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## **MEMORANDUM OF OPPOSITION**

### **[Int. 2429 \(Yeager\)](#)**

*Changes Budget Process for New York City Campaign Finance Board*

November 26, 2021

#### **TITLE OF BILL**

A local law to amend the New York City Charter, in relation to the budget of the Campaign Finance Board.

#### **SUMMARY OF PROVISIONS**

Section 1 changes the deadline for the Campaign Finance Board (CFB) to submit an estimate of its financial needs from March 10th to February 10th. The board must also submit its estimate to the City Council, in addition to the mayor. The bill also removes the requirement that the Mayor include this estimate in the executive budget.

Section 2 states that the bill takes effect immediately.

#### **STATEMENT OF OPPOSITION**

Our groups strongly oppose this bill because we believe the process for budgeting and funding the CFB has clearly worked well for decades. New Yorkers benefit when the CFB is a strong institution, independent from the political pressures of the day. This bill is a counter-productive attempt to reduce the CFB's independence and effectiveness.

New York City's campaign finance program is a national model. Last year's election was the first in which candidates could receive 88% of their campaign funds from the City's small donor matching program (up from 55%), as an alternative to large private donations. As the program has expanded, the City Council has become increasingly reflective of New York City. The incoming City Council will be the most diverse in NYC history, with 61% of City Council members being women (up from 27%), and 67% of Councilmembers being people of color (up from 51%).<sup>1 2</sup>

The program has also empowered small donors. Analyses of 2021 NYC primary elections spending found that small donors made up a larger portion of campaign contributions than in any prior election.<sup>3</sup> We believe that the matching system builds public trust and reduces the risk of undue influence by special interests.

Int. 2429 could threaten what the program has achieved. The CFB serves an essential role in keeping New York City's elections fair and open, and the agency's independence from political pressure is inherent to its ability to pursue this mission. This independence is a result of nonpartisan, well-respected appointments to the board, and of legal provisions that protect the board from politicization. Top among those is the unique budgetary protection that prohibits the mayor from modifying the CFB's proposed budget behind closed doors, which the current proposal seeks to revoke:

*The mayor shall include such estimates in the executive budget without revision, but with such recommendations as the mayor may deem proper. Upon inclusion in the executive budget, the budget submitted by the campaign finance board shall be adopted pursuant to such provisions of chapter ten of this charter as are applicable to the operating budget of the council.*<sup>4</sup>

This important provision was added to the City Charter by a vote of the people of New York following a recommendation of the 1998 Charter Revision Commission. In fact, the 1998 Commission specifically considered that the Campaign Finance Board is "vulnerable to political pressure [in the area of] the adoption of its budget" and recommended this budgetary protection be implemented to prevent such threat.<sup>5</sup> That provision is only afforded to the CFB and City Council and has not been given to other agencies since. However, the Commission did provide the City Council with the power to

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<sup>1</sup><https://www.brennancenter.org/our-work/research-reports/small-donor-public-financing-plays-role-electing-most-diverse-new-york>

<sup>2</sup><https://www.salon.com/2021/11/19/want-some-good-news-women-won-a-majority-on-the-ny-city-council/>

<sup>3</sup><https://readsludge.com/2021/07/19/small-donors-hit-record-highs-in-new-york-citys-public-campaign-financing-program/>

<sup>4</sup> Subdivision c of section 1052 of the New York city charter.

<sup>5</sup> [https://www1.nyc.gov/assets/charter/downloads/pdf/1998\\_final\\_report.pdf](https://www1.nyc.gov/assets/charter/downloads/pdf/1998_final_report.pdf)

increase or decrease the CFB's final budget, and gave the Mayor the option to recommend changes to the agency's budget. This provision, which is still in place today, provides an adequate fiscal check on the CFB.

Our groups do not see any reason to change this decades-old legal arrangement, which has served New Yorkers well. The need to maintain the Campaign Finance Board's independence is more important than ever given the increasing flow of outside money into our city's elections.

Further, the last few years have seen the city move towards *more* independent budgeting for independent government bodies, not less. The 2019 Charter Revision Commission recommended enacting guaranteed independent budgets for the Public Advocate, the five Borough Presidents, and the Civilian Complaint Review Board (CCRB). In doing so, the Commission acknowledged the importance of keeping budgets insulated as a tool to maintain operational independence. These proposals were approved by a large majority of voters.

Several programs without independent budgets have seen their programs threatened or discontinued, such as in Maine<sup>6</sup> and Hawaii.<sup>7</sup> While the CFB's budget can already be amended later in the process, removing the requirement that the Mayor include the Board's initial estimates in the executive budget increases the risk that the program will be inadequately funded.

To date, the City's campaign finance system has been an extraordinary success for democracy and diversity, and the 2019 changes were a major step forward. Int. 2429 would be a step back. It would change an important charter provision that was added by the voters over twenty years ago, by a City Council only weeks before it concludes its term. We urge the Council not to pass the bill.

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<sup>6</sup><https://bangordailynews.com/2018/07/17/opinion/dont-like-clean-elections-try-to-change-the-law-dont-hold-funding-hostage/>

<sup>7</sup><https://reinventalbany.org/wp-content/uploads/2019/09/Sept-18-2019-RA-Testimony-to-Public-Financing-Comm-Enforcement.pdf>