

VIA EMAIL

Commissioner Henry Berger Commissioner Mylan Denerstein Commissioner Kimberly Galvin Commissioner DeNora Getachew Commissioner Jay Jacobs Commissioner John Nonna Commissioner David Previte Commissioner Crystal Rodriguez Commissioner Rosanna Vargas

Dear Commissioners:

We write to thank you for holding your October 15th public discussion at the Westchester Community College, and to comment on the issues you discussed. Your open deliberation of the policy choices reflected well on the Commission and you as individuals.

We heard you move towards a majority or consensus point of view on three topics:

- Contribution limits
- Public match caps
- Qualifying thresholds

For each of these three areas, we have summarized what we heard, and our recommendations.

1a. What We Heard On Contribution Limits

The Commission seeks to lower contribution limits significantly from the current limits, which are among the highest in the country depending on the office. The Commission would like to lower contribution limits for candidates joining the public matching program (participants) and those who do not opt in (non-participants) but will seek a

legal opinion to confirm they have the authority to do so. There was a brief discussion of even lower contributions for entities and individuals doing business with the state like corporations, LLCs and unions.

*			
Office	Participants	Non-participants	
Governor	\$6K per election (\$12K total)	\$8K per election (\$16K total)	
Lt. Governor, Attorney General, Comptroller	\$6K per election (\$12K total)	\$8K per election (\$16K total)	
State Senate	\$4K per election (\$8K total)	\$6K per election (\$12K total)	
State Assembly	\$2K per election (\$4K total)	\$3.5K per election (\$7K total)	

Commission's Proposed Contribution Limits

1b. What We Recommend on Contribution Limits

Reinvent Albany supports the Commission's intent to lower contribution limits for ALL candidates, for those voluntarily joining a public financing program (called participants) and those not opting in (called nonparticipants). This is a significant improvement over the status quo. We are also encouraged to hear the Commission consider even lower limits for individuals doing business with the state. We urge the Commission to establish doing-business restrictions, something that 21 other states and NYC have done.

While the proposed contribution limits discussed by the Commission are substantially lower than the current limits, we think they should be even lower. For example, <u>the</u> <u>maximum contribution for citywide offices in New York City</u> is \$2,000 for participants and \$5,100 for nonparticipants *for the election cycle*. For City Council, it is \$1,000 for participants and \$2,850 for nonparticipants *for the election cycle*. This places the Council's participant limits at only a quarter of what the Commission is proposing for the Assembly. The Commission's proposed lower limits are also well above the maximum limits for the Presidency of the United States and members of Congress (\$2,800 per election, total \$5,600), and <u>most other states</u>.

Reinvent Albany is deeply concerned by the prospect of matching very large contributions with public money. Under the proposed public financing system, the first \$250 of a contribution will be matched by *at least* \$6 in public money for every \$1 in

private money. This means a donor giving \$12,000 to candidates for governor for the election cycle (\$6,000 per election) will have their contribution matched with at least \$3,000 (\$1,500 per election) in public funds. A State Senate candidate receiving the maximum of \$8,000 for the election cycle from a donor will also receive at least \$3,000 in taxpayer money.

New Yorkers will rightly wonder why they are subsidizing such large contributions, and Reinvent Albany will find it difficult to support a system that does so.

New York City significantly lowered its contribution limits in 2019 because candidates particularly incumbents and mayoral candidates - were raising funds from larger contributions and receiving public funds. <u>Data showed that candidates for mayor raised</u> <u>about half their funds from the maximum contribution at the time of of \$4,950, and 95</u> <u>percent of the funds raised were from contributions above the matchable amount</u> (\$175). We believe the result would be even more pronounced for candidates for statewide office under the Commission's proposed contribution limits. Similarly, <u>Reinvent Albany found that Councilmembers during the 2017 election raised 59 percent</u> of their funds from contributions of \$1,000 or more and 91 percent of their funds raised were from contributions above the matchable amount (\$175) even with a contribution <u>limit of \$2,850</u>.

We have proposed a variety of ways to address large contributions in our comprehensive recommendations in the context of a public matching program, including only matching small contributions and lowering dramatically contribution limits but raising them in the face of large independent expenditures. Presuming the Commission has decided not to act on our previous recommendations, the Commission should simply lower the contribution limits further.

2a. What We Heard on Public Match

The Commission appeared to settle on a \$6:\$1 match for all in-state contributions, and a larger match may be provided for in-district contributions, perhaps \$8:\$1 or \$10:\$1. The larger match rate may be greater in districts that have a lower average median income (AMI). The public match would apply to contributions of \$5 to \$250, or the first \$250 of any eligible contribution.

2b. What We Recommend on Public Match

Reinvent Albany supports a base match of \$6:\$1 on all eligible contributions from New Yorkers. We support a reasonably higher match for in-district donations. We will

postpone judgment on a higher match for lower-income districts if the Commission continues to consider this proposal.

3a. What We Heard on Public Match Caps

Public match caps limit the overall amount of public funds distributed to candidates no matter how many eligible contributions they raise.

Office	Primary	General
Governor	\$8M	\$10M
Lt. Governor (primary), Attorney General, Comptroller	\$4M	\$4M
State Senate	\$375K	\$375K
State Assembly	\$175K	\$175K

Commission's Proposed Public Match Caps for Participating Candidates

3b. What We Recommend on Public Match Caps

Reinvent Albany believes the public match caps proposed by the Commission should be increased for the State Senate. As shown on the chart below, the cap for the State Senate is \$375K per election. Thirteen candidates spent more than \$750K – double the proposed cap – in competitive state senate races during the 2017-2018 election cycle. \$375K would be insufficient in those races, increasing pressure on candidates to rely more on private money, which too often equates to larger contributions.

4a. What We Heard on Qualifying Thresholds

Qualifying thresholds are thresholds candidates must reach before they can receive *any* public funds whatsoever. Candidates must raise a certain number of contributions in-district and a total dollar value from those in-district contributions. The Commission proposed the following qualifying thresholds as a base amount, which would be lowered by as much as half for districts where residents earn less than the average median income.

Office	Minimum Funds Raised*	Number of Contributors
Governor	\$600,000 (in-state)	6,000 (in-state)

Commission's Proposed Qualifying Thresholds

Lt. Governor, Attorney General, Comptroller	\$100,000 (in-state)	1,000 (in-state)
State Senate	\$18,000 (in-district)	150 (in-district)
State Assembly	\$7,500 (in-district)	75 (in-district)

*Only the matchable portion counts towards the total.

Minimum Funds Raised may be reduced by as much as half in districts below the Average Median Income

4b. What We Recommend on Qualifying Thresholds

Reinvent Albany believes the qualifying thresholds for state legislative offices are too high and will lower participation in the public matching system.

Assembly candidates, whose districts are about 20 percent smaller in population than City Council districts, must raise \$2,500 more funds than a Council district. The funds must also be raised in district. The number of contributions is the same – 75 contributions. In 2017, only 69 percent of Council candidates qualified for public matching funds (96 of 140).

We reviewed the 2017-2018 fundraising by 24 Assemblymembers and 19 State Senators with leadership titles and found 84% would not have met the Number of Contributors criterion for qualifying.

Participation in the public matching program is critical to its success. Two thirds of candidates typically participate in New York City for general elections and between 80 and 90 percent for primary elections.

Regards,

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