to reward

1 /00 LAW & GOV'T - BILL

2 political contributors. And to some degree, this
3 system may pay for itself because there isn't this
4 reward system built in that we have in the current
5 system.

6 But even putting that aside, I think we
7 can defend this on its own because there's no more
8 important task or duty of a government, especially
9 a representative democracy, than in protecting its
10 own integrity and the people's confidence in that
11 integrity. And I cannot think of any more
12 justifiable expense than protecting the integrity
13 of elections because, let's face it, elections are
14 the only way that the average citizens have in
15 holding power accountable. So protecting the
16 honesty, the openness, and the competitive
17 elections, I think, is absolutely essential and is
18 justifiable on its own merits.

19 Thank you.

20 COUNCILMAN COHEN: You know, what
21 bothers me more than any single issue in this area
22 is the feeling I have that decisions at the
23 government level may not be made on the issue of
24 merit. It's very distressing to learn, for
25 example, that a campaign contributor pays for the

1 /00 LAW & GOV'T - BILL

2 cost of a trip to a foreign country by a candidate
3 and then shortly thereafter, the candidate, who
4 has the power of decision-making, shortly
5 thereafter, a very big contract involving millions
6 of dollars is issued to that candidate.

7 It may very well be that the decision
8 was made totally on merit, but everybody -- you
9 know, everybody says they hope so, but there is a
10 note of question in most people's mind, and in
11 many people's minds, there is a conviction that
12 the choice had nothing to do with merit. That
13 happens constantly in this city.

14 The excuse given is that, Well, we have
15 to pick among contributors because everyone's
16 contributing large sums of money to our campaign.
17 Therefore, we're not being influenced by the
18 contribution. In other words, I guess if you get
19 enough corruption, then the honest person is
20 guilty of something for not participating in the
21 system of corruption.

22 It's just a very uncomfortable feeling.
23 We citizens ought to be able to feel that public
24 monies and public decisions as to money are based
25 on merit. And I find that a more important issue

1 /00 LAW & GOV'T - BILL

2 in my mind than the question of the election. In
3 Philadelphia, we have had independents win
4 elections. After they win elections, independents
5 don't always remain independent. Generally, they
6 move in the other direction. Ed Rendell, the
7 Mayor, was -- you know, was a strong independent
8 when he first ran for office. And that's been
9 true of many people.

10 So I think whatever we can do to bring
11 in elements of integrity in the decision-making
12 progress is important -- maybe more important than
13 the question of candidates who are independent
14 winning. In Philadelphia, we've had a pretty good
15 history of independent candidates being able to
16 win elections. Of course, maybe things have
17 changed now. We never had an election before in
18 which I think \$9 million was spent by one
19 candidate in the Democratic primary for mayor, and
20 I think maybe the second candidate raised
21 \$5 million. Now, it would be tough for an
22 independent, particularly a newcomer in the race,
23 to raise that kind of money.

24 So we thank you all for your interest.
25 Somehow we've got to make this subject a little

1 /00 LAW & GOV'T - BILL

2 more interesting, though. I would like to say
3 that we were discussing the no-smoking issue in
4 restaurants and bars last week, and we had -- the
5 room was packed here. Some people were standing
6 up. It created so much interest because we were
7 dealing with something basic to the owners of
8 restaurants and bars. And, by, God they packed
9 it, and there was a lot of people interested in
10 the issue of dealing with smoke and preventing it
11 for health reasons, preventing it from occurring
12 in restaurants and bars that they wanted to go to.

13 But looking in the room today, we have
14 people, you know, who are leaders in community
15 groups and the public-interest groups, but we
16 haven't reached the community yet. And I think
17 maybe the reason we haven't reached the community
18 yet is that people have begun to accept it as a
19 necessity -- that's the lack of integrity. They
20 think that, you know, kind of everything is for
21 sale, and there's no use fighting it. But with
22 your help, I think we're going to be leading the
23 community.

24 Yes, go right ahead.

25 MR. FRANKEL: I've testified at a

1 /00 LAW & GOV'T - BILL

2 number of hearings on campaign finance reform, and
3 I was going to refrain from making my soapbox
4 speech but, Councilman Cohen, you're motivating
5 me. I think one of the damaging things that can
6 happen at these hearings sometimes is to reinforce
7 unnecessarily to some degree people's cynicism.

8 I lobby in Harrisburg. We make
9 absolutely no political campaign contributions,
10 none. It doesn't stop people from sending me
11 invitations, unfortunately, but we don't make
12 any. There is nobody's office that is off-limits
13 to me because of that.

14 I understand that money has influence,
15 but when you bring some information. Some
16 expertise, or when you can organize people to
17 contact their legislators -- an elected official
18 will not do something for a contributor if they
19 think it's going to cost them their job. And
20 there's not press here so I'm not so worried
21 today. But I think sometimes these hearings add
22 to the problem, if that's the message that
23 continually sent out.

24 There are numerous occasions that I can
25 point to in Harrisburg, of all places, where the

1 /00 LAW & GOV'T - BILL

2 money interests wanted something and they didn't
3 get it because the legislature were more scared of
4 the voters. And some of us. Including myself,
5 need to spend more time re-educating people about
6 how to contact their legislator and making them
7 responsive to things besides money.

8 And, you know, I understand that --
9 there's no doubt about it, the agenda is set by
10 who gives money, and sometimes bills merely move
11 one stage in the process to shake the money tree.
12 But there is a rule for those without the money.
13 It's, they organize -- that's what labor was all
14 about, that's what labor unions get in business
15 for, because they could bring together numbers of
16 people. Max Weiner had an incredible impact in
17 this city and he didn't have money to do it.

18 So it just-- you know, I'm speaking to
19 people who knew, but it just is a soapbox get on.
20 I also have to communicate to the public that they
21 can have an impact, if they actually care and if
22 they actually organize. And those of us who are
23 in the business of having to kind of communicate
24 that message need to keep doing it. Otherwise it,
25 is just going to get worse.

1 /00 LAW & GOV'T - BILL

2 COUNCILMAN COHEN: I think that's an
3 important message.

4 MR. WINGERT: Councilman Cohen, I'll
5 just be very brief. Larry's right that we
6 shouldn't help to fuel cynicism, but I think we're
7 starting to see the pendulum swing a little bit,
8 and I think that's good news for us, because we
9 saw some groups here, I guess, some of the
10 gay-rights groups and some of the other City
11 groups, and across the nation, environmental
12 groups, they're finally starting to get it, that
13 this is not just some boring insider's game; this
14 is the power game that underlies every issue that
15 rank-and-file people care about, and they're
16 finally starting to get it and they're
17 understanding why and that's why they're backing
18 organizations like ours and campaign finance
19 reform, because it impacts their success in the
20 long run.

21 And we're even starting to see hints of
22 this in the U.S. Supreme Court, which up to this
23 year, was always very careful to exclude
24 expenditure limits from their view of what --
25 mandatory expenditure limits from their view of

1 /00 LAW & GOV'T - BILL

2 what was constitutional. And I think -- I'm not
3 sure, but I think it was Justice Stevens'
4 concurring opinion which began hint that the Court
5 now understands -- they didn't make any decision
6 on this, but their opinions began to hint that the
7 court now understands the impact that big money
8 not only has on candidates corrupting candidates,
9 which was there was low contribution limits, but
10 they began to hint that they now understand the
11 impact that it has on corrupting the electoral
12 system and the legislative process as a whole.
13 They haven't quite gotten to the point where
14 they're doing anything about it yet, but their
15 opinions are beginning to hint at their
16 understanding of this.

17 COUNCILMAN COHEN: Well, they are very
18 hopeful signs. We thank you for that note of
19 optimism, too.

20 Thank you for being patient with us
21 today and for your testimony.

22 Lauren Townsend, the Executive Director
23 of Citizens for Consumer Justice. And I'm going
24 to suggest Inja Coates come up, of the
25 Philadelphia Cable Access Coalition. And David

1 /00 LAW & GOV'T - BILL

2 Masur, Director of Pennsylvania PIRG, and Phyllis
3 Gilbert of the Sierra Club.

4 (Witnesses come forward.).

5 COUNCILMAN COHEN: Inja, would you like
6 to begin.

7 MS. COATES: Good afternoon.

8 COUNCILMAN COHEN: And you have to hold
9 the microphone very close to you, right.

10 MS. COATES: Good evening. My name is
11 Inja Coates, and I'm here to speak on behalf of
12 the Philadelphia Community Access Coalition to
13 express our support for this bill, though it
14 sounds like there are some details that still need
15 to be ironed out.

16 In 1997, our group has picked up where
17 previous groups left off and has been working for
18 the last several years on the 16-year-old struggle
19 to get the City to implement its own legislation
20 for citizen access television. Among our members
21 and supporters are many of Philadelphia's notable
22 arts and cultural institutions, science and
23 technology agencies, community groups, educators,
24 and ordinary citizens.

25 Perhaps it not be immediately obvious

1 /00 LAW & GOV'T - BILL

2 what our issue has to do with campaign finance
3 reform, but allow me to explain what our
4 experience has been. We have been a group of
5 concerned citizens without a lot of political
6 savvy, weren't really sure why the City was
7 ignoring its own ordinance for public access. We
8 thought that if we brought the situation to the
9 attention of City Councilmembers, they would
10 understand and correct this situation. We naively
11 believed in a political system where elected
12 officials represent their constituents' needs and
13 interests in establishing public policy.

14 Well, the past few years have been a
15 real education for us in the way politics really
16 works. Despite the fact that we have shown
17 significant community support, our issues have
18 been continually marginalized or ignored. I've
19 been amazed to attend Council hearings, somewhat
20 like this, where there are virtually no
21 Councilpeople in the room to hear the citizens
22 speak, and many Councilpeople will not make
23 themselves available to meet with citizens during
24 a significant part of their term because they're
25 busy fund-raising and campaigning for their next

1 /00 LAW & GOV'T - BILL

2 election.

3 We have had difficulty gaining access
4 to many of our elected officials because we are
5 not perceived as important, and then several of
6 the ones who did meet with us said they weren't
7 opposed to public access but wouldn't support us
8 against the powers that be. One Councilman put it
9 -- as one Councilman put it, we didn't stand a
10 chance going up the power of the cable industry,
11 which he referred to as an 800-pound gorilla.

12 We have been given lame excuses to
13 justify the City's giveaway of the public
14 resources to a powerful industry that is growing
15 at an astonishing rate. With recent technology
16 advances, the cable industry stands to make
17 billions through its consolidated cable TV and
18 cable Internet services. At the same time, they
19 have worked very hard to see that a minor thing
20 like the public interest does not impede their
21 profit-making progress.

22 A public access system in Philadelphia
23 could do wonders for our city by providing free
24 technology access and training to our citizens and
25 organizations. Not only would this help in

1 /00 LAW & GOV'T - BILL

2 bridging the digital divide, but programs could be
3 established that would assist after-school
4 programs after-school programs, teach teens about
5 the Web, televise Town Meetings, link block
6 captains and community groups, assist social
7 service agencies, and even provide free air time
8 to local officials and candidates running for
9 office.

10 However, we have been taught not to
11 rely on the merits of our issue, that being
12 well-intentioned citizens is not enough. This is
13 that cynicism that was being talked about
14 earlier.

15 Sadly, I am sure that we are not unique
16 in this situation, and many groups have had
17 similar experiences. The majority of politicians
18 won't move unless you can help or hurt them
19 financially or politically, and group that don't
20 have a lot of money must build a political power
21 base, negotiate influence, and demonstrate
22 intimidating numbers of potential votes.

23 Perhaps those same rules of politics
24 will apply even if we do have campaign finance
25 reform, but hopefully, you can help to empower our

1 /00 LAW & GOV'T - BILL

2 elected officials to act on behalf of citizens by
3 ending their enslavement to big money, and perhaps
4 the influence of the local cable industry can be
5 reduced to where they can be described as only a
6 200-pound gorilla if not a monkey.

7 Access, whether to information, the
8 media, or to the government, access means power.
9 If ordinary citizens don't have a voice in
10 politics or cannot access their representatives,
11 then we do not have a true democracy. It is our
12 hope that the campaign finance reform measures
13 proposed in this bill, or one similar to it, will
14 go a long way towards returning the government to
15 the people.

16 COUNCILMAN COHEN: Thank you. I would
17 suggest to Councilman Ortiz and myself that we
18 refrain from asking questions until each of the
19 panelists have been heard. And then we may have
20 questions for each of you.

21 Who is next? Phyllis Gilbert.

22 MS. GILBERT: Good evening. My name is
23 Phyllis Gilbert, and as Chair of the Global
24 Warming Committee of the local Sierra Club. I'm
25 offering this testimony in support of campaign

1 /00 LAW & GOV'T - BILL

2 finance reform and public financing for the City
3 of Philadelphia elections.

4 The Sierra Club has 9,400 members in
5 the Delaware Valley and 2,500 in Philadelphia, and
6 we vote and we talk to our elected officials. We
7 greatly appreciate this opportunity to publicly
8 support these issues which are crucial to reviving
9 our democracy, to protect its integrity and
10 openness and, hopefully, its honesty.

11 I was going to give -- you know,
12 mention a whole bunch of issues that have plagued
13 cities where we've paid polluters to pollute and
14 plagued our government historically and to the
15 present, but in view of the time constraints, I
16 thought I'd just mention some of the kinds of
17 issues that I've been involved in and others of us
18 locally in the pay-to-play scenarios.

19 And like Inja, we have come to City
20 Councilpeople to try to educate and try to help to
21 gain understanding of the importance of these
22 issues for the sake of the public's environment
23 and their health, but we've been kind of cast
24 aside, even in public hearings.

25 We came and testified at the public

1 /00 LAW & GOV'T - BILL

2 access cable TV hearings, we worked to force toxic
3 waste contractors to obey environmental laws in
4 southwest Philadelphia, we've protested against
5 allowing many hospitals to continue burning
6 hazardous waste, and we've testified against
7 allowing privileged developers to let once-
8 productive buildings to rot, and this little
9 technique is now called "demolition by neglect."
10 So, you know, we've known from our personal
11 experience how important this law can be.

12 As an activist, when we participated in
13 these issues, we've really been discouraged by the
14 lack of attention to our concerns. This bill has
15 a good chance to improve our air and water quality
16 and, therefore, our public health, for
17 environmental issues are basically health issues.
18 Where the polluters of the public have given the
19 privilege to the public to pay for their health
20 care, there are diseases that have been caused by
21 a bad environment.

22 So let me reiterate that the pattern of
23 pay-to-play at all levels of government is
24 destroying our environment and turning many away
25 from their voting responsibilities. So we're

1 /00 LAW & GOV'T - BILL

2 looking forward to helping implement this bill to
3 educating the public to encouraging people to take
4 heart. We will work diligently with this
5 coalition to take the next steps necessary for
6 implementation.

7 Thank you.

8 COUNCILMAN COHEN: Thank you very much.
9 Lauren Townsend.

10 MS. TOWNSEND: Thank you for letting me
11 speak here today. My name is Lauren Townsend, and
12 I'm the Director of Citizens for Consumer
13 justice. Thank you again for allowing me to
14 speak. It's a very grim problem that we're
15 confronted with, our campaign finance system.

16 A little bit CCJ is that we've become
17 the state's largest consumer organization and
18 coalition working on preserving and strengthening
19 Social Security and Medicare, lowering
20 prescription drug prices for consumers, passing a
21 strong patient's bill of rights, preserving access
22 to our civil justice system, and winning clean-
23 money elections, as well as other issues.

24 And working on these issues forces us
25 to regularly battle the influence of

1 /00 LAW & GOV'T - BILL

2 special-interests dollars on the political
3 process. Case in point was last week's
4 Philadelphia Inquirer when the pharmaceutical
5 lobbyists had a full-page ad urging consumers to
6 keep the status quo and keep the government out of
7 their medicine cabinet. So the problem is grim.

8 In 1998 -- well, you know the problem.
9 We've got very expensive elections. Congress
10 spent more than a billion running for office in
11 1998, the Mayor's race astronomically priced, over
12 twice that of New York City. And citizens and
13 politicians agree that the system is broken.

14 But a small, but growing, number of
15 states across the country and cities, as you've
16 heard earlier, are taking initiatives and moving
17 forward with alternative campaign finance systems,
18 like clean-money elections.

19 Now, CCJ does prefer clean-money
20 elections, with full public financing of
21 elections, where candidate run their campaigns
22 entirely with money from the public fund to
23 qualified candidates that first meet ballot-access
24 requirements and demonstrate community support by
25 collecting a threshold number of small donations

1 /00 LAW & GOV'T - BILL

2 and signatures and then agree to abide by spending
3 limits and reject private contributions. And
4 because such a system is voluntary, it would be
5 constitutional and stand up in court.

6 But we applaud Councilman, Ortiz,
7 Kenney and Cohen for introducing a proposal which,
8 for Philadelphia, is a real step toward leveling
9 the playing field and giving more Philadelphians
10 equal opportunity, regardless of their economic
11 status, gender, or the color of their skin.

12 I mention economics, gender and race
13 because when the vast majority of Americans stand
14 outside the process altogether, with roughly 95
15 percent of the adult population making no
16 political contributions, it's kind of no-brainer
17 to look at what's going on and see the situation
18 what it is. Money, rather than democracy, is the
19 name of the game.

20 There was a study done by the Center
21 for Responsive Politics called "Sex, Money and
22 Politics: The Gender Gap in Campaign
23 Contributions," where the Center states that
24 although the gender gap in apportioning money
25 between parties has generally widened in the

1 /00 LAW & GOV'T - BILL

2 1990s, the male/female breakdown in overall
3 political contributions has not significantly
4 changed. Women may vote in larger numbers than
5 men, but women are responsible for only about one
6 quarter of the large individual hard-money
7 contributions; that's itemized donations of at
8 least \$200 to candidates, parties, and Political
9 Action Committees. And that figure has remained
10 fairly constant for over the past four election
11 cycles. And we wonder whether this disparity
12 could have something to do with why public schools
13 and day care centers have to have plant sales,
14 bake sales, and walkathons to raise money for
15 public schools and day care center.

16 But the plot thickens, adding insult to
17 injury. The national group Public Campaign did a
18 study called "The Color of Money," which examines
19 campaign contributions and race. In it, they say
20 that people of color are largely absent from what
21 has become one of the most crucial elements in the
22 election process, namely campaign financing. The
23 study quotes civil rights leader Nelson Rivers,
24 III, Director of the Southeast Region of the
25 NAACP, explaining the effect of money and politics

1 /00 LAW & GOV'T - BILL

2 on his community:

3 "We're impacted in a negatively
4 disproportionate way. Since African-Americans
5 have decidedly less income, less disposable money
6 than other people in this country, we're at a
7 disadvantage when money is the deciding factor and
8 whether you can participate. While other folk
9 have the luxury of picking between two people who
10 still might represent them in some way. But for
11 us, it's a matter of having representation or
12 none."

13 I've included sheets from the Color of
14 Money Study, which show the greater Philadelphia
15 metropolitan area contributions in the 1995-1996
16 election cycle by zip code. When you look at the
17 numbers, you'll realize just how racist and
18 imbalanced our campaign system is.

19 Could it be that this imbalance has
20 something to do where a new sports stadium is
21 placed in our city, or why we don't have public
22 access cable, which City Council voted to into law
23 years ago?

24 Today's system of financing political
25 campaigns rewards large contributors by amplifying

1 /00 LAW & GOV'T - BILL

2 their voice at the expense of ordinary citizens.
3 It is special-interests campaign contributions
4 that effectively determine which candidates will
5 have the resources to run serious election
6 campaigns. This leaves out good candidates
7 without money or connections to contributors.
8 What's more, under our present campaign finance
9 system, politicians are forced to spend too much
10 time raising money, as Inja mentioned earlier,
11 instead of devoting their full energies to the
12 duties public office.

13 With this in mind, while we do support
14 full public financing, I urge you to move forward
15 in your efforts to level the playing field because
16 a truly vibrant democracy is one in which average
17 Americans and grassroots organizations are shaping
18 public policy, not large contributors and
19 corporations.

20 Thanks.

21 COUNCILMAN COHEN: Thank you. David
22 Masur.

23 MR. MASUR: Thank you. I'm David
24 Masur. I'm the Director for the Pennsylvania
25 Public Interest Research Group. Penn PIRG is a

1 /00 LAW & GOV'T - BILL

2 statewide nonprofit and nonpartisan
3 public-interest advocacy organization. With
4 nearly 12,000 citizen members throughout
5 Pennsylvania, Penn PIRG promotes greater access to
6 the democratic process and campaign finance
7 reform, environmental and public health
8 protection, and safeguarding consumers from
9 dangerous products, as well as consumer scams and
10 rip-offs. Penn PIRG is part of a network of state
11 PIRGs that have a long, rich history of working
12 campaign finance reform issues.

13 In recent years, the state PIRGs have
14 had numerous campaign finance reform victories.
15 In Montana, Mont. PIRG helped pass I-121, a ballot
16 initiative to ban corporate contributions from
17 ballot campaigns. Vermont PIRG helped support
18 efforts to pass public financing for gubernatorial
19 races and set mandatory spending limits and low
20 contribution limits for legislative races. And
21 state PIRGs in Massachusetts, California,
22 Colorado, Missouri, and Oregon have helped put
23 campaign finance reform initiatives on their
24 respective state ballots.

25 Penn PIRG supports political reform to

1 /00 LAW & GOV'T - BILL

2 make government accountable to ordinary citizens.
3 Government of the people and by the people, while
4 not flawless, is inherently better than rule by
5 enlightened elite and is not only more likely to
6 yield a political process that serves the public
7 interest, but is essential to the ideals of
8 freedom and democratic self government.

9 I'd like to start off by congratulating
10 the members of City Council for taking up such an
11 important public-interest battle. It has become
12 apparent to many Americans that our political
13 process has become corrupted by the effects of big
14 money and special-interest fat cats. As special
15 interests spend hundreds of millions of dollars
16 building their access to politicians, the scales
17 have fallen out of balance, removing the ability
18 of common citizens to have their voices heard in
19 our political process. In turn, Americans become
20 disillusioned about the political process,
21 believing that it is no longer one person/one vote
22 but \$1/one vote. Because citizens feel they can
23 no longer have their voices heard, they no longer
24 participate in the political process, causing the
25 democratic process to stagnate.

1 /00 LAW & GOV'T - BILL

2 Since money overwhelming influences who
3 can run for office, who can wins elections and
4 what issues dominate public discourse, elections
5 can only truly represent the will of the people if
6 campaign financing comes from ordinary citizens.

7 There are many aspect of City Council's
8 campaign finance reform legislation that Penn PIRG
9 strongly supports. First, this legislation takes
10 a strong stance to eliminate the pay-to-play
11 scenario by prohibiting all elected officials and
12 candidates for City offices from receiving
13 contributions in excess of \$200 from any
14 individual or business which has a City contract
15 for goods or services or City financial
16 assistance, we were to level the playing field and
17 promote a system of financial equality that
18 promotes citizen involvement in the process.

19 Secondly, the public financing system
20 proposed in this legislation is quite beneficial
21 in promoting greater constituent involvement. By
22 guaranteeing that candidates get a broader base of
23 financial support from a broader base of local
24 supporters will undoubtedly mandate that
25 candidates will not put special-interests dollars

1 /00 LAW & GOV'T - BILL

2 ahead of public-interest needs. For a candidate
3 to choose to rely primarily on small contributions
4 from ordinary citizens, this is a critical chance
5 to run for office. While this is a step in the
6 right, direction it still leaves grassroots
7 candidates vulnerable to attack from candidates
8 backed by wealthy interests or independent
9 expenditures.

10 Still, this legislation could take much
11 stronger steps to protect the public interests in
12 the democratic process.

13 First, the mandatory contribution
14 limits are set too high to reduce wholesale
15 corrupting influence of large contributors. By
16 setting contribution levels at \$1,000 this
17 legislation will continue to allow wealthy
18 interests to disproportionately influence
19 elections. For most residents of Philadelphia,
20 these contribution levels are well beyond their
21 reach and will only continue to promote status
22 quo. Penn PIRG recommends setting contribution at
23 \$100 for all candidates and all races in
24 Philadelphia. This sets a limit that is within
25 striking distance of what ordinary citizens can

1 /00 LAW & GOV'T - BILL

2 afford.

3 Furthermore, we believe that by setting
4 this mandatory contribution limit to a level of
5 \$100, it is on track with the spirit of this
6 legislation and it will accomplish the worthy
7 goals set out by the sponsors of this
8 legislation. By eliminating the pay-to-play
9 system, the language of this legislation sets
10 strong limits of \$200 for contributors who hold
11 contracts with the City of Philadelphia. The goal
12 is obvious: controlling undue influence by these
13 specific special interests. Why would we not take
14 equally strong steps to control special-interest
15 influence from other sources as well and set
16 similar strong contribution limits?

17 Also this legislation clearly states
18 that it hopes to achieve spending levels of
19 \$750,000 for mayoral candidates and \$100 for
20 at-large City Council candidates through the
21 voluntary spending limits set forth in the bill.
22 Again, lower contribution limits only will help
23 promote these spending levels. A contribution
24 limit of \$100 would mandate that mayoral
25 candidates need only \$7,500 contributions at the

1 /00 LAW & GOV'T - BILL

2 maximum limit, and candidates for City Council
3 would need only 1,000 contributions. In a city
4 with a population of approximately 1.1 million
5 residents, these levels of contributions are
6 easily attainable for candidates who genuinely
7 have a broad base of support. If public financing
8 is added in, they become even easier to reach.

9 The greatest step that can be taken to
10 truly promote greater public involvement in
11 protection of the democratic process comes from
12 the methods that drive this legislation. This
13 legislation is driven by spending limits instead
14 of contributions. Penn PIRG, along with many
15 organizations that work on campaign finance reform
16 issues, believes that this has proven to be the
17 less effective of the two options for controlling
18 special-interest power over the political process
19 while promoting public involvement and investment
20 in our current political system.

21 In order to meet the honorable goals
22 set forth by the sponsors of this legislation,
23 Penn PIRG recommends changes that can only promote
24 access to the democratic process for
25 Philadelphia's residents.

1 /00 LAW & GOV'T - BILL

2 First, set limits that are attainable
3 for all of our City's residents. Contribution
4 limits must be lower and Penn PIRG recommends
5 contribution limits of \$100 for all races.

6 Secondly, just as the contribution
7 limits in this legislation are mandatory, City
8 Council should make spending limits mandatory as
9 well. There are many reasons why spending limits
10 must be made mandatory. In the political arena,
11 we see far too many candidates who can out-spend
12 their opponent with personal wealth and then turn
13 their back on spending limits. This has been the
14 case with many visible federal campaigns,
15 including presidential candidate Steve Forbes,
16 Ross Perot, as well as numerous Congressional
17 candidates such as Mr. Corzine in neighboring New
18 Jersey.

19 Furthermore, spending limits should be
20 made mandatory, as we've seen an era where
21 candidates are able to raise so many large
22 contributions that they no longer feel the need to
23 opt into the spending limit plan. George W. Bush
24 recently proved the power of the \$1,000 donors in
25 his decision to ignore voluntary spending limits

1 /00 LAW & GOV'T - BILL

2 for the presidential primaries. We must guarantee
3 that we avoid this type of scenario in
4 Philadelphia's elections. These voluntary
5 spending limits are unlikely to work in the
6 obscene levels that some candidates will spend to
7 outbid those candidates who comply. The spending
8 cap will wind up being lifted in almost all
9 instances and, therefore, will not achieve their
10 purpose as currently drafted.

11 Penn PIRG is aware that the U.S.
12 Supreme Court struck down mandatory spending
13 limits in 1976 in the infamous Buckley v. Valeo
14 decision. However, over 200 constitutional
15 scholars have denounced that decision as misguided
16 several, and members of the current Supreme Court
17 indicate willingness to reconsider that decision
18 as ever early as this past January
19 Pennsylvania's own senator Arlen Specter has
20 cosponsored many times a constitutional amendment
21 that would overturn the Buckley decision and
22 specifically authorize mandatory spending limits.
23 Philadelphia, the birthplace of democracy, should
24 lead the country forward in establishing the
25 common-sense need for mandatory spending limits in

1 /00 LAW & GOV'T - BILL

2 political campaigns.

3 By taking these two critical steps, I
4 believe that City Council will be able to meet the
5 goals of this legislation and take a critical step
6 in promoting greater citizen involvement in the
7 democratic process. This will make Philadelphia a
8 city with a rich history of being in the forefront
9 of the fight for democracy to continue the
10 tradition of being the leader in the fight for the
11 cornerstone of our democratic process -- liberty
12 equality, and justice.

13 Thank you for giving me the opportunity
14 to speak today.

15 COUNCILMAN COHEN: Thank you.

16 COUNCILMAN ORTIZ: I'd like to make a
17 statement. When this passes, the fight for the
18 Charter change, the fight for -- because I believe
19 that this is going to draw a lot of monied folks
20 to throw an opposition campaign against approving
21 a Charter change of this sort. So we are going to
22 need a real grassroots organization that we'll
23 mobilize citywide and get the voters to really
24 create a consciousness about what we're trying to
25 do and get the voters to come out and defeat the

1 /00 LAW & GOV'T - BILL

2 money interest, because I believe the money
3 interest, if they come out and do a campaign --
4 they did it in New York, they do it everywhere
5 where this type of situation has been put forward,
6 so we're in for a struggle.

7 COUNCILMAN COHEN: One of the speakers
8 mentioned the stadium, that maybe the site of the
9 stadium is being picked --

10 MS. TOWNSEND: I said that.

11 COUNCILMAN COHEN: You're the one that
12 did?

13 Well, just for those that are concerned
14 about that issue, let me mention that on June
15 20th, beginning at 2 o'clock -- that's a Tuesday
16 afternoon and running into the evening to enable
17 those who can't come until after their work ends
18 at 5 o'clock or thereabouts, Council will be
19 holding a hearing on campaign financing for the
20 purpose of hearing how people feel about whether
21 there should be, and if so, how much should there
22 be of public financing.

23 COUNCILMAN ORTIZ: Not campaign
24 financing -- public financing of stadiums.

25 COUNCILMAN COHEN: That's the public

1 /00 LAW & GOV'T - BILL

2 financing of stadiums, so remember that. But
3 Lauren Townsend mentioned that issue.

4 Now, before that, we hope to be able to
5 have this issue on the ballot. And as Councilman
6 Ortiz pointed out, it's extremely important, if
7 we're successful in City Council getting it on the
8 ballot, it's very, very important that there be a
9 tremendous amount of support, or the thing may
10 very well be defeated in an election.

11 It's not defeated because people don't
12 support it; it gets defeated because of the power
13 of money in influencing the media to campaign
14 against it, but that will be the second step for
15 us to deal with after this is over.

16 We thank you all for coming being so
17 patient.

18 Next is Charles Juntikka, who's going
19 to speak to us, representing the New York City Bar
20 Association's Committee on Government Reforms.

21 (Witness comes forward.)

22 COUNCILMAN COHEN: Thank you very much.

23 MR. JUNTIKKA: You know, I only have
24 about five minutes of information to give you.

25 I'd like to talk about the -- I'd like

1 /00 LAW & GOV'T - BILL

2 to talk about the history of the New York City
3 finance program, public financing program, and I'd
4 like to tell you about our new law that is working
5 really well in special elections. And then I'd
6 like to make a constructive criticism, if I could.

7 COUNCILMAN COHEN: Go right ahead.

8 MR. JUNTIKKA: I'm happy to do it. The
9 history of the New York City system -- I'm not
10 sure everyone knows about it, but in the
11 mid-'80s, we had a Parking Violation Bureau
12 scandal, where the Democratic county leader of
13 Queens actually committed suicide as the police
14 were coming to arrest him. And the Bronx County
15 Democratic leader was arrested and convicted of a
16 felony.

17 And this caused enough of an uproar
18 that we adopted our first public financing system,
19 which was a one-to-one match for only 20 percent
20 of the spending limit. But even that amount of
21 money had a tremendous impact because it elected
22 Mayor Dinkins over Mayor Koch. That election was
23 so close -- it was 40,000 votes out of 2 million
24 votes cast. And, of course, Koch got a lot of
25 money because he was the incumbent, but Mayor

1 /00 LAW & GOV'T - BILL

2 Dinkins got \$400,000 in public financing. And
3 without that \$400,000 in public financing, there
4 is no Mayor Dinkins.

5 And the real-estate industry continues
6 to control New York for those four years. And
7 areas of New York that never got public resources
8 the way they should have got public financing.
9 Because public financing got Mayor Dinkins
10 elected. It's a very powerful tool, even a small
11 amount of public financing.

12 Now, we ran into a problem about ten
13 years after our first law became antiquated. We
14 started to spend -- one candidate would spend
15 9, \$10 million on a mayoral race in a city of
16 8 million, and that created a kind of a scandal in
17 New York. When I found out what was happening
18 here, I was flabbergasted. You've got a scandal
19 here too, for sure.

20 Now, that caused our law to be
21 improved. We had increased public financing to
22 55 percent, and we've had special elections where
23 that money has really helped. We had a City
24 Councilperson retire in lower Manhattan, and there
25 were two candidate. We had a real estate

1 /00 LAW & GOV'T - BILL

2 candidate that got a lot of real estate money,
3 landlord money; and a grassroots candidate. And,
4 of course, the landlord candidate out-raised the
5 grassroots candidate by, like \$30,000, and that's
6 a lot money in a special election. But the
7 grassroots candidate went out there, got small
8 contributions, with a 4-to-1 match, and got
9 \$75,000 in public financing.

10 Now, the landlord candidate is no
11 dummy. He got 70,000 in public financing, and he
12 still out-spent the grassroots candidate by 30
13 grand. But the grassroots candidate had enough
14 money to get her message out, and she crushed the
15 landlord candidate. Now, I think she would have
16 won anyway, 'cause I'm that kind of guy, but it
17 made a difference.

18 And, again, that's not 80 percent
19 public financing, that's not 100 percent public
20 financing. You know, all people need is enough
21 money to get their message out. And with our
22 coming election in two years, we have people
23 running for office who always wanted to run for
24 office but never thought about it because they
25 knew they couldn't have the money. We've tripled

1 /00 LAW & GOV'T - BILL

2 the candidates that we used to have.

3 Now my constructive criticism. I think
4 you guys are almost too generous with the public
5 financing and too small on the spending limit.
6 You know what's going to happen if you make the
7 spending limit so low and the public financing
8 system so generous? What you're essential trying
9 to do is trying to almost completely get rid of
10 the big-money contributions. It's smarter to keep
11 a place for them to go. You know, like our
12 spending limit now is going to be about 5 million,
13 okay. And we allow -- we allow big-money
14 contributions to be 45 percent of the spending
15 limit. See, that money's going to go somewhere.
16 And under your system, you know what will happen?
17 It will go to independent expenditures, these
18 crazy outfit that they set up.

19 You know, in 16 years in New York City,
20 we have never had a problem with independent
21 expenditures. They are minuscule. And, you know,
22 New York City is bigger than 40 states, because we
23 allow a place for the big money to go. If you
24 don't allow a place for it to go within your
25 system, it's going to go outside the system, which

1 /00 LAW & GOV'T - BILL

2 will defeat the purpose, especially at the mayoral
3 level. City Council's different, it might work
4 under your system.

5 But I wish you would increase the
6 spending limit because people will just -- you
7 know, you'll have problems with that, people will
8 go outside of it.

9 And, you know, I don't think it really
10 needs to be 80 percent public financing. I think
11 our system is fine at 55 percent but, you know,
12 anything you do will be better than the current
13 system because you clearly have problems.

14 One last thing I'd like to say -- not
15 as a member of the Bar Association, but as a
16 member of a consortium of other good government
17 groups. We are using some very innovative tactics
18 in getting campaign finance reform in Albany. And
19 we've handed out a New York Times article about
20 that with the Web site. The Web site has gotten
21 40,000 hits in the last 18 days or so. It's
22 www.studentsforreform.com. It was featured in a
23 New York Times article with 1100 words, a big
24 picture.

25 And I got to stop talking 'cause I'm

1 /00 LAW & GOV'T - BILL

2 supposed to meet Nicole Gordon to catch a
3 Metroliner.

4 So do you have a question. Can it be a
5 "yes" or "no"?

6 COUNCILMAN ORTIZ: Don't worry about
7 it, we'll be calling you on the phone.

8 MR. JUNTIKKA: You know, I've been here
9 four or five times.

10 COUNCILMAN ORTIZ: Thank you.

11 MR. JUNTIKKA: Okay, thank you.

12 COUNCILMAN COHEN: Very good, thank
13 you.

14 Is there anyone who wishes to be heard
15 who has not yet had opportunity, anyone?

16 (No response.)

17 COUNCILMAN COHEN: Seeing no one who
18 wishes to be heard --

19 COUNCILMAN ORTIZ: Thank you all for
20 coming.

21 COUNCILMAN COHEN: The committee will
22 stand in recess until Thursday, June 8th, at 9
23 a.m. We hope at that time to have a bill.

24 COUNCILMAN ORTIZ: And integrate the
25 suggestions that have been made today into a

1 /00 LAW & GOV'T - BILL

2 stronger bill, a much more thorough bill, and a
3 bill that will be closing the loopholes that we
4 talked about, and hopefully, the majority of the
5 members of the Council of this committee will vote
6 it out of committee so that we can go into the
7 full floor of City Council.

8 COUNCILMAN COHEN: It would be very
9 important -- is that true, Councilman Ortiz? -- to
10 have many people here present at that time?

11 COUNCILMAN ORTIZ: Yes, indeed.

12 COUNCILMAN COHEN: That's Thursday
13 morning, June 8th, a.m. It will be very important
14 for those who could possibly make it to be here to
15 show the committee itself, and later that day to
16 City Council. What we would hope to do is to
17 report the bill out of committee and have what's
18 called the first reading of City Council so that
19 the bill will be prepared to be voted on by the
20 City Council by June 15th.

21 And then if the Mayor wishes to veto
22 it, City Council would have an opportunity to
23 override the veto on June 22nd. Just so that
24 everybody would understand the calendar schedule.

25 We want to be sure that -- I'm being

1 /00 LAW & GOV'T - BILL

2 corrected. I'm told that if we get the bill
3 passed by either June 15th or June 22nd, either of
4 the last two meetings of City Council, were the
5 Mayor -- we would hope he would sign it, but were
6 the Mayor to not sign it, we would have an
7 opportunity in the fall, at the first meeting of
8 City Council, to override any veto. And that
9 would still be time to get the matter on the
10 ballot. Is that accurate now?

11 So we hope to see as many people as
12 possible on the morning of June the 8th, at 9 a.m.
13 It's not a time that we're picking by choice, but
14 it's governed by the calendar schedule.

15 Thank you very much, and we hope to see
16 you on the morning of Thursday, June 8th, 9 a.m.
17 same place as here.

18 Thank you. This meeting stands in
19 recess until June 8th, 9 a.m., the Committee on
20 Law and Government. I thank everybody for their
21 patience.

22 (Adjourned at 6:35 p.m.)

23 - - -

24

25

1

2

C E R T I F I C A T E

3

4

5

6

7

8

9

10

11

12

13

RE: COUNCIL COMMITTEE ON LAW AND GOVERNMENT

14

BILL NO.'S 000356, 357, RESOLUTION No. 000380

15

16

17

18

19

20

21

22

23

24

25

JOSEPHINE CARDILLO,

Registered Professional Reporter