

## **FAIR ELECTIONS FOR NEW YORK 2018-2019**

### **A Plan for Comprehensive Campaign Finance Reform with Publicly-Funded Elections**

New York needs comprehensive campaign finance reform — centered on a small donor matching public finance system — to restore balance to a political process where the wealthiest donors currently have outsized influence and the concerns of everyday New Yorkers are too often ignored. The small donor matching program should provide reliable, adequate levels of funding to candidates who choose to participate and are able to demonstrate viable public support. The program should include enforcement measures essential to protect the public fisc, along with robust candidate support services to enable smooth participation and compliance. To provide a real alternative to New York’s current system — which is financed via multiple avenues by deep-pocketed donors — the reform package must also lower contribution limits and close loopholes for all candidates and donors. Comprehensive campaign finance reform with a small donor matching program will significantly reduce the corrosive effects of outsized wealth on the political process and amplify the voices of all New Yorkers.

The law should:

**Provide public financing for elections for the following offices:** Governor, Lieutenant Governor, Attorney General, Comptroller, Senate, Assembly, Constitutional Convention Delegates, District Attorney.

**Provide adequate and reliable funding.** An under-funded system would be a solution in name only, not a real alternative to millionaire-funded elections.

**Provide a multiple match for small donations.** A robust matching ratio is important to giving candidates a real incentive to seek out small donations. For years New York City’s successful small donor matching program provided a 6-to-1 match on contributions up to \$175, raised by an overwhelming majority of voters this November to 8:1..

**Require reasonable conditions for candidates to claim public funding.** The goal is to incentivize candidates to seek support from many small donors, and to avoid wasting funds on candidates who are unable to demonstrate a viable degree of support or who lack competition.

- **Set qualifying thresholds.** To be eligible for public funds, candidates should have to demonstrate their electoral viability by raising a threshold amount of funds from a sufficiently large number of small donors.
- **Limit contribution sources to human beings.** Limit acceptable sources for contributions used to qualify for and participate in public financing to “natural

persons” residing in New York. Exclude lobbyists, government contractors, and corporate entities.

- **Reduce contribution limits for participating candidates.** In return for receiving public matching funds — and to further the program’s purpose to incentivize outreach to many small donors — participating candidates should face lower contribution limits than nonparticipating candidates.
- **Bar use of “war chests” amassed before participation.** Permitting participating candidates to use funds raised before the applicable matching period would undermine the law’s purpose of incentivizing candidates to rely on small donors.
- **Require actual opposition to receive funds.** Unopposed, “sure winner” candidates should not be able to receive public funds.
- **Require return of any unspent public funds.**
- **Require participation in voter information resources, including at least one public debate and a voter guide.**
- **Cap the amount of public funding a candidate can receive at a reasonable amount, but do not limit total amounts candidates can privately raise or spend.** Once past the public funding maximum, participating candidates should be able to raise additional funds privately at the lower contribution level and spend without limit. This feature enables candidates to participate in public financing without fear of being outspent -- an important feature in a post-*Citizens United* world, where candidates face the potential of significant outside spending.

**Provide robust candidate support services.** Participation and compliance should be straightforward and low-cost, with dedicated assistance for each campaign from the oversight agency. At a minimum:

- Establish a process for campaigns to receive notice of and cure minor, unintentional infractions prior to any public enforcement proceeding.
- Provide trainings, guides, and a dedicated staff contact per candidate for support.
- Budget adequate resources for staffing, technology, and R&D to ensure ease of use by candidates and accessibility of public data.

**Ensure effective enforcement and transparency.** Oversight of the public financing program must protect the public fisc and maintain the public’s trust, while also giving candidates confidence in fair and efficient administration.

- **Vest oversight power in an independent, bipartisan board.** This board should administer and enforce the public funding system and all campaign finance laws, as the structure of the campaign finance reform law as well as how candidates actually conduct fundraising and spending will involve more than just public financing.
- **Create enforcement mechanisms that are robust but do not make participation in public financing needlessly burdensome to candidates.**

- Powers should include the authority to issue subpoenas, find violations, impose penalties, refer violations to prosecutors, and initiate judicial proceedings.
- Preliminary investigations should be confidential, but board determinations of actual violations or penalties should be made by a vote at a public hearing where candidates are entitled to due process protections.
- Audits of campaigns should be close in time to the relevant election and mandatory only for statewide candidates and a random selection of other candidates.
- A campaign's actions in reliance on advice of board staff should create a presumption that those actions will not be penalized.
- **Provide an adequate, dedicated budget for administration and enforcement.**
- **Tailor penalties to willfulness and size of violations.** The oversight board should be empowered to waive penalties in cases of minor, unintentional infractions.
- **Provide for prompt, user-friendly public disclosure of candidate fundraising, spending, and public financing disbursements.**

**Reduce contribution limits and close loopholes, overall, to further the law's purpose of reducing the corrosive effects of outsized wealth on the political process.**

- **Lower all contribution limits.** New York currently has among the highest contribution limits. To curtail the corrupting influence of special interests and large donors, limits should be lowered for all types of contributors to all candidates (though participating candidates should face lower limits) for all offices.
- **Impose pay-to-play limits:** Even lower limits should apply to lobbyists and contractors, to prevent special interests from buying the favor of future elected officials. Create a "doing business" database to identify donors that should be subject to pay-to-play limits.
- **Close LLC loophole:** Specify that LLCs will be treated as corporations, not natural persons able to give higher amounts, for purposes of campaign finance law. This loophole currently allows deep-pocketed donors to give through multiple LLCs.
- **Align single-source contributions:** Contributions from subsidiaries or affiliates under the control of a single organization should be counted as coming from a single source, to prevent evasion of contribution limits via use of affiliated entities.