



**Testimony on Int. No. 1130-A  
Full public match for small campaign contributions**

**New York City Council Committee on Governmental Operations  
April 28, 2017**

Good afternoon Chair Kallos and members of the Governmental Operations committee. My name is Alex Camarda, and I am the Senior Policy Consultant for Reinvent Albany. Reinvent Albany works for open, accountable New York State government and transparent New York City government. Thank you for the opportunity to share our views on Int. No. 1130 today.

Reinvent Albany supports this legislation and its goal of encouraging more small donations from a broader part of the public. We believe the legislation correctly recognizes the shift in campaign finance regulation over the last 15 years from restricting large campaign contributions to incentivizing small donations as a result of legal decisions culminating in the Citizens United ruling. The movement of money to outside groups and committees has changed campaign finance regulation and made it far more difficult for New York City to effectively limit the size and influence of large contributions.

The goal of the New York City campaign finance system is to create an even playing field, and to reduce the perceived or actual influence of a small number of wealthy contributors. Int. No. 1130-A will help do this by lifting the public funds cap beginning in 2018, allowing candidates to fundraise by relying more on large numbers of typical New Yorkers making publicly matched small donations. Candidates will also be able to compete more effectively should they face unlimited spending funded by a small number of wealthy interests.

Under current New York City law, candidates receive a 6:1 match in public dollars for every contribution up to \$175. However, the total amount of public matching funds is capped regardless of how many small donations candidates raise. The public matching cap is currently 55 percent of the campaign spending limit for the office imposed on candidates who receive public matching funds when they voluntarily opt into the

system. For the 2017 elections, the spending limit for City Council races is \$182,000 and the public funds cap is \$100,100; for Borough President \$1.5 million and \$862,950; public advocate and comptroller, \$4.3 million and 2.4 million; and mayor \$6.9 million and 3.8 million. These caps apply to each election, the primary and/or general election, but are different for run-off elections. While these caps are for this year’s elections the public funds and spending caps were lower in past election cycles.

As shown on the charts below and on the next page, most of the funds raised for the mayor’s race in 2013 were from private funds. While some may interpret that as indicating the current public match cap is not restricting small dollar fundraising, we believe it points to the need to incentivize more small dollar fundraising as part of a larger campaign finance strategy.<sup>1</sup> In the Democratic primary, just 26.79% of the money came from public matching funds.<sup>2</sup> Christine Quinn was the only candidate who reached the public funds cap. John Catsimatidis did not participate in the public matching program in the Republican primary, but public funds were critical to the campaign of Joe Lhota, both in the primary and general election for mayor. In the general election for mayor, public funds represented just 12.97% of campaign funds raised. In total, \$15 million of \$63 million raised for the mayor’s race were public funds, or 23.81%. Further analysis done by Chair Kallos’ Office reveals that nearly half the funds raised for the mayor’s race were from donations of \$4,950, the maximum contribution. Just 5 percent were in small donations, \$175 or less, the threshold eligible for a public match.

## 2013 Democratic Primary Election for Mayor

Candidate	Private Funds	Public Funds
Bill de Blasio	\$4,926,756	\$2,903,840
John Liu	\$3,538,007	\$0
Christine Quinn	\$8,019,471	\$3,534,300
Bill Thompson	\$4,773,122	\$1,852,446

<sup>1</sup> Data for all the charts in this testimony is pulled from Section 1 of the very excellent New York City Campaign Finance Board, 2013 Post-Election Report which is very deserving of a thorough read. See: [http://www.nyccfb.info/PDF/per/2013\\_PER/2013\\_PER.pdf](http://www.nyccfb.info/PDF/per/2013_PER/2013_PER.pdf)

<sup>2</sup> John Liu sought to participate in the public matching program but did not meet the requirements to participate in the program, as determined by the CFB. This likely resulted in a lower reliance on public funds by as much as \$3.5 million See: <http://www.nydailynews.com/news/politics/john-liu-mayoral-campaign-denied-millions-dollars-public-funding-article-1.1417841>

Anthony Weiner	\$5,916,192	\$1,652,074
TOTAL	\$27,173,548	\$9,942,660

### 2013 Republican Primary Election for Mayor

Candidate	Private Funds	Public Funds
John Catsimatidis	\$10,787,074	Did not participate in the public matching program
Joe Lhota	\$2,255,895	\$1,943,076
TOTAL	\$13,042,969	\$1,943,076

### 2013 General Election for Mayor

Candidate	Private Funds	Public Funds
Bill de Blasio	\$5,738,019	\$1,237,448
Joe Lhota	\$2,255,895	\$1,943,076
TOTAL	\$7,993,914	\$3,180,524

In the Democratic primaries for Public Advocate and Comptroller, a total of \$19.6 million was raised by all major candidates in private funds, while \$6.9 million was allocated in public funds, or only 26.16% of the total. However, public funds for Dan Squadron, Tish James, and Reshma Saujani were larger than private funds each candidate raised in the primary, and for Squadron and James in the run-off election, with Squadron coming very close to approaching the public funds cap for the primary election.

For the Borough President's Democratic primary race in Manhattan, every major candidate came within \$25,000 of hitting the public match cap of \$795,300, with Robert Jackson reaching the cap and Julie Menin falling short by \$130. In the Borough President Democratic primary race in Queens, private funds represented 43.87% of total funds but no candidates came close to reaching the public funds cap.

A review of City Council races shows a greater reliance on raising small dollar donations by candidates, and the public match cap in 2013 was much more likely to be reached

than for citywide or borough president races. Council candidates raised a grand total of \$13,814,785 in private funds and received \$10,764,984 in public funds during the 2013 election cycle, or 43.8% of funds raised. Reinvent Albany identified that of the 168 candidates running for City Council in 2013, 51 candidates reached the public matching funds cap of \$92,400 in the primary election (30 percent of candidates) and 15 candidates hit the cap in the general election.<sup>3</sup>

What does this data show us?

Reinvent Albany believes it reveals the City should further encourage candidates for citywide offices and borough president to raise small donations to balance the reliance on and influence of large contributions. For City Council contests, lifting the public matching cap would alleviate the fact that a significant number of candidates are reaching the cap, while bolstering the existing practices of many Council candidates to pursue small donations.

The Council and CFB should consider as a complement to this legislation in the coming year raising or lifting the spending cap for city offices to further encourage participation in the public matching system and enable candidates to compete with outside spending.

Lastly, on a technical note, the Council should consider amending section 2 of the bill because it amends subparagraph iii of subdivision 3 of section 3-706 of Chapter 7 of Title 3 of the City's Administrative Code. Subdivision 3 may be unconstitutional at least in part as a result of *Arizona Free Enterprise Club v. Bennett* because it appears to provide bonus public matching funds when a non-participating candidate has raised or spends more than 50 percent of the office spending limit. It should be reworked so the expenditure limit relief remains intact while the bonus matching public funds provisions are removed.

Thank you for the opportunity to testify today on this legislation.

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<sup>3</sup> NYC Campaign Finance Board, Data Library, Public Matching Fund Payments, 2013. See: <http://www.nyccfb.info/follow-the-money/data-library/>