STATE OF CONNECTICUT

CITIZENS' ELECTION PROGRAM

PUBLIC HEARING

NOVEMBER 19, 2008
MR. CASHMAN: Good afternoon,

Everybody. For those of you who don't know me, I'm
Stephen Cashman. I'm the Chairman of the State
Elections Enforcement Commission and I wanted to
welcome all of you here today for the first of our
two scheduled public hearings on the recently
completed election cycle under our new public
financing of state representative and state senate
races.

We welcome your comments with respect
to the pluses of the program, the minuses of the
program and any suggestions that you might have for
improving it in the next cycle.

This represented a historic experience
for the people of Connecticut. We had 75 percent
of the candidates for elective office participated
in the program. The Elections Commission awarded
over 93 million dollars in grants for the state
house and state senate races; and we had what I
believe to be a very smooth introduction,
administration and carrying out of the program.

We have with us today other members of
the commission. To my right is Vice Chairman, Joan
Jenkins; to my left, Commissioner Theresa Gerratana
and to her left, Commissioner Richard Bozzuto.
Commissioner Michael Dolan could not be with us
today.

At this point, I'm going to introduce
our Executive Director and General Counsel, Jeff
Garfield, who will have some preliminary remarks
with respect to the conduct of the hearing as well
as introduction of the commission staff. Jeff?

MR. GARFIELD: Yes. Thank you, Mr.
Chairman. For the record, Jeffrey Garfield,
Executive Director and General Counsel for the
State Elections Enforcement Commission. I want to
echo the remarks of the Chair about the first
inaugural run of the Citizens' Election Program.

By all accounts, we feel very
encouraged by the participation in the program and
by our staff who rose to the occasion to administer
this huge new body of law.

Today or this campaign marked a new
era in the financing of political campaigns in
Connecticut and anecdotally, and certainly we will
hear direct testimony today, the candidates appear
to have liked the program. Clearly much of the
special interest money has been removed from the
process and candidates have been able to really get in touch with their constituents and owe their elections now to the people.

So some major goals of the program that have been in our minds accomplished. I want to take this opportunity to introduce the team that I assembled to put this program into operation. I'm very, very, very, very proud of them.

To the Chairman's left is Attorney Beth Rotman. And Beth, as many of you know, came from New York City where she had been the Deputy General Counsel for the New York City Campaign Finance Board and gave us the hands-on experience in public financing that we sorely needed, so I want to thank Beth.

To Commissioner Bozzuto's left is Attorney Joan Andrews, who is the -- who is our Director of Investigations and Enforcement and handled all of the enforcement matters relating to the Citizens' Election Program as well as, of course, all of the election complaints that we received.

To Joan's left, our Legal Compliance Director, who is also extremely busy during this
inaugural period, Shannon Clark Kief, handling
requests for advice and opinions; and there were
enumerable ones across the months of the campaign
and she and her staff did an admirable job
responding timely and accurately to the requests
that we received.

To Vice Chairman Jenkins' right is
Jean Love. Jean is our Chief Fiscal Officer. Jean
and her unit were responsible for actually getting
the grant dollars into the qualifying candidates'
campaigns and I have to say that that went off
without a hitch.

We had extreme cooperation from the
office of the comptroller. And Jean, working with
the comptroller's office, with her staff, were able
to deliver the funds in a very short time into the
campaigns that qualified. So great job there.

To Jean's right is Mann Hasen. Mon
was my top IT guy who designed -- who helped design
and implement the eCRIS campaign reporting system
and provided with his team so much support to give
us the IT support necessary to implement the
Citizens' Election Program. And to his right, the
IT manager, who handled the heavy hardware and the
network capacity, Brian Clonan. Debt of gratitude
to both of them and the IT team that worked so --
that worked around the clock to ensure that folks
that were using the E-filing system had technical
assistance, working 24/7 on many nights.

And last, but very, very far from
least, is Dianna Kulmacz. Dianna, who was our --
is our Director of Disclosure and Audit. It was
Dianna and her team who handled the application
that came in for grants that reviewed really
millions of documents to ensure that the decisions
that were made by the Commission as to whether or
not to award grants were made properly. And they
far exceeded my expectations and also worked, as
all of us did, on a lot of overtime and 24/7 basis.
So I want to thank Dianna and her team.

Finally Nancy, yes, I did not forget
you, Nancy, Nancy Nicolescu, way over on the left,
Nancy wears many hats. She is our Communications
Director. She is our Legislative Liaison. But
with respect to the Citizens' Election Program, she
headed the Candidate Services Unit of the Public
Financing Unit. And Nancy and her team of election
officers maintained a liaison with each campaign
that I know was greatly appreciated. So I want to thank her and her team.

With that -- with those introductions, just a couple of housekeeping statements. We're going to run this like a legislative hearing, so please no cell phones. If you written testimony, please submit it to Sheri-Lyn.

We would like you to keep to about five minutes. We're not going to ring the bell, but we would appreciate, you know, your brief comments. And with that, it's my privilege to call as our first witness Senator Donald DeFronzo, who was the Senate Chair of the Government Administration Elections Committee at the time that this campaign finance reform legislation was passed and continued to support it, even after leaving the GEA Committee. So, Senator, nice to see you on that side.

(Senator Donald DeFronzo, Former Senate Chair.)

MR. DeFRONZO: I'm glad Representative Caruso doesn't have control of the bell. Anyway, I'm glad to join you this morning and want to thank you for the opportunity to comment on Connecticut's
new campaign finance system. First, I want to
commend the Commission and State Elections
Enforcement Commission staff for fully implementing
the State's comprehensive campaign finance reform
program for use in the 2008 election cycle.

Given the great complexity of this
legislation, the massive change in political
culture that was ushered in by the legislation, the
need for broad based public education and the large
number of candidates participating in the program,
your coordinated and professional work in
implementing this system in itself was a great
accomplishment.

Today, as a major component of the
campaign finance reform legislation, I do want to
share with you some thoughts on the program, what I
perceive to be strengths of the program and a few
ideas on what we might want to do to improve the
program as we move forward.

Looking back, in the wake of the
Rowland scandals in 2004 and 2005, Connecticut
faced a major decision concerning the nature of its
campaign financing system. We could have
perpetuated the then existing system which gave
rise to the pay to play environment of that period
or we could fundamentally alter the system by
precluding contributions from influential
lobbyists, large state contractors, special
interest political action committees and business
interests through the use of Ad Books. The
legislature and Governor Rell chose the latter
course and enacted the most sweeping campaign
finance reforms in the nation.

When the legislature approved that
legislation, the compelling reasons for passage
included some of these following reasons.

First, we were hopeful that the change
in system would reduce the appearance of corruption
by eliminating the quid pro quo nature of
traditional fund-raising and further reduce the
likelihood that legislators would be compliant with
the views and goals of large contributors.

Secondly, by establishing uniform and
modest contribution limits, we hope to alleviate
the influence of large donors on legislators. We
hope to eliminate the improper influences generated
by private sector special interest groups or
political action committees and their contribution.
Four, we would -- we hope that the program would relieve candidates from the burden of soliciting contributions from influential sources and the dependent relationship that such a system fosters.

And, finally, we would hope that the new system would increase candidate participation, participation in general in the electoral process and participation in the public financing program.

And I've got to say that based on my personal experience this year, I believe that the new system has achieved these fundamental goals. Earlier this year in my reelection campaign, we were able to exceed both the number and required amount of qualifying contributions by mid April.

We accumulated 575 contributions, in individual contributions, 85 percent of which were from within the district. Of these, the average contribution was $29. No lobbyist money. No state contractors. No PAC money. No add book revenue. This was a marked change from earlier years.

By comparison, an Office of Legislative Research report prepared, I believe, in 2005 indicated that in 2004 lobbyists and lobbyist
controlled PAC contributions accounted for between
15 and 25 percent of all contributions to incumbent
legislative candidates. In addition, add book
revenue, PAC contributions and contributions from
contractors often added another 35 to 40 percent of
campaign contributions to incumbent legislators.

Clearly the new system has helped to
eliminate the financial linkage between lobbyists,
contractors, special interest PACs and candidates
for the legislature, which often became the basis
for ongoing legislative relationships. This is
exactly what the reforms were intended to do.

Now in addition to these comments, the
benefit of the new system, I think, have freed
candidates from the burdens of ongoing fund-raising
activities, permitting us to spend more time in our
districts, campaigning and responding directly to
constituent issues throughout this period. And I
have to say that I was -- while the system does
require sort of a concentrated effort in
fund-raising at a certain period in the electoral
process, once it's done, you are then free to
devote your attention where you really think it's
needed.
And once we had raised the money, we were really quite flexible to address concerns and issues and attend meetings and be very active within the district. So I do think that is a positive aspect.

I also want to comment on a few other aspects of the program. First, with respect to the Commission's Public Education Program, it appears that a very commendable job has been done in informing the public, affected professional groups and most importantly in educating political activists of the workings and requirements of the new system.

Dozens of training sessions were conducted with reported positive results. Lobbyists, contractors and other special interest groups were informed of the restrictions and prohibitions on their financial role in the process. Campaign treasurers who assume an enormous burden and responsibility received comprehensive training and ongoing technical assistance. And the Commission's investment in this area, I think has been critical to the early success of the program.
Similarly, the Commission's timely processing of inquiries and issuance of declaratory rulings has limited the opportunity for confusion and provided all parties with a uniform set of standards.

Perhaps as the program becomes more established, the turnaround time for processing such inquiries can be further improved. Another approach taken by State Elections Enforcement in working with candidates is the creation of your Candidate Services Unit and the assignment of a permanent staff person to work with each candidate.

This strategy, which I characterize as a case management model, facilitates access to staff and information, provides a consistent avenue of communication and continuity in the flow of information. This system is user friendly and encourages questioning on the part of the candidate and confidence in the guidance provided to the candidate.

Moving on, during this election cycle, an issue came up concerning independent expenditures. And the Commission determined that an expenditure made in praise of a candidate or his
or her record did not qualify that candidate's opponent for supplemental funding. And I do think that the Commission's view of this matter is correct, based on the language in the current legislation.

However, it also seems clear to me, based on a review of our floor debate and the transcripts related to that, that we had wanted to correct that flaw in subsequent legislation, but in our many reiterations failed to do so.

So as you prepare your recommendations for the 2009 legislative session, I would suggest that you review this matter and perhaps provide the legislature with a proposal that could close that perceived loophole because many of us do feel that that is a potential loophole that can be abused in the future.

Another issue which deserves your attention is the current time frame in which a political party can fill a vacancy and nomination. At present, a political party can fill a vacancy and nomination up to 21 days before the date of an election. This means that a party can endorse a candidate at their May convention, the candidate
can withdraw his or her candidacy and the
convention can be reconvened as late as the second
week in October to refill the position.

Under the existing legislation, the
grant to an opposing candidate is tied directly to
the status of his or her opponent. Therefore, what
one party does can affect the funding in campaign
strategy of the other in a very direct way.

For example, in my case, a Republican
candidate was nominated in May and soon withdrew.
Subsequently, in late August, the Republican
Convention was reconvened and endorsed another
candidate. The check that you folks sent me in May
had to be returned, only to be reissued in
September.

Our campaign, which had shifted into
low gear, had to be ramped up immediately when the
Republican Convention reconvened and nominated a
new candidate.

The Republican candidate was given a
full grant by the Commission on October 15th and
spent over $90,000 in three weeks. It would seem
that imposing an earlier deadline for filling a
candidate vacancy would help protect the integrity
of the electoral process, ensure continuity in
campaigning and lead to a more judicious use of
public funds.

I don't think it's asking too much of
our major parties to nominate serious candidates on
a more timely basis; and I would hope that the
Commission would consider legislation that would go
in the direction of protecting the system from
ballot manipulation, the disruption of campaigns
and provide safeguards to the integrity of the
system.

Now, with the exception of a vacancy
resulting from the death or an illness of a
candidate, the date to fill a vacancy and
nomination should be moved back to a point in time
much closer to the date of the nominating
convention.

Finally, on a somewhat more critical
note, I would say, that many candidates, me
included sometimes, although I love you all a lot
--

MS. ROTMAN: Sorry, your time is up.

(Laughter heard all around.)

MR. DeFRONZO: Some of us feel that.
not -- some of your decisions are not always fully
informed. And I say this in that it appears to
many of us that some of your decisions would be far
more practical and realistic if more of the staff
or -- I know members of the Commission have had
practical political experience, but if some of the
staff had had more experience as candidates or
managers of political campaigns. And while you
have demonstrated some flexibility in certain
areas, in other areas the Commission's position
appears to be rigid and inflexible and sometimes
arbitrary.

So, for example -- I am going to give
you an example here that we were talking about just
yesterday. In the area of post election expenses,
the Commission's regulation specified that no more
than $1,000 could be spent on thank-you cards in a
senate race. All right? So in our campaign, we
had 600 contributors, over 300 volunteers. We had
over 800 lawn sign locations that people graciously
volunteered to give us. We have three town
committees, elected officials in three communities
and miscellaneous individuals who we might want to
thank for various things.
Postage alone on that will run over
$700. On the other hand, your guidelines allow for
candidates to spend up to $30 per person for an
election day victory party. So under existing
regulations, I could have invited 400 people to a
victory party on election day, spent $30 per person
or up to $12,000; yet, I can't spend $1.25 per
person on thank you notes, which would total around
$1,800. And in our case, we didn't have a party.
So there's some practicalities here I think we need
to look at and I know you can't anticipate all of
these things far in advance, but some of these
things just don't make a lot of good sense to us.
Anyway, more broadly, to address this,
I might suggest that in addition to your public
hearings, which I know are going to be useful and
helpful, I would suggest maybe convening several
focus groups consisting of candidates, treasurers,
party officials, so that you might be able to hear
some of the frustrations and realities of the
campaign world more directly and maybe you can
thereby be more sensitized to it.
But anyway, in any event, I do
appreciate the very good work you have done and,
again, the outstanding work you did in implementing
the program this year. I look forward to seeing
your legislative package and working with you to
strengthen the program as we move forward.

And, again, thank you for your time.

I appreciate it.

MR. CASHMAN: Thank you very much,
Senator. Appreciate your comments. With respect
to your first two suggestions associated with the
fixes, we, as a matter of fact, discussed those two
this morning and you can expect in your legislative
package specific on changes to address those. And
with respect to the latter two, the purpose of this
hearing is to get that type of input and staff will
be in touch with you going forward to try and
address some of those issues.

Because, again, some of those are
exactly as you indicated, things that we could not
anticipate in terms of the practical way that these
things are handled. Thank you very much. Who's
next?

MR. GARFIELD: Representative Caruso
is the next scheduled speaker. I know he was in
the room.
Whereupon there was a pause.)

MR. GARFIELD: Let's give him a minute.

THE AUDIENCE: He's being interviewed.

MR. GARFIELD: Oh, he's being interviewed?

THE AUDIENCE: Yes.

MR. GARFIELD: Then I'm sure he will not mind--

MR. CASHMAN: We'll hold his place.

MR. GARFIELD: -- while we go to the next speaker who is the current ranking member of the Government Administration Elections Committee and who was the ranking member when the legislation created this program past, Senator Judy Freedman. Nice to see you here, Judy.

MR. CASHMAN: Good afternoon, Senator. (Senator Judith Freedman, Government Administration & Elections Committee.)

MS. FREEDMAN: I want to thank you, Mr. Chairman, and Mr. Executive Director. It's really strange to be sitting on this side of this kind of a hearing.

First of all, I do want to
congratulate you. I was a campaign chairman, not a candidate, and it was very interesting to watch all of this roll out, as one who had opposed all of this when it came before me and I had to vote on it. But I do think, and I would agree with Senator DeFronzo, that a candidate, once they qualified, was able to spend their time concentrating on their election and actually getting out and talking to the people. And I think that is a very, very positive campaign aspect, because most people forgot about that when they are out there raising money.

As a person on the sidelines watching it, and Jeff knows, I have sent him a letter about one incident that happened during this campaign that I found very bothersome, and it was a last minute mailing that went out, which wasn't altogether on the up and up, at least from my perspective as a campaign manager, and my thinking as I pursued this after Jeff and I had talked and I had gotten his response was that possibly if you are going to give state money, there should be some agreement made between the two candidates about the kind of campaign they are going to run and that
they should agree at the onset about lack of using negative campaigning, that it should only be on the positive side and maybe that is something that you can look forward to drafting some type of a resolution that would commit candidates to being positive.

We have seen it at the national level. We have seen it at the local level. And I think when a mailing goes out and arrives in people's mailboxes the Monday before an election, there is no time for a response. So I think that's something that it if you work on bringing the candidates together early to agree to this; and if one doesn't agree, I don't think either party should be allowed to get away with it, but maybe you can take a look at doing some sort of a penalty if they go over the line.

And I guess you're going to have to determine where the free speech ends when it is state money, where free speech ends and where negative campaigning begins and where it's hurtful to a candidate.

The other thing that I found disturbing was I happened to be driving in
Bridgeport on I-95 and I saw a billboard for a
candidate that didn't actually live in the Greater
Bridgeport area, the Greater New Haven area, but
was geared more towards Southern Fairfield County.

And I thought, well, why is this
person taking one of these flashy billboards so far
away from the district? Sure, people do ride 95,
but I would think that when you're doing that kind
of advertising, the money would be well spent
within the framework of your district. And I mean
if there are billboards further up on the line, in
the southern part of the county, that's where you
should be taking your billboard.

And I would suggest that maybe as part
of a future looking at how the money is being
spent, you put a few constraints in there. That if
you are going to spend money on advertising, at
least include it in your district. And if you have
to go to papers that are outside the district
because of the way the dailies are organized,
that's allowable. But if you have to go to a
billboard that's 20 miles away from your district,
does it make sense to spend money on that?

And I had talked to our staff attorney
and he said right now there are no constraints as to how you spend the money. And I think maybe that's something that should be looked at more carefully, both by the Commission and by the Committee.

Robo calls, of course, came up again and again and again and we have been through this. We have your study. You did a great study on robo calls. I think maybe the only thing we could ask at this point that if it's done by a campaign committee for a legislative seat or anybody that's running for the executive, not done by a federal candidate, that there be a disclaimer on that robo call. Maybe we can do that and at least people will know where it emanated.

We got phone calls from three different groups where at least they had caller ID and they could pinpoint where the call was coming from. When they went to pursue it, they couldn't get any information obviously. But I think as part of fair campaigning and if the state is going to be spending the money in allowing people to do this, then there should be a disclaimer like we have on everything else, so at least you know who has been
responsible for it.

And, finally, the other thing that I had a problem with, and you know I am computer savvy, I had great difficulty with your website. So I would suggest, and I know you have some top-notch people working on that, I would suggest you make it more user friendly for people who don't have a lot of skills, who can click in.

And I went to get the list just now as to who had gone in and actually gotten the funds from the Commission, we had to call the office to figure out how to get into it. And I don't think that is user friendly for the general public. So if that could be corrected between now and the next campaign, that would be helpful.

And I think that's basically all I have to say, other than, you know, I think you're in the right direction. I think you have a lot of little glitches to erase and I thank you very much.

MR. CASHMAN: Thank you very much for your comments. And with respect to the issue of the website, it's my understanding that we are indeed revamping the website in its entirety and probably within about the next six weeks, you
should see the results of that.

MS. FREEDMAN: Great.

MR. CASHMAN: Thank you very much.

MS. FREEDMAN: Thank you.

MR. CASHMAN: And I do see Senator Caruso or Representative Caruso.

(State Represenative, Christopher Caruso, Democrat.)

MR. CARUSO: Good afternoon, Mr. Chairman, Members and Staff of the Elections Enforcement Commission. My name is Chris Caruso. I'm the House Co-Chair of the Government Administration Elections Committee. I thank that we're all sitting here today. I think the two historic times most recently was the election of President Barack Obama and, secondly, that campaign finance, coupled with public financing, finally took place in the State of Connecticut.

For over 20 years, the legislature grappled with different forms of campaign finance reform to no end. It just never passed. And then in 2006, it did pass, with both the help of the legislature and the governor.

And the two things that I worried
about most from 2006 to the present were what
naysayers would say about the process if, No. 1,
the system crashed on us, that candidates would not
be able to access the program properly, that if
they didn't get the assistance they needed from the
Elections Enforcement Commission and, secondly,
would be the abuse of public funding.

And I'm happy to say that neither of
those situations occurred. The system worked.
There are some issues that need to be worked out;
but it worked and it worked well and there was no
abuse of public funding.

So the naysayers who for years tried
to thwart efforts to stop this program, I hope
today will support it and to improve upon it to
make it stronger.

The reason that the system didn't
-crash frankly was because of the oversight of this
Commission and the hard work and the passion of the
staff. And I have to tell you, the staff that was
assembled by both Jeff Garfield and Beth Rotman are
second to none. They showed passion, enthusiasm.
They followed the law, the regulations across the
board, whether you were an incumbent or whether you
were a challenger; and that's what the integrity of
the system works best and you did that. So I want
to thank you all very much.

Also what we have seen is exactly what
campaign finance, public financing was meant to be.
It was to open up the electoral process, not to
just entrenched incumbents who time and time again
get reelected. It was to open it up to others so
that the system, which we call democracy, is
available for all to partake in.

One of the biggest problems of
partaking in democracy has been the daunting task
of raising the necessary funds to run for public
office. You may have the intention. You may have
the desire. You may have the passion to do it; but
constantly are thwarted because of the money, the
inability to raise the necessary funds to run.

And when you're running against an
incumbent, it's even harder because the incumbent
has relationships and contacts that have been built
up over the years. Under this cycle of the
election that we just got through with, we have
seen an increase in minority participation, in
particular in the Democratic primary cycle. More
minorities have run in that primary than in past
years. Over 20 races within the cities took place.
That bodes well for the system. Even I had a
primary and that was good. It's good for the
system.

Secondly, we saw more women run for
elected office, especially in the House of
Representatives. That is another plus for this
system. And, thirdly, we saw more young people run
for office and many of those young people were
elected to office today.

So the system is working. Are there
areas that we need to improve? Absolutely. But I
will also warn you that there are people out there
that are looking to destroy this system or to stop
this system. So we all must be vigilant in making
sure the system continues, we improve upon it and
make it better.

There's been some mistaken opinion
that people think the system was set up just to
throw incumbents out of office. That is not the
case at all. If an incumbent is doing their job
and doing it well, the voter will see that.

The purpose of the system as well was
to open up the process for the public. No longer
did you have to spend 14 hours a day trying to
raise money. No longer did you go into a room of
lobbyists and they hand you checks and say, "Good
luck in your election." You raise the necessary
money, you have met the threshold and you go out
and campaign. And that only helps the system.

You get to talk to the voters on the
phone. You get to do the door to door. Debates
take place much more. And you get to talk to what
the people of your district are interested in and
most importantly what they will elect you for.
That's exactly the fundamental foundation of what
this system is about. And I want to thank you for
carrying it out.

Some of the areas that I looked at
that we probably need to improve and make changes
on is, one, the independent expenditure especially
for positive pieces. For example, in one district
a special interest sent out about three mailings in
support of a candidate. That placed the challenger
at a disadvantage.

Now in this particular case, you can't
send out a negative piece of an independent
expenditure, but you could send out a positive piece about the candidate. So at the very least, if we don't close the loophole on this positive expenditure, we should provide more funding in the grant for the challenge candidate, so that way the challenge candidate can compete effectively against the incumbent.

The other area is the leadership or organizational PAC's. And I know that's not great with leadership. Part of the struggle when we put together in 2006 this legislation was that the organizational leadership PAC's remained in place. We need to wean that off of the system and to close them down.

It's the same thing with the exploratory committees as well or the PAC's for exploratory. We need to wean those off and close them down to make the system work more effectively. And if we are not going to do that, then I think we have to provide additional funding for the challenge candidate to meet the money that the incumbent would receive from those PAC's.

I think that's something we have to look at. We weren't able to do that in 2006 as
part of a compromised effort to get the bill
passed; but I think we have to be vigilant in the
additional sessions now to be looking in those
areas.

I think I have said what I had to and,
again, I want to thank all of you for making the
system work. It wouldn't have worked without all
of you. And please take tremendous pride in that.
We are only, I think, the third state that's doing
this, next to Maine and Arizona. I will tell you,
and I think you all know, 75 percent participation
in this system. When we were working on the
legislation, there were so many people said, "This
will never work." "We will never get into it."
"It will never happen."

The poster candidate of this entire
piece of legislation and makes me feel good working
on this legislation for as many years as we did was
a woman candidate in the 80th District. She was a
single parent mother. She was a waitress. She
held another job. She ran for State
Representative. She lost by a very small vote.
Very small.

But it just shows that here's a person
that was interested in running in her democracy and
what government should be about. Everything that
she had probably learned in school and heard from
others about what democracy should be. She had a
chance to run.

Under the old system of add books and
of money from lobbyists and special interest, she
would have not had that ability to do it. There is
no way a salary of a waitress or a retailer, person
working in retail, could even amass the amount of
money necessary to go against an incumbent.

So as far as I am concerned, she is
the poster candidate for this program. And it's
also the reason we should all continue to have the
passion for this program. Thank you all very much.

MR. CASHMAN: Thank you very much,
Representative. The Commission does appreciate all
of your support in enacting this as well as your
support in implementing it; and we look forward to
working with you in the next session to address
your concerns and the others. Thank you.

MR. GARFIELD: Before I call the next
speaker, anyone who had not previously signed up, I
should mention, if you wish to testify, to please
see Nancy Nicolescu and we will make sure you get an opportunity to do so after all of the scheduled speakers have spoken.

The next speaker is Tony Razel. I hope I pronounced your name right, but I am sure you will correct the record. And if you could identify yourself and your affiliation with the campaign that you worked for during the past campaign. Thank you.

(Antony J. Razel, Treasurer for State Representative Gail Hamm.)

MR. RAZEL: I will start by thanking the Commission. It was a pleasure learning the new laws and operating under them. I am Tony Razel and I am the Treasurer for Friends of Gail, 2008. We reelected Gail Hamm this past election.

After having worked as the campaign treasurer for my state representative under the Citizens' Election Program, I can say that I am pleased with the new campaign finance laws, but with some reservations.

It is my understanding that two of the purposes of the new laws were to free candidates from special interest money and to encourage an
increase in the number of candidates who are able
to mount campaigns.

I cannot speak for my representative;
however, I can relate what I have observed. In
past elections, she has accepted a significant
amount of campaign money from political action
committees. I know that she has been uncomfortable
with the amount of such contributions, if for no
other reason then their negative appearance.

I know she was happy for the new laws
because they freed her from the appearance of being
influenced by PAC's. However, for most changes,
there are new difficulties as well as improvements.
She had not realized the new problems that
accompanied the need to meet contribution
thresholds.

As we have noticed from past
elections, the average citizen seems to be unable
to think about elections until after Labor Day. On
several occasions she mentioned to me that she was
spending a great deal of time on the telephone
trying to get supporters to make contributions,
much more time than she ever did in past elections.

Her supporters seemed perfectly
willing to make contributions, but never seemed to
realize the urgency involved. We eventually did
get sufficient donations to qualify in mid
September. That had the benefit of shortening the
campaign, but also -- but as to one of the stated
goals of the new program, that of relieving the
candidate from having to spend a lot of time
fund-raising, well, the new laws have had the
opposite effect in the case of my representative.

The second goal of the new laws upon
which I wish to comment is to increase the number
of candidates running for office from the point of
view of her candidacy over six elections, she has
never lacked well financed opposition, so the new
laws have not affected her in that regard.

However, speaking for myself as a
Connecticut citizen, I am pleased about the goal of
making it easier for more candidates to enter
election races. From what I have seen in the past,
it is obvious that when incumbents become too
secure in their positions, they become less
responsive to the people they serve and their base
of support becomes ever smaller.

It would be very interesting to
examine the effect of the new laws on numbers of candidates running for office and the number of incumbents running unopposed. If the desired effects are not being shown, then perhaps the threshold to qualify needs to be eased.

Another question to ask is how many candidates failed to meet the threshold to qualify? One of the more interesting facets of the new laws is the requirement to sell any equipment and furniture purchased for the campaign.

At first, that seemed daunting concerning office equipment. In past, we worked with equipment donated by the candidate, purchased from a previous campaign or from a supporter. At the end of the campaign, the equipment was returned. I can appreciate the advantage an incumbent has when equipment is at hand.

After some mulling of the change, I realized that we had the opportunity here to benefit our community. We purchased a new computer; and after the campaign, sold it to a church at fair market value for a used computer. I understand that there is a limit of $50 to that requirement. I would be happier if that limit were
increased. I believe that once candidates and treasurers become more comfortable with reselling of equipment, we will all be happy for the change.

Finally, speaking from the perspective of a treasurer of an incumbent, the changes brought about by the new laws increased my workload dramatically. Now as well as dealing with the expenses of a campaign, treasurers must be process, deposit, log and report upon many more donations than in previous years.

I am happy to say that I am very thankful for the web-based electronic reporting system, eCRIS. That system, while it has minor faults, has been a tremendous assist to my work. Filing paper reports for the number of donations we received would have been a nightmare.

There is one thing that I hope gets revisited when changes are considered to these laws. That is the requirement that campaigns do not or not accept checks from sole proprietorships. Many owners of small sole proprietorships view their business checking accounts equivalent to their personal accounts and they do not realize the change in finance laws that no longer permits
them to donate from their businesses.

There were occasions I had to return checks because they bore the name of a micro business. As I have stated already, I am happy with the changes enacted by the Citizens' Election Program. There has been confusion with the new laws and there are certain new difficulties to overcome; but I believe that in the long run, the changes will have their desired, positive effect on our campaigns and that our system will become a model for other states to emulate. And I thank you very much for the opportunity to make my comments.

MR. CASHMAN: Thank you very much for your comments, sir. With respect to the comment that you made regarding participation and the number of incumbents, etc., we do compile those figures. We would expect those will be available, certainly to the members of the general assembly and the public in the next several months.

And also, with respect to the disposition of the property, that is something that at the end of this cycle that we will be revisiting and discussing in terms of the practicalities, some of which you have raised. Thank you very much.
Any other questions or comments?

(No response.)

MR. CASHMAN: Thank you very much.

MR. GARFIELD: The next speaker is Phil Sherwood from the Connecticut Citizens' Action Group.

(Philip Sherwood, Deputy Director, CCAG, Connecticut Citizens' Action Group.)

MR. SHERWOOD: Thank you. Good afternoon. My name is Phil Sherwood. I'm the Deputy Director of Connecticut Citizen Action Group. We have approximately 30,000 member families in the State of Connecticut. We have been around approximately 37 years and we're one of lead advocates fighting for this clean election system. And, in short, I'm very pleased.

The historic campaign that we just witnessed for President is probably the most historic, at least in my generation, and that is perfectly understandable. But Connecticut deserve a lot of credit as well. We made history here and, really, we haven't gotten enough credit for it, to be frank.

The implementation of this program has
gone very well, in our opinion, but how did we get here because we really shouldn't lose sight of that. Scandals over the last several years have cost Connecticut taxpayers millions of dollars and bad deals, no big contracts and not to mention a massive loss in the public trust.

The illegal gifts that were given to legislators, be it former Governor Rowland and others, such as the hot tubs, are still fresh in a lot of memories of the public, but this isn't the whole story of corruption, nor is it even symbolic of the broken system that we did have here. The actual system of corruption and why we lost the public trust was that we had a system that can be traced through politics where a candidate had to endure a never ending quest for large private contributions from the very same people that would later be asking them for favors in return.

This activity created the appearance of legal bribery and undermined public trust in our political process and our electoral system. There was a perception, a strong perception, arguably a justified one, that voters were not the owners of the political process. That it was large, private
contributors.
No doubt the perception of a quid pro quo way of doing business, coupled with the real daunting task of candidates having to shake down large, private contributions from those who wanted to do business with the state did little to incentivize (sic) greater candidate or public participation in the political process. But that was then.

The transition from the old system to the new clean election system was more seamless than I think most people expected. The program's popularity has already been eluded to. We saw a 75, 80 percent candidate participation. This far exceeds the other states that have used some form of public financing the first election cycle of participation.

In fact, in many cases where they have had numerous election cycles it's still higher than their participation rates. And candidates, such as Karen Houghtaling, who people have also eluded to, was a single mother, very much a poster child for this clean election system, a single mother working two jobs to make ends meet has publicly stated that
she would not have run for public office if not for
this clean election system that opened up the doors
for her to run.

And I gotta say, from the political
end, someone who was working on that campaign as a
volunteer and who has worked on another political
campaign since the implementation of campaign
finance reform, was structured internally inside
campaigns has changed as well. It's absolutely
amazing. Campaigns are now structured and the
candidates are now focused on doing grass roots
voter contact.

There's not this heavy emphasis on
shaking down large political contributions from
people that were largely outside the district that
the candidate was running in in the past. It has
given voters more face-to-face time with the
candidates and this, I think, is the right step to
restore the public trust and open up the doors for
candidates to run for public office.

But despite being the best reform in
the country, which we believe it is, nothing is
perfect. You can't legislate morality. There will
be always be corrupt politicians, scrupulous
individuals that are trying to game the system in their favor.

Campaign finance reform, however, has removed the perverse incentive that existed for corruption and has, again, made a significant step forward in restoring the public trust. And CCAG wants to demonstrate our strong organizational support for efforts to address some of the issues with the independent expenditures.

Currently only certain independent expenditures are matched. We believe that it should be opened up. And the reason for that is we believe in due time by not providing matching funds that public financing could be corrupted by large private contributions. Not addressing this area of reform risks the real likelihood as well of having candidates want to participate in the system.

We want candidates to want to participate in the system; but, again, if the playing field is constantly going to be skewed or we're not matching things of all independent expenditures or more independent expenditures, it may act as a disincentive for candidates to want to participate altogether.
Again, advocates also knew when this was passed in 2005, I think there was a legislative fix done in 2006, that we were going to have to visit this reform again. It was too radical of a change. It was too comprehensive to not have to tweak around the edges or refine some parts. In fact, every other state that has passed public financing has had to revisit major components and Connecticut is no different and we shouldn't look at this as a bad thing.

And, again, this went off more seamlessly than I think anyone envisioned. And I thank the Commission for their time and their accessibility as well for candidates and treasurers.

MR. CASHMAN: Thank you. Questions?

MR. GARFIELD: Yes.

MR. CASHMAN: Jeff.

MR. GARFIELD: Phil, thank you for your testimony. I assume you heard some of the comments that Mr. Razel had made and I wanted to kind of get your take on some of those having -- you having spent time with a candidate campaigning under the Citizens' Election Program as well as
being an advocate for the legislation that brought
the program about.

Do you agree with the comment that
more time was spent on fund-raising than under the
prior system?

MR. SHERWOOD: In some cases, that
very well may be the case, particularly with
individuals that rely heavily on Political Action
Committee dollars or large private contributions in
the past. Yes. This new system is radically
focused towards candidates raising small amounts of
money from people inside the district. And many
campaigns, for understandable reasons, were not
structured that way.

So might it have been more difficult
for some candidates in the past to fund-raise the
money or more time expended? Yes. But the
difference is who they're talking to. They're
talking to people inside the district and their
campaign is relying on small donors.

I have heard far more candidates,
however, acknowledge that they're now spending
their time in the height of the campaign season
courting voters as opposed to donors.
You know what you're going to have to spend. You know your budget three weeks out. You're not trying to shake people down at the last second because you're worried about the other side doing something or you want to build your war chest. You're focused on contacting voters, building the voluntary recruitment program. It's been amazing.

But the old system was the old system and you couldn't get elected, in all likelihood, unless you proved sufficient under the old system. And a lot of people had to change their plans. Senator DeFronzo, my understanding is, qualified in a day. He got 450 contributions in a single event. There was some other money that had to be fund-raised above and beyond that, but my understanding is it took a couple of days and he was qualified. I am sure in prior campaigns he spent far more time fund-raising than he had this time.

MR. GARFIELD: Well, thank you. And one other comment or suggestion that Mr. Razel had made was that sole proprietorship checks should be allowed. What is your -- what is your view on
MR. SHERWOOD: My gut is I think we would have a problem with that. I mean, it's a private enterprise. The whole purpose of public financing is to turn ownership over the elections to the public. To the point of individuals considering business checking accounts as their personal checking accounts, I really can't speak to that, but that's sort of what we are trying to get away from.

And, you know, I had nothing to do with the fund-raising component of these campaigns. But I think many campaigns had those issues, where they got those checks and they simply just had to return them. And more often than not, I heard feedback from people that the donors, you know, understood. They understood. And perhaps, you know, cut a personal check. But I think it's a slippery slope allowing business enterprises to give campaign contributions.

MR. GARFIELD: Okay. Thank you for your answers and your continued support.

MR. SHERWOOD: Thank you.

MR. GARFIELD: And the next speaker is
Mike Telesca. Mike?

(Michael J. Telesca, 2008 Independent Candidate for State Representative.)

MR. TELESCA: Thank you. Hi. My name is Alderman Mike Telesca from the City of Waterbury, elected as an independent. I am also the Independent Party Chairman, so of the, I believe, five minor party candidates who qualified this time around, four of them were my candidates; and I come to give some testimony on how we perceived the whole operation happened.

You know, first off, I would like to talk about funds. I know that a couple of the previous speakers have talked about how more difficult it is. We didn't find the fund-raising part of it any more difficult because all of our funds, almost exclusively, always comes from grass roots operations.

Minor party candidates have never been very much recipients of any type of PAC funds of any great degree. Occasionally we might get one or two, but it was never the basis of our fund-raising, so that was not a problem.

What turned to be much more
problematic was the signature requirements because they required an awful lot of labor and they also require that having a candidate very early in the process so that you could get a petition.

The first hurdle that we ran across was actually getting a petition because receiving the petition wasn't as clearly defined in the legislation and we had to get a ruling from the Commission and the attorneys involved to even receive a petition.

One of the problems was we had candidates who had run in previous years. We had ballot status, but we had not gotten 10 percent of the vote. And the first question was, how do you even get a petition because we don't have -- because we already have ballot status. So the election division was reluctant to even give us a petition, so we had to ask for a ruling on it and that took a little time and then we finally got a petition out of them. Otherwise, they would have been basically been requiring us to form yet a new party. So that was the first hurdle.

The other hurdles were the artificial deadlines. Because the petition requirements --
the only petition that existed was the petition for ballot access, which required 1 percent or more of the vote and the deadline on that petition is August 6th. Now the problem we experienced, and I personally experienced because I was a candidate and I was not allowed to participate in this program, because I didn't become a candidate until early September. The deadline to become a candidate for minor parties is -- I believe it was September 10th. I might be off by a day or two, but it was the first week basically of the -- of September, though the deadline to have all signatures collected was August 6th. So we have a bit of a conflict. One law says I don't even have to name our candidates until then and another law says I am already 30 days out -- past the deadline to collect signatures. And the collected number of signatures that are required, especially if you're talking about a state senate race, you needed close to 3,000 signatures, which is an awful lot of signatures to collect in just a senate race and you needed roughly about 800 to 1,000 in a state rep race.
And I'm sure you are probably aware of the fact that if you're running somebody for Governor or for President, you only need 7,500 signatures statewide. So these signature requirements are quite high.

Now if you're looking forward to two years from now, that -- I'm sorry. Did you have a question or?

(No response.)

MR. TELESCA: Okay. I'm sorry. If you look forward to the 2010 election cycle, the signature requirements for a Governor's race are almost virtually impossible to meet. You're basically asking for 20 percent of the voter turnout, which roughly is going to be about 200,000 to 250,000 signatures. That's verified. Which means you need about 50 percent over that to -- so you're basically asking minor parties to go out and collect roughly about 400,000 signatures and that all has to be done before August 6th, which means you would have to have your candidate -- well, I guess January 2nd, the very first day that you can get a petition, you better have -- decide who your candidate is going to be and be out there with a
massive force of people to try to collect that type of signature requirement.

So I think in that -- in those regards that it's become rather difficult and if the purpose is to open up the process and not to -- not to actually put up new artificial hurdles for minor parties to participate in this system, I think you need to look at the -- lowering the signature requirement for a statewide position. Because, I mean, even when you're running somebody for Governor, you have a limit.

It's not 1 percent of the vote. It's a set figure, 7,500. So, you know, perhaps if you needed to do a signature requirement on that, 75,000 would be very, very difficult to do, but it would be something that may be able to be reached, rather than 250,000 to 300,000 or more. So I assume that you really want us to be involved.

And the other thing -- and the reason why I talk about that is because, you know, turning the signatures in, as I said, the deadline is August 6th, and my deadline to name the candidate was August 6th or 10th, I forget what the date was, it was the first or second Tuesday in September,
but your requirement to actually apply for the
money was October 10th.

    So my point is we can meet the
financial part of it. Gaining small donors is not
something that's foreign to us. That's our bread
and butter. We fund our campaigns by $20 and $30
donations, so that's not really a problem. But we
-- I think that you should look at if your deadline
to apply is October 10th for the funds, you should
be able to extend the ability to collect
signatures, which is the more daunting part of the
task, to that date to make it reasonable to reach
it and participate.

    The other thing that I see that's a
bit of a -- problematic for me or at least it
really smacks of unfairness is that where I come
from, there's roughly seven major races out of the
Waterbury area; and out of those seven races, the
two major parties only went head to head in two of
them.

    We put candidates in every single race
because we really do believe that candidates in the
-- I should say citizens, the voters, should have
the option to vote for someone. Whether they like
the incumbent or not, they should be able to have someone other than the incumbent on the ballot line.

Now, that's fine. They don't put up candidates. But next year, if they decide to put a candidate up, they are automatically eligible for the full grant. All they have to do is raise the money. Where if we have to collect signatures to prove our worthiness and our viability with the voters and if they don't even put a candidate up, they have no votes, why would they automatically not have to get signatures like we do, if that's what the requirement is? And we have to prove ourselves.

So my point is if you're going to create a system, you should create a system that has more balance and accessibility to the program from all parties concerned. I mean, that's my -- my total look at what this program is doing. I am very much in support of it.

I think it's been very, very good at taking the special interest money out of it and as previous speakers have mentioned, forcing candidates to be more grass root, to have more
involvement with the people that they are supposed
to represent in their own area, to go out and meet
them face-to-face, to collect money from them in
small donations.

And so that's -- I think that's great.
And I don't expect the system -- you know, well,
it's not fair. I'm not going to say that because
life is not fair. We have -- you have different
criterias and you deal with it and you live with
it. But I am just saying that there can be some
more equability in the way that this program is
being administered.

MR. CASHMAN: I have a comment --
MR. TELESCA: Yeah?
MR. CASHMAN: -- on a couple of things
that you have raised. With respect to the issue
associated with the petitions and that, that we
didn't become aware of during the cycle. This is a
learning process for all of us.

MR. TELESCA: Exactly.
MR. CASHMAN: We did become aware of
that problem and we did take steps to issue a
declaratory ruling, which we hope will clarify that
and eliminate that particular problem going
forward.

MR. TELESCA: If I could -- I'm sorry.

I was going to say yes, you did. And it was
because I had made that request. I asked for a
clarification.

MR. CASHMAN: That is part of the
process.

MR. TELESCA: And the process did work
and I will commend you on that.

MR. CASHMAN: And with respect to the
deadlines associated with the application process
and the ballot process, those are set statutorily
by the legislator. We didn't have any direct
control over that. During this process, part of
this proceeding here today is to get that type of
feedback and try to tweak the system.

We knew going in that it wasn't a
perfect system. And some of the things that you
are bringing to our attention here are things we
were aware of, some of which we were not. But,
again, in terms of the administration of the
process, all of those types of things will be
looked at going forward. Some may be able to be
improved. Some may not.
Eliminating the October 10th deadline, for example, doesn't apply just to minor candidates. It applies to everybody. And there is some structural reasons why that has to be the case. It's not to disadvantage minor party candidates. It's to allow the process to be administered in a coherent fashion.

MR. TELESCA: If I may point out, the -- that date is for ballot access. That August 6th deadline in the legislation is to qualify to be on the ballot, where you need to collect 1 percent of the signatures. That same petition can continue to collect signatures and the signatures count because the other requirement is to get 20 percent of the signatures to qualify for the funds.

So I'm saying that you don't necessarily have to use that August 6th deadline to have all signatures collected by you. You just need to have the 1 percent done. But you still should be able to go beyond that to qualify for the money and that's the point I was trying to raise on that.

MR. CASHMAN: Can we get a response from general counsel on that?
MR. GARFIELD: Yeah. I am actually sympathetic to your point of view on this. Let me say, first of all, that the Commission felt constrained by the existing election law and didn't feel that it had the authority to go forward and to create another different deadline than that from the ballot access deadline with respect to the gathering of signatures on petitions to qualify for the grant.

That being said, looking perspective creating a new deadline, giving petitioning and minor party candidates more time to gather the signatures, I think it's a good thing. I would be concerned, however. There needs to be a balancing act.

I don't think we could possibly push it to October 10th, which is the grant deadline. Because obviously, as you know, the petition verification process --

MR. TELESCA: Right.

MR. GARFIELD: -- is not done by the State Elections Enforcement Commission. It is done by the town clerks. It is done by the Secretary of the State and so it takes -- that process takes
time. So maybe there's a happy medium in there
and maybe it's September 5th or whatever, but it
couldn't possibly be as late as the --

MR. TELESCA: No, I understand --

MR. GARFIELD: -- application deadline

because, you know, you would need your application

complete by October 10th in order for the

Commission to award the grant. So, you know, we
can work on that. I think it's a valid point going

forward. And certainly we will have some more
discussion about that at the Commission level.

MS. ROTMAN: I just wanted to share

with you, that I appreciate you bringing to the

Commission's attention the issues you and also some

individuals from other minor parties brought to the

Commission's attention, the issue of the petitions

and it put the Commission in a position to be able

to assist with that and I want to thank you for the

early outreach on that. Because, you know, you

really gave us the eyes and ears on how things we

were going.

And to the extent that we were able to

do something so that the candidates that you had

that were ready to go, pick up the petition and
qualify, I'm glad we were able to work together on that. And I know that we have talked about this separately, but I can -- but I really look forward to our continued work together because we know there's more work to be done.

MR. TELESCA: Thank you.

MR. GARFIELD: And just a final comment, my congratulations to you. I mean, you and your candidates showed that minor party candidates can qualify for this program and I think that was a great thing and kudos to you.

MR. TELESCA: Thank you. And I would just like to say that it did make a difference. Though we didn't win, and this was a very difficult election year with a high profile presidential race and, you know, eight to ten stories a day in the papers about either the Democrat or Republican candidate, there was a lot of clutter to try to rise up above, even on a local level.

But I look back at how well we did four years ago and two years ago and we had a very marked improvement, where we two or three times better. So having some money to be able to participate on a real level and advertise our
campaign has enabled us to be competitive. And I
think as we move forward, we will be more
competitive as the -- as our party is more
acceptable to the voters.

And that's really what we're hoping to
do. I mean, if we had been allowed to get into
some of the debates, I think that might have helped
us a lot more, but we were not -- we were kind of
barred from them.

MS. ROTMAN: Just one follow-up
question. I know it's too early to talk about
2010, but looking ahead, I noticed that you did --
you did quite well in a number of races. And can
we expect that you'll be back with more candidates
using the program in 2010?

MR. TELESCA: Yes. I believe 80
percent of our candidates have reached a threshold
where they will have a partial or a full grant.
Most of them will have a full grant next time. So
yes, we will be there.

I mean, the thing that -- what
interests me greatly is because I understand. I
mean, one of the ways we believe we have to get
elected is by offering the voters as full a ticket
as possible. And if you don't have somebody at the
top of the ticket, it becomes rather difficult.

I would greatly anticipate running

somebody for Governor in 2010, but I am really

concerned at the daunting task. I mean, a good

signature collector, to get 15 to 20 signatures an

hour is really working hard. And when you start
talking about 200,000 or 300,000 signatures, you're
talking about 10,000 to 20,000 man-hours to reach

that type of threshold.

And for small parties, to put that

kind of people out in the field and collect that
type of signature is really an impossible task. So

we are just -- we're appealing to say that, you

know, we can be competitive. We want to be

competitive. We will meet realistic goals, but try
to make the goals realistic. Because in a state

rep race, it may seem high, but it's a small area

and there's really not that many votes you can

concentrate workers in the area.

A senate race, again, we're talking

3,000 signatures. That's the goal. We got it.

We just barely made it in a couple of candidates,

but it's -- but you're -- it's on the level of
raising signatures to put somebody up for upper congress. But when you start talking about the Governor's race, or any statewide position, 20 percent, it's almost an impossibility, especially since we can't even get a petition before January.

MR. CASHMAN: Thank you very much for your comments.

MR. GARFIELD: Thank you, Mike.

MS. ROTMAN: Thank you.

MR. GARFIELD: The next speaker is Jonathan Pelto. Good to see you, Jonathan.

(Jonathan Pelto, Democrat, Political Strategist, Represented Avery.)

MR. PELTO: Good afternoon. My name is Jonathan Pelto from Storrs, Connecticut. I served as a member of the Connecticut House of Representatives from 1984 to 1993 and have followed campaign finance issues and laws for the last 25, 30 years, both from an academic standpoint and from a political operative standpoint.

I have put together a little presentation that—a draft presentation—that I am handing out to you; and I will clean up a couple of things and add some things and would seek
permission to submit it at your next meeting. But I wanted to highlight some of the things that have already been said and a couple of new things, as you start the process or continue the process of reviewing what happened and where do we go from here.

First off, I would just like to add my voice to those who have come before me to congratulate you on an extraordinary job putting this together, from the services provided to individual candidates to the actual process of the Commission. I have to say, as an onlooker, that not only was it an amazing job, but many of us thought actually it wasn't impossible and you proved us wrong and you all deserve tremendous credit for having put this system in place.

I believe that it will go down 10, 15, 20 years from now, and when they look back, it will be seen as the single most important development in Connecticut politics, certainly since the changes that took place in our campaign finance laws in 1977 when we adopted in Connecticut many of the changes that had been adopted at the federal level following 1974.
But in some respects, this may go down as the most important change within the last 50 or 100 years because it really does challenge the opportunity for creating change and is the single greatest example that I think we will -- have seen or will see in the effort to ensure that the power of incumbency is not so great that challengers have no opportunity to succeed.

You will see in this presentation, I lay out a couple of things. And first and foremost I want to caution the Commission and, in fact, all onlookers to be extraordinarily careful about looking at one election cycle as a measure of whether or not there has been success.

The power of incumbency has been building over decades. It is the single most powerful force in American politics and continues to be such. There was a lot of talk about the different advantages that this system would bring, one of which would be to challenge the power of incumbency. But if and when that's going to happen, it's going to happen over a period of time.

I have put in two charts that show -- it will give you some sense of putting it into
perspective and that is looking back in 2004, roughly 80 percent of the house candidates and 77 percent or 80 percent of the senate candidates had races that were for intents and purposes not competitive.

That is four out of five races in Connecticut in both chambers were not competitive. That number did not change significantly in '06 and did not change significantly in '08.

The reason that that didn't change is that the power of incumbency remains alive and well. There are a variety of ways that incumbents can garner that power. What we are likely to see is the system that you have put in place beginning to chip away at that, but, of course, the fundamental basis for that power of incumbency is in the way the district lines are drawn.

And as we watch this over time, I think what we will be looking for is what's happening to those races that we would call competitive, that is, within the 60/40 margin where there's a real opportunity where individual candidates, with a properly funded campaign and a well orchestrated strategy has the opportunity to
win. And that number has remained in about the 20, 25 percent range in Connecticut over the last three cycles and it's a number that we will want to watch over the next few cycles.

The fact is that in Connecticut the truly competitive races, that is where the victor has between 50 and 54 percent of the vote, there's only one in ten races in the State of Connecticut that are competitive, thanks to the way district lines have been drawn.

So rather than look for the number of incumbents that are reelected or even the number of incumbents that are challenged, I would say that we're looking -- we would look at a variety of factors.

Secondly, I think it's incumbent upon us, no pun intended, to look beyond just the power of incumbency and how incumbents do to issues like a more competitive debate, a more competitive dialogue, an opportunity for competitive races to come forward, an opportunity for voters to get much more engaged in the political process. And in that end, I think that the successes have been extraordinary.
Just the mere fact of requiring candidates to collect donations from 150 of their constituents in a house race or 300 in the senate race is in and of itself a sea (phonetic) change.

I know that when I was a legislator, even when I wasn't challenged, but when I was, the vast majority of funds would come from PAC's, from large donors outside of the district, from add books. There was a reference earlier to about 50 percent or more.

I found in my own academic research that incumbents actually on average counted between 70 and 75 percent of their money coming from nondistrict sources on average. So to require them to do that, I think really explains the counter message that has been delivered today, some saying that it is an opportunity for candidates to spend less time fund-raising and some saying, in fact, it requires more fund-raising.

I think what we will find is that at the legislative level, it will require significantly more time as incumbents have to go back to their districts and actually identify 150 or 300 people that are willing to write a check.
And that for good reason, they may find that it actually requires more time to raise the initial funds.

At the statewide level, it probably will have the exact opposite effect where the use of grass roots and Internet fund-raising will give candidates the ability to focus more on issues and debate rather than raising funds and we all can talk about the anecdotal evidence of the damage that's been done to the political process under the old system.

Joe Courtney used my offices for his calling operation in his two campaigns and for 18 months, he spent eight hours a day, six days a week in that small, windowless room calling people and asking for money.

The same can be said about running for Governor and that's going to change now, thanks to this system, so in that sense, I think it was an extraordinary success. Looking out over some of the challenges, I would urge you to, as has been discussed already, to look and consider the impact of leadership and caucus committees.

This is the mechanism for leadership,
and particularly the incumbent leadership, to try
to impact the outcome of those races. At the very
least, I believe it requires a much more
disciplined approach to clearer disclosure of where
they're spending the money in such a way that the
opposing candidates and the public can see that. I
will come back to that in just a moment.

But if you turn to the two charts that
I have laid out here that shows that the four
caucuses and there are three committees per caucus,
what appears to have happened here, and not
intending at all to pick on any particular caucus,
but you will see, at least in the preliminary
numbers, that in the senate side, the Senate
Democrats out spent the Senate Republicans by a six
to one margin on leadership and caucus funds.

One could argue that those funds,
which are predominantly dedicated to the targeted
races, the most competitive races, provides a
disproportionate impact, not necessarily to the
incumbent, but certainly unequals the playing field
when you have that kind of an influx of dollars
coming from the outside; in essence, an independent
expenditure, but an independent expenditure that is
actually coordinated with the candidate and provides significant dollars.

On the House side, it was harder to tell because of a quirk in the way that the reporting took place, but it looks like that number is going to be about four to one.

So as you think about the role of quote, unquote, outside money, the greatest source of outside money is going to be the caucus committees. And while they are near and dear to the leadership as a way to ensure success in competitive races an ensure loyalty among new -- or challenged candidates or new candidates, I would say that if you wanted to think about ways to equalize or ensure that the battlefield is equalized, there is probably nothing greater than you can do than to look at the way in which the caucuses are influencing the process.

The notion that each caucus has three was a number that was pulled out of the air in order to ensure that all of the leaders were -- all of the various leaders were happy. When you look at the actual source of funds, what you will see is that most of the caucuses are doubling down,
arguably tripling down, in the sense that a
contributor is asked to give a check to Caucus No. 1, Caucus No. 2, Caucus No. 3, that PAC's are given
to Caucus 1, Caucus 2, Caucus 3 and then those funds are then funneled into the targeted races.

So one could easily identify a solution, which is every caucus has a caucus committee and that caucus committee provides a centralized role and that way a limitation on contributions is a true limitation on contributions.

The other thing is that the present system makes it virtually impossible to determine how those funds are being spent. If you look on the chart that I have, it just -- again, not wanting to pick on any particular caucus, but I just pulled three expenditures reports. This one -- these happen to be three -- two of the three House Democratic Committees.

The way in which -- and it appears that almost all of the committees use the same mechanism. When they wrote a check, in this case for staff, they would write a check for -- in one case, $2,000, and then allocated apparently to six
different legislative candidates. But there is no
indication whatsoever whether those are in six
equal installments, whether those were one
candidate who got the lion's share of the benefit
from that $2,000 expenditure and the other five
were put in.

If I was running against that
candidate, there would be no mechanism for me to,
without going through every single expenditure and
then lay out every single expenditure by every
single candidate and then assume that the
expenditures were all equal, you will see another
expenditure for $10,000, and the purpose is listed
as, "See supplemental list of State Representative
Candidates."

The most important piece, in addition
to obviously the powers that you have, is the
ability for public disclosure and public
monitoring, by the media, by the candidates and by
the public. The present system on the reporting of
caucus activities makes that virtually impossible.

And then one other example here was a
check made out to a printing company. It was only
for $1,855. Most likely a single candidate who
some cards were printed for. But the purpose of
the expenditure was, "See supplemental list of
State Representative Candidates."

And I would urge you to require, at
the very least, that caucuses have a separate
accounting that they attach to their report, which
is individually each candidate that they have
supported and the extent of support that went to
that candidate. So that you could look right down
the list, alphabetically or however, and see that
Candidate X got $5,000 worth of support and
Candidate Y got $100 of support, rather than
requiring the candidate to somehow decipher how the
caucuses may be trying to hide the funding.

The second is obviously to look at
other ways in which incumbents are ensuring their
success, limiting the power of incumbency, some of
which is already done for you. The prohibition on
using franking privileges after July of an election
year. The prohibition of using state funds for
political purposes.

But, as we know, there are other ways
in which incumbents can benefit, one of which I
brought as a complaint to the Commission. I
understand clearly you are ruling against that complaint. But in that particular case, the incumbent was given free ad space to have a monthly column and that candidate -- and that benefit occurred to nobody else, except for incumbent, because of their relationship with that newspaper. Where you have incumbents who clearly, because of their incumbency, can garner special privileges, it unevens the playing field.

Another one would be to look at the independent expenditures, not only as independent expenditures, but, in fact, as a benefit to incumbency. I believe that all of the independent expenditures made this cycle were made to benefit incumbents or virtually all of them were made to benefit incumbents, which is -- which, again, is very understandable because the purpose of incumbents -- of independent expenditures is to ingratiate yourself to the individual person that you are supporting, in which case you want to make sure it's going to be the winner, in which case 90 percent of the time it's going to be the incumbent. And so independent expenditures by their very definition are likely to be expenditures to benefit
incumbents.

And so as you think about the leadership committees and the independent expenditures, think about them as mechanisms for incumbents to protect themselves.

As to that -- finally, as to that role of the independent expenditures, obviously there are significant constitutional issues that you will have to grapple with, both in any effort to close down independent expenditures or to punish an incumbent or a candidate who receives a positive independent expenditure. Because in many cases that candidate may not have sought that independent expenditure. It is being done -- could very easily be done not in a way that benefits that candidate.

Imagine, if you will, where the person or organization conducting the independent expenditure is really conducting it in such a way as to ingratiate themselves to that candidate, buying an ad or sending out a mailing. It is certainly not necessarily the way that the candidate would use those funds. They may be used in ways that are actually counterproductive to the success of that candidate who is being benefitted.
So if you give a one to one dollar benefit to the opponent for something that the incumbent has -- or something that the beneficiary of the independent expenditure has received, when, in fact, it is not clear at all that that benefit accrued to the beneficiary in the way or to the dollar extent that it was.

So I would caution you as you explore independent expenditures, first off the constitutional issue, which will prohibit you probably from making significant changes. And then as you try to address what was perceived to be, and may very well be a problem, and that is, what do you do for independent expenditures that are only in the positive? Just remember that if they're done right and they are truly independent, they are done in coordination, then they can't -- then the person who is benefitting can't be held responsible, certainly not to the extent of the full dollar for dollar.

The last piece, also on independent expenditure, is much like that of the leadership committee with one change. And that is the way the independent expenditure reporting works, in fact,
it's very clear who the independent expenditure was
-- who the beneficiary was because the organization
conducting the independent expenditures has to file
a supplemental report that says, "This expenditure
was for the benefit of Candidate X."

The problem is there's almost no
mechanism for the public, for the media, other than
for someone to call a reporter and tell them where
to look. That it is extraordinarily hard to
identify when those independent expenditures are
taking place. Because you would have to go through
every single report, looking for the needle in the
haystack, where an independent expenditure took
place.

So, again, I would suggest that both
the website and the report be set up in such a way
that when an organization conducts an independent
expenditure and files a report to reflect that
independent expenditure, that front and center on
that report is the identification that an
independent expenditure has been made, causing that
report to be created, who the beneficiary is up
front, so that one would only need to actually look
at the cover page, rather than go page by page by
page trying to look for some sign that an
independent expenditure took place.
And I think in this day and age on the
website as well that when an independent
expenditure has been identified, it needs to be
readily available to the public and to the media
and to the candidates who are looking at that.

I do have a variety of other very
practical issues and things that I saw with
individual candidates. And, again, we will submit
those in writing. But most importantly wanted to
congratulate you on a job that undoubtedly will be
looked upon years from now as having really been
the moment of change in our State's history, so
thank you for that.

MR. CASHMAN: Thank you very much, Mr.
Pelto. We very much appreciate your comments and
your presentation is very helpful and one we will
look at carefully and look forward to your other
suggestions in writing. Thank you very much.

MS. ROTMAN: Thank you.

MR. PELTO: Thank you.

MR. GARFIELD: Break time.

MS. ROTMAN: Yeah, why don't we take a
short break now.

MR. CASHMAN: We're going to take a short recess now, only for about five minutes or so, and then we're going to come back. If anybody came in after we began and wishes to testify that hasn't yet signed up, you can sign up over here and we only have a few more speakers, so there will be plenty of time for anybody who wants to speak that who has not yet signed up. So we'll take about a five-minute recess and we'll be back very shortly.

Thank you.

(Whereupon a break was taken in the proceeding.)

MR. CASHMAN: We do have a couple more speakers who have signed up. If anybody wishes to speak, there is still the availability of sign-up over here to my left. Jeff, who's next?

MR. GARFIELD: Okay. The next scheduled speaker is Martin Mador. Is he still here? I guess he's not. So then we'll go to Karen Hobart Flynn, the Vice President of Common Cause.

Great to see you, Karen.

(Karen Hobart Flynn, Vice President, Common Cause of Connecticut.)
MS. HOBART FLNN: Hi, Everyone.
(Inaudible.) -- National Office of Common Cause.
I work with our State Chapters all over the
country, but I have spent many years working up
here for Common Cause in Connecticut, both as
Executive Director and then Chair of Common Cause
in Connecticut, when we were one of the groups that
worked to pass the Clean Elections Program that we
are talking about today.
And we are a non-partisan, non-profit
group that works to improve the way government
operates and we are very pleased to be here today
to talk about this new program.
I have submitted written testimony,
which you should all have, I just brought it here
with me today; and I would like to just highlight a
few of the issues that I raise there and also talk
about a few things that I heard today because I
think it is really important that we solicit as
much input from people who participated in the
program to figure out what works and what doesn't.

Talking to a number of people who
worked to implement the Maine Clean Election
Program up there, one person said to me that doing
this work is like having a baby. You think you're
done; and the fact is, you have to continually keep
an eye on it and work and change and modify as it
continues to grow.

And so this by no means is going to be
perfect program, but I think that it is really an
extraordinary reform and I am very proud to have
worked on this and also that we have had such, I
believe, unqualified success in its first year.

I liked the idea that Senator DeFronzo
raised about having focus groups to have candidates
come in and talk about their perspective. And I
think that it could be very helpful with a lot of
reporting rules and looking at some of the rules
that we set up, including things like thank-you
notes. I think that kind of input could be really
helpful. I also think that we need to take a lot
of those comments and try and look at where we have
been historically and the revolutionary way we have
changed elections in Connecticut.

Because I think that this first year
was going to be the hardest for candidates,
particularly those who have run before because the
old way of raising money for races has completely
changed. The -- when we passed this law, it wasn't
just about setting up a new program, a new
voluntary program, to run -- to qualify and get
resources to run for office; we also did a number
of other things.

Lobbyists' contributions were banned.
State contractor contributions were also
prohibited. Legislators could only have -- two or
more person PAC's could only be limited to one PAC.
Many -- we don't allow add book contributions any
longer.

So more than 100 PAC's terminated
their organizations and I am sure the number was
higher than that, I just remember seeing a Journal
Inquirer article by Keith Fanop (phonetic) on that,
several hundred PAC's opted not to re-register, so
the entire political landscape changed. And it's a
huge adjustment for candidates who are used to
raising money from PAC's and lobbyists and others
in larger chunks to switch to a model that is
focused on getting many small contributions from
individuals.

We don't allow them to raise money
from lobbyists or PAC's in their qualifying
contributions and so it represents a sea change and it will be much harder. It's also about adjusting to new reporting guidelines. And I think those things -- those kinds of adjustments are difficult.

I think it was helpful when Senator DeFronzo and Representative Caruso and Phil Sherwood also talked about the reason that we did this kind of reform and I think it's important to remember the unprecedented scandals that we had in Connecticut where we had a series of scandals from 1999 through 2005 where a state treasurer, several of his friends and family, the Mayor of Bridgeport, the Governor, several of his aides, state contractors, a state senator either pled guilty or were convicted of corruption that involved illegal contributions or kickbacks to elected officials.

And although each case was very different, they were classic pay to play scandals that really eroded public trust in government. And we believe that the kind of reform that you passed changes the emphasis and gives candidates an opportunity to run for office without having to rely on special interest contributions.

And we are enormously proud of the
work that the legislature and the Governor did to
pass the strongest set of campaign finance reform
and they did it through the legislative process. I
also want to commend this agency for the tremendous
work to set this program up in record time.

Jeff Garfield did tremendous work with
his staff and Joan and others. I would also like
to commend him for bringing someone with
significant expertise, which I think was a pivotal
piece of getting this thing up and running and that
was bringing in Beth Rotman, who had significant
experience with the widely acclaimed New York City
public financing program.

Her attention to detail. She's one of
the few people I know that lives and breathes this
stuff and thinks about the details of reporting.
That kind of thing is critical to this kind of
program and I attribute much of the success to her
hard work on this.

We -- from the perspective of
reformers who fought to pass this, we believe that
this has been an unqualified success. People have
talked about the broad participation, Republicans
and Democrats and minor party candidates running
under this system.

And, you know, 75 percent running
under this program is really something else. When
you compare it to Arizona's public financing system
in 2000, its first year, they had 25 percent of
legislative candidates participated in the primary
and only 14 percent in the General Election in its
first year. In Maine, 33 percent of legislative
candidates ran under the program.

Since then, their percentage rates
have gone up significantly. And in Maine, 81
percent of their candidates ran in the most recent
election and roughly two-thirds of eligible
candidates ran in Arizona's program. So those
systems are up and running, but we've gotten off to
a really incredible start with this program.

From our perspective, there are a
number of things that we're going to have to look
at and I think Jonathan Pelto's warning that we
need to take time to assess what the results of
this kind of reform are going to be, I think is
completely right. And I think that we are going to
need to look at a number of things, not just
incumbent reelection rates, but I think we're going
to need to look at competitiveness and whether the
races have narrowed in terms of their candidate's
abilities to run.

I think that there are going to be
political scientists, because I have met some at
conferences that like to quiz those of us that
worked to pass this reform, they're going to be
looking at candidate emergents to see if people who
had never thought about running and never had
access to resources are going to be running. Are
we going to see people from under-represented
constituencies running for office for the first
time? Those are the kinds of studies they're going
to look at.

We're going to look -- there are going
to be political scientists looking at candidate
attitudes regarding governing, once they have been
elected under the system. Has it changed for them
because they don't have to court lobbyist's
contributions and they can -- they can vote and get
involved in legislation in a way and not feel like
they are beholden to anybody that's given money.

And another thing that I think that
Michael Malbin from the Campaign Financing
Institute is going to be looking at is the role of small donors in this. And this, I believe, we are going to find that, you know, not only do we want to see broader participation in the electoral system from candidates, but we will also want to see more participation from those who contribute and volunteer in campaigns.

The -- there was a group called the Clean Elections Institute in Arizona that did a study; and one of the things that they found was that the Clean Election System in Arizona greatly expanded the universe of contributors by increasing the number of people who contribute to campaigns and also they saw that there was geographic, economic and ethnic diversity in those who gave.

Money wasn't just coming from the wealthy few. They were seeing people from rural areas giving that had never really given before, from households with lower medium incomes and also significant ethnic diversity in people who gave.

And I think as we have seen the explosion at the national level with Obama's running for office, where there were three million individuals that gave small contributions, looking
at small donor democracy is an exciting new
development and I think a very positive development
that we're also going to see here in Connecticut.

Being an advocate, I always have
recommendations for reforms or tweaks; and I think
some of those that were suggested earlier by others
are important and Common Cause. You know, I know
that there are some things that you can look at in
terms of your rule making, but a lot of this is
going to be up to the General Assembly to decide,
but I -- but there are a couple of things that
Common Cause has on its list and we will be also
taking a look at campaign reports to look at
organizational expenditures, looking at exploratory
committees and just trying to interview as many
candidates as possible, to get their input about
things that they need as we look at our legislative
agenda.

But some things that we would like to
see as Common Cause is lowering the financial
threshold for electronic campaign filing of
reports. It should be lower than just $250,000.
We would like to see -- and I think it would ease a
candidate's experience and also help the public be
able to see the records a little easier, if we were
to switch to all electronic filing.

    Most public financing systems have
mandatory electronic filing and that's something we
would like to see. We also are concerned about the
independent expenditure issue. As you know, and I
know that this is something that you talked about,
but currently the Citizens' Election Program
matches negative independent expenditures, but not
those spent on behalf of a candidate and I do think
that it could put candidates at a disadvantage.

    I don't think that we saw this as a
widespread problem in 2008, but I do think that it
has the potential of becoming a problem and perhaps
decreasing participation in the program and so it's
important to take a look at that.

    I also think that some of the
suggestions that Senator DeFronzo made about
earlier deadlines for filling a candidate vacancy
is an important thing to look at. It's a careful
balance about, you know, disrupting other campaigns
and having them give back a contribution, those are
things that I think make sense to look at.

    And I also -- I think we have come a
long way in the system; but as an advocate, I know
the Center for Governmental Studies, we worked with
closely, I think they have given Connecticut a
D-plus, which they come up and give me a hard time
about when I see them, the State of Connecticut,
and I think that we need to continue to push to
have a system where we could not just have scanned
reports, but a data base that people could take a
look at and so would like to see an improvement in
that area, too. Thank you.

MR. CASHMAN: With respect to your
comments about the lowering the threshold for
electronic filing, you're preaching to the choir
here. That proposal has been submitted by this
Commission in the last couple of years. It will be
again. That is a legislative issue that we are
trying to deal with, as well.

MS. HOBART FLYNN: Right.

MR. CASHMAN: And as well as, you
know, the independent expenditures, that's
something, again, that we talked about earlier this
morning. That seems to be something which there is
-- now appears to be widespread agreement on. We
were simply constrained by the language of the
statute as it was presented to us.

MS. HOBART FLYNN: Right. Right.

MR. CASHMAN: Any other questions or
comments?

MR. GARFIELD: Just a quick comment.

Again, Karen, I just would like to publically thank
you and the members of Common Cause for all of the
hard work in bringing about this legislation and
not only bringing it about, but in supporting the
legislation and the agency throughout the first
year, so I really thank you for that.

And I would like to assure you that
steps are now being taken. We did have a very
labor intensive year, a challenging year. But
steps are being taken as we speak to create the
kind of data base that you're requesting and we
expect that to be done in the early part of '09 and
further enhancements to eCRIS as we go along.

We're also putting groups together,
treasurers, Mann is leading the charge and Dianna,
putting together focus groups for treasurers to see
how they enjoyed the eCRIS experience and will be
doing enhancements from there. So thanks for all
of your input and support and we look forward to
working with you in '09.

MS. HOBART FLYNN: Great. Thanks.

MS. ROTMAN: I have -- just one

comment I will add, just because it may not be

something -- I'm sure the Commission knows, but not

everybody knows, that -- and you were modest about

it, but Common Cause played a big role in education

and outreach in this first cycle and undoubtedly

contributed to the 75 percent participation rate by

really getting out there early with the basic

information.

And while we at the Commission did the

sort of details, this is everything you have to do,

Common Cause, and I believe also together with

other good government groups, not to slight them,

did a lot of work on that very early on, starting

from around two years ago when I first got here.

And that played a big role in getting us to that 75

percent participation number.

So just thank you for that. It's

something that probably not everybody in the room

knows that you did and you were modest about it

just now, so I just wanted to share that.

MS. HOBART FLYNN: Well, thank you.
And, actually, Kim Hynes is one of our organizers that did dozens of these basic trainings about the opportunity of the public financing system. So thank you for that.

MR. CASHMAN: Thank you very much. Is there anybody else who wishes to address the Commission? Sir?

MR. GARFIELD: Tom?

MR. CARUSELLO: Yes.

MR. GARFIELD: Tom Carusello from the AFL-CIO.

(Thomas Carusello, Political Director, Connecticut AFL-CIO.)

MR. CASHMAN: Good afternoon.

MR. CARUSELLO: Good afternoon.

Members of the Commission, my name is Tom Carusello. I'm the Political Director of the Connecticut AFL-CIO. We represent over 200,000 working men and women in the State of Connecticut. We have been long proponents of public financing. I have been ordered to testify in favor of this bill many times in the past and I want to congratulate you on implementing a law which I think has worked as good as can possibly been
expected to in the first go around.

Now, after all that praise, let's talk about where the problems lie. And, again, I really want to thank you for the law. It seems to have done what it was supposed to do.

A good friend of mine ran a primary this year in the Town of Wolcott and I worked as a volunteer on her campaign and we found out here right off the bat, first time out of the shoot, that there was going to be some problems with the law concerning the independent expenditures.

I know that you have heard this before during the course of the day here. I understand that, you know, you realize the problems here, but let me just add my voice to say that if the issue of independent expenditures is not dealt with, it will undermine this law. This law will at some point become pointless, if we don't deal with the problem of independent expenditures, whether they be negative in nature or positive in nature.

The group that started in the primary in Wolcott and Southington, now extended to four or five groups including at least one union who have done independent expenditures in different races,
and I can tell you that as we get closer to the
Governor's race, I know for a fact that there are
people already figuring out how they are going to
do independent expenditures in 2010 for the
Governor and other statewide races. So this is
certainly an issue that will change the nature of
this law that you worked so hard to craft, that
legislature worked hard for a number of years to
get passed; and I would like to see continue where
it should go.

The other problem I think in terms of
primaries is that you raise -- the candidate raised
$5,000 and then gets $10,000 from the Citizens'
Election Fund. And that in terms of primaries just
-- I mean, I understand it's not a general
election, but it's not in today's world all that
much money. So you raise $5,000 and you get
$10,000.

A candidate who wanted to stay outside
the system, for instance, could probably raise
$10,000, a credible candidate, much quicker than
they can go get the signatures -- I mean the small
contributions that are required from the -- just to
get into the system.
Now I understand that the nature of being in the system is better because it's a campaign issue, if you're not in it. But to get $10,000 after raising $5,000 for a total $15,000 is just not that much money. And what we found -- again, I was a volunteer on this campaign. What we found in this campaign was that at the end of the campaign, when the independent expenditure happened for the other candidate, there was no money to respond to that at all because the money had been allotted. It was only $15,000 to start with.

There truly is a significant difference between the amount of money you get in a general election than the amount of money you get in a primary. And in that particular district, if there had been about 200 more Democrats, it would have been a majority Democrat district and the candidate would have gotten the full general election grant.

MR. GARFIELD: Party dominant is what --

MR. CARUSELLO: Yeah, party dominant. Right. And so the grant would have been much different for just 200 or so more Democrats in that
district, so I think it's something that really
needs to be looked at.

I was running a campaign two years
prior against an incumbent. And, again, we heard
about the power of incumbency we heard today,
trying to -- spending $15,000 to take out an
incumbent. You know, it's just not that easy to
do. We had a credible candidate two years earlier
in the 73rd Representative District in Waterbury
and we came within 40 votes in that race, but it
cost us $31,000 to do it. So I just think, you
know, to run a credible campaign, you need more
than $15,000.

Interestingly enough, though, Mike
Telesca, whom I know well, Waterbury is the Center
of the Universe sometimes. It really is. The
other part of this is that when you took a look at
the campaign that actually happened this year in
Wolcott and in Southington, it started out with a
couple of days after the candidate who I was
working for was actually certified to be on the
ballot, not to get the -- not to qualify for the
grant, but a couple of days after the candidate was
certified to be on the ballot, that week there were
two mailings of frank mail from the incumbent in
the first week that the candidate was certified.

So I know that there is a law on the
books about frank mail in a certain time prior to a
general election. I just think that it needs to be
looked at in terms of the primary. Because what we
saw in this campaign was two full mailings to the
entire district happened prior to any of that
$15,000 from the incumbent being spent. So that
was -- in my -- because it's taxpayer money, it's
kind of like that was the Citizens' Election Fund,
too, paying for more mailing.

So we ended up in this campaign for
the incumbent had two pieces of frank mail at the
beginning, $15,000 from the Citizens' Election Fund
and then an independent expenditure at the end. So
the fact that this challenger came within 74 votes
I thought was a pretty good campaign. Just a few
things I think you need to take a look at.

MR. GARFIELD: Thank you.

MR. CASHMAN: Go ahead.

MR. GARFIELD: Thank you, Tom, for
your testimony and your thoughts. And I think you
have been in and out of the room, but the Chairman
has mentioned that with regard to the independent expenditure issue, I think you can expect that the Commission -- I know you can expect that the Commission will be pushing legislation to provide supplemental grant money for independent expenditures that are positive.

I don't know if you heard the testimony that Jonathan Pelto gave, but Jonathan also saw that as an issue, but had a kind of a different take on it. Because independent expenditures by their nature are not coordinated, the candidate who benefits from them doesn't necessarily want that speech, depending upon who is doing the speaking.

MR. CARUSELLO: Hmm-hmm.

MR. GARFIELD: And Jonathan suggested that they shouldn't be compensated, the positive independent expenditure shouldn't be compensated at a dollar per dollar match. How do you feel about that?

MR. CARUSELLO: Well, actually, this is the first I have heard of that. I was actually out of the room. I had to go back to my office and come back here. I came back just for this.
I haven't thought about it, but I know that this year at a time when -- certainly in a primary, when you're only starting -- when you only had $15,000, for it not to be compensated dollar for dollar I think would have been a problem this year. It was a fairly substantial -- it was done -- it was more than one mailing that was done on behalf of the candidate. So at the moment, without further thoughts on it, I would have to go with the -- I would stick with the dollar for dollar.

MR. GARFIELD: Stick with the dollar for dollar?

MR. CARUSELLO: Hmm-hmm.

MR. GARFIELD: I understand your point on the primary grants. Obviously, you know, I think that it's a fiscal issue, obviously in this difficult environment that we find ourselves in the State. But the frank mail issue is intriguing. Of course, you probably know this, but the ability for the incumbent to mail until the first week in July is a legislative rule.

MR. CARUSELLO: Right.

MR. GARFIELD: And so we don't control that. It's a joint rule and it's something that
they would have to take upon themselves to limit.
And, you know, so that's the challenge.

MR. CARUSELLO: Hmm-hmm. Well, it's certainly -- I think it's something that needs to be -- the issue needs to be raised. Because, I mean, right out of the shoot, we saw this and we were like, "How is this happening?" And then I realized that it was frank mail. And unlike 20 years ago, frank mail was, you know, a white piece of paper with a survey on it. Right? And now it's -- now it's as glossy and as classy as a well-paid campaign piece and that's what they are now. They are just campaign pieces. So it's kind of a different animal than it used to be 20 years ago.

MR. GARFIELD: Hmm-hmm.

MR. CARUSELLO: Anyway, those are my thoughts. But, again, good law. Ought to pass.

MR. GARFIELD: Did pass.

MR. CARUSELLO: Did pass.

MR. GARFIELD: Ought to stick.

MS. ROTMAN: I will just share briefly, and Tom and I have had some conversations about this in the past, that there are certain things, like the franking privileges or other
issues, too, that while they weren't part of the changes of the sweeping campaign finance reform that we're talking about, some of the impacts may feel differently to candidates because -- they feel different because so many candidates are in the program.

And I think it is something that is all part of this Commission's review. Because while many, many areas were covered, I think it's all something that we have to think about now in the context of the Citizens' Election Program and the fact that so many candidates are using it. So thank you for that.

MR. CARUSELLO: And thank you.

MR. GARFIELD: Thank you, Tom.

MR. CASHMAN: Thank you very much.

MR. GARFIELD: I understand Martin Mador is here.

(Martin Mador, Campaign Treasurer for State Representative Mary Mushinsky.)

MR. MADOR: Good afternoon. I am Martin Mador. I am here talking to you I guess in two capacities; one is as a campaign treasurer and the other as the Political Chair of the Sierra
Club, which is a C-4 organization in endorsements this year and was also subject to your regulations. And I have to say I have been here many times talking to people. I have never, ever had an appointment to do this, so I am overwhelmed.

I should also say -- I am tempted to say some complimentary things, but there's a rule which is, "You should never name a building after a living person because as long as they are alive, they have the potential to embarrass you." Well, my campaign is still alive until I file the termination report and possibly go through an audit, so this may be a little bit ill-advised to do this.

But let me start off by saying that all of my encounters with SEC staff, in both of my capacities, were positive and helpful; and I really have nothing but praise for the way you have run this operation this year. And I understand that a lot of the rules were getting written as we went along, so it was a little -- so I am sure it was a little bit difficult for you folks, as well.

I had a little question about the timeliness of some answers, particularly with
regards to the Sierra Club activities, that the
answers may have taken a couple of weeks to come
back and that was a little discomforting for me
since I really didn't want to do something without
some explicit reassurance that what I was about to
do was really within the SEC's guidelines, but
overall all of the staff I dealt with were helpful.

They clearly wanted to make this right
and to work with us, so I really have to give you a
lot of praise for doing that and I can only hope
that won't come back to bite me in the coming
months.

Let me give you a few quick ideas. In
general, as a citizen, as a voter and as an
advocate for good government, I think the campaign
finance law is extraordinary and the legislature
gets a lot of credit for passing this. As a
campaign treasurer, I have some very mixed feelings
about what it has done to my life, so I have
developed some schizophrenia about this.

But on the whole, I think it was a
great law. I think the State implemented it pretty
well. And I would certainly say that now we're on
the backside of the election, this really was a
success. And even if I -- I was Mary Mushinsky's campaign treasurer. Mary had not had an opponent in the last couple of elections. We did have an opponent this year, so life was a little tougher, but I guess that is just something you have to live with.

Most of my thoughts really go to my experience with the Sierra Club as a C-4. I wish there had been a more comprehensive document that really could have told me exactly what we were doing. We had the opinion 2007-12 and 2008-01, the first one for answers to questions submitted by Betty Gallo and the second, questions submitted by the League of Conservation Voters.

Both of those documents were exceedingly helpful in telling me what I could do and what I couldn't do. I really do hope for the next cycle you will prepare a comprehensive document for C-4 organizations, really telling us what we could do. There were questions.

What can -- when we interview a candidate looking towards an endorsement, what can we talk to them about at the interview? If we ask them questions at the interview about how their
campaign was going, is that considered a
coordinated conversation? Once we did an
endorsement, what could we say to whom and when
could we say it?

In the end, we were told that we could
take the endorsements, we could not send them to
the candidate directly, but if we had a website
that we used for regular announcements, we could
put the endorsement on our website, even though the
website was accessible by the general public and
not just our membership.

The advice we got from SEC was clear
and there was no problem following it, but for the
next cycle, it would be immensely helpful to have
an overall guidance document that really explained
to us what we could do and what we couldn't, you
know, do.

Clearly communications with our
membership was protected and there were no really
effective restrictions on that. But my fear was
that something that we had done would somehow or
other become public otherwise and I really needed
to know what the boundaries were.

If a reporter got wind that the Sierra
Club had done endorsements, what am I allowed to say to a reporter, knowing that this is going to appear in a public news story? Some guidance up front about that would be exceptionally helpful to have. What is considered coordination with a candidate? What am I allowed to talk to them about? Particularly in terms of the endorsement.

Now Sierra also has a PAC. We didn't raise money through the PAC, so there was a whole set of activities we might have been involved in, which we didn't do, so I don't have any comments on how that worked. I am not entirely clear what difference having a PAC actually made to what we did in terms of the endorsements. We had it, but we didn't use it. I am not sure what difference it would have made, if we didn't have a PAC at all. And that's something that I certainly would like to get clarified in the next election cycle.

And then, again, perhaps the most important thing, what steps do I have to take to make sure that what we do does not go to people beyond the Sierra Club membership in the State. That is probably the largest area that I had some questions about.
So comprehensive guidance, clarification of the roles of C-4's and the associated PAC would be immensely helpful for the next time. But, as I said, I am very pleased with how things went and I would love to sit here and give you some criticism, but I don't have any.

MR. CASHMAN: Thank you very much for that. We do appreciate your comments and we will do our best to address your concerns prior to the next cycle. As you know, I mean, should you have specific questions, though, you can ask. You know, in writing typically is best. And we will try to provide, you know, written responses as quickly as possible to very specific questions that may just relate to your organization.

MR. MADOR: Right. And I will certainly do that. Although my hopes in the next election cycle is you will have some sort of comprehensive document for C-4's prepared that may answer all of my questions before I figure out what they are.

MR. GARFIELD: We'll do our best.

MR. CASHMAN: Anything else?

(No response.)
MR. CASHMAN: Thank you very much.

MR. GARFIELD: Thank you.

MR. CASHMAN: Is there anyone else who wishes to speak? Well if not, thank you very much for coming. We will have another public hearing on December 5th beginning at nine o'clock in the morning. It will be in this building. The room will be announced.

There are a series of speakers that have already signed up that couldn't be here today that will be here on December 5th. Everybody here is welcome to attend again. And, again, thank you very much for coming. We appreciate your comments and we will take them under advisement. Thank you.
CERTIFICATE

STATE OF CONNECTICUT)
)
COUNTY OF NEW HAVEN )

I, Sara Devino Posta, a Notary Public
duly commissioned and qualified in and for the
State of Connecticut, do hereby certify that the
foregoing record is a correct and verbatim
transcript of the proceeding hereinbefore set
forth.

I further certify that I am neither
attorney or counsel for, nor related to or employed
by any of the parties to the action in which this
proceeding is taken; and further that I am not a
relative or employee of any attorney or counsel
employed by the parties thereto, or financially
interested in the action.

In witness whereof I have hereunto set
my hand and affixed my notarial seal this 12th of

Sara Devino Posta, LSR No. 00267
Notary Public

My commission expires January 31, 2012