

**The Brennan Center for Justice  
Citizen Action of New York  
Citizens Union  
Common Cause/ NY  
League of Women Voters of New York State  
New York Public Interest Research Group**

**MEMORANDUM IN OPPOSITION**

**PART H, SUBPART D, TITLE II, S.6355-D/A.8555-D –  
BUDGET BILL ADDRESSING CAMPAIGN FINANCE REFORMS**

We write to collectively urge your opposition to Part H, Subpart D, Title II of S.6355-D/A.8555-D, which creates a voluntary system of public financing solely for the position of state Comptroller and only for this upcoming election.

As you are aware, the version of the budget that was rushed to print shortly before midnight on Friday creates a public financing system that is limited to candidates for State Comptroller. We are hopeful and will continue to work for the inclusion of an expanded system of public funding for all offices in the budget in the next few days. However, in its current form, we urge your opposition to this provision.

An immediate problem is the proposal's attempt to have the Board of Elections instantaneously set up a matching fund system during the already started 2014 election cycle. Comptroller DiNapoli's past proposals created a "campaign finance board" consisting of seven members appointed by a variety of offices and gave that newly formed agency sufficient time to consider and issue regulations and develop the necessary procedures for shepherding and safeguarding the public money under its charge. Governor Cuomo's proposal, while creating an "enforcement counsel," relies on the New York State Board of Elections to administer its newly formed matching fund program. They are required to make matching fund payments "as soon as it is practicable," they "shall render advisory opinions," and they are required to issue various regulations necessary to establish the matching funds program.

The Board is ill-suited to take on such a task, much less set up an entirely new administrative system for an election cycle which has already begun. Most recently, the preliminary findings of the Moreland Commission to Investigate Public Corruption have illustrated a disturbing degree of dysfunction at the Board. The public will rightly have little faith that such an ineffective body, which the Moreland Commission revealed is beset by gridlock, patronage, and bureaucratic inefficiency, can properly administer and safeguard public moneys. From a candidate's point of view, placing the Board of Elections in charge of this process, as Governor Cuomo's budget proposes to do, is most likely to result in a sequence of frustrating delays for any candidate who chooses to participate. If this program is designed to be a "test run" for a broader public financing system, it seems to be destined to fail.

Recent history indicates how woefully unprepared the Board is to take on additional responsibilities, much less instantaneously set up an entirely new matching fund system. The Public Integrity Reform Act of 2011, passed in June of that year, required the Board to establish criteria for the disclosure of independent expenditures by January 1, 2012. Their regulations covering this one issue were not

finalized until October 24, 2012 - well into the heart of election season and nearly ten months late. The end result was a product so woefully inadequate that this year's budget revisits the topic of independent expenditure disclosure.

An additional weakness in Governor Cuomo's latest proposal is the omission of any limits on political parties. State Comptroller Bill #19 (A8367) of 2011-12 controlled for this problem by providing that candidates who opted in could not receive transfers from political parties of more than \$250,000. This bill contains no similar restrictions. Thus, a candidate could both receive public funds for their campaign can continue to rely on the corrupting influence of large donations from special interests that currently plagues the system. Additionally, the plan does nothing to address New York's notorious sky-high contribution limits for non-participating candidates or any of the other loopholes found in the state's current system

All of our groups believe that such a limited public financing system fails to address Albany's culture of corruption that has been centered in recent years in the legislature. When the State Comptroller's well-considered proposal was voted on in the past, it was possible to view it as a good first step towards the ultimate goal of providing matching funds for all state office elections. Over the past thirteen months, however, the unending series of controversies and scandals that has rocked Albany and the preliminary findings of the Moreland Commission illustrate the urgent need for comprehensive and systematic changes. The Securities and Exchange Commission has also acted to restrict dramatically contributions from those doing business with pension funds and contributions bundled by those doing business with the funds. More immediately, however, the significant flaws in Part H, subpart D, Title II of S.6355-D/A.8555-D (related to the public matching system for comptroller) show that it is not adequate even as a pilot program, let alone a sufficient response to corruption in Albany.

Thus, if the legislature approves this inadequate and flawed public matching program, we will urge the State Comptroller and his potential opponent(s) to refuse to participate.

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