



CITIZENS UNION OF THE CITY OF NEW YORK

Testimony for the 2023 Joint Legislative Budget Hearing Local Government and General Government February 15, 2023

Citizens Union appreciates the opportunity to submit testimony regarding Governor Kathy Hochul's proposed Executive Budget for State Fiscal Year 2023-24. We will focus on the proposed funding for the Public Campaign Finance Board and the Commission on Ethics and Lobbying.

New York State Public Campaign Finance Board

The Public Campaign Finance Board (PCFB), which partly overlaps with the State Board of Elections, was established to administer the new statewide public matching funds program. This program, the largest of its kind in the country, will allow candidates to run campaigns based on small-dollar, in-district donations, foster greater participation in the democratic process, and amplify the voices of regular New Yorkers rather than wealthy donors.

But to make the new state matching funds program successful, New York State must fund it adequately.

We appreciate the Executive budget's appropriation of \$14.54 million for the PCFB's administrative needs, which will be used for personal services, software acquisition, infrastructure buildout costs, and other needed expenses requested by the agency.

However, **we believe the Executive proposed insufficient funding for the matching funds program.** The PCFB requested \$100 million to finance the Campaign Finance Fund (the Fund), based on the agency's forecast of candidate participation in the program during the 2024 election cycle. The Executive only proposed \$25 million (in Aid to Localities funding) for the Fund, a mere quarter of the total requested. Last year's budget included \$10 million for the Fund, which was not reappropriated this year.

For comparison, the New York City matching funds program paid out \$38.8 million in the 2021 election cycle for candidates running for the New York City Council, a 51-member legislative body. The state program covers more than four times the number of legislative seats and provides more generous funding, with higher caps of payable amounts for each participating candidate. Furthermore, the state program includes stronger incentives for candidates to participate, as it does not limit participants' overall private fundraising.

Support from the state is imperative for the success of the program's first cycle. Funding the PCFB's full budget request will strengthen confidence in the program's solvency and encourage candidates to join as participants. Critically, it will give campaigns the assurance that they may structure their fundraising plans to focus on obtaining small donations from supporters rather than big donations.

Therefore, Citizens Union urges the Senate and Assembly to increase the appropriation for the Campaign Finance Fund to the full \$100 million requested by the PCFB.

The Commission on Ethics and Lobbying

We appreciate the Executive's proposed funding of \$7.8 million to the Commission on Ethics and Lobbying (COELIG), the new state ethics oversight agency established in last year's budget. This represents the full amount requested by COELIG.

We note that COELIG commissioners are still determining how best to fulfill their expanded responsibilities, particularly the greatly enhanced training requirements as compared with those of the Joint Commission on Governmental Ethics (JCOPE). Therefore, COELIG may soon need greater funding.

In addition, we encourage the Legislature to periodically review COELIG's operations to ensure it fulfills its ambitious mandate and does not repeat the failures of JCOPE.

Lastly, we note our disappointment in the absence of good government reforms in the Executive's proposed Article VII Legislation. Previous executive budgets have typically used this tool to introduce important changes to areas like elections and voting, campaign finance, or governmental ethics rules. Although Citizens Union believes significant legislative changes should not be passed through the budget process, we worry about the lack of any reforms within the proposed 153 program bill package and its implications on the administration's priorities.

For example, legislation to establish a statewide voting and elections database, which would be needed to implement the John R. Lewis Voting Rights Act of New York (NY VRA), could be passed in the budget along with the initial funds needed set up the database, assessed at \$5 million. The Governor has signed the NY VRA into law and has strongly supported it, and the Senate has already passed the required bill (S657/A885A).

We would be happy to work with the Legislature in pursuing further reforms to ethics, lobbying, campaign finance, and elections.

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