

CITIZENS UNION OF THE CITY OF NEW YORK Testimony for the 2024 Joint Legislative Budget Hearing Local Government and General Government February 6, 2024

Citizens Union appreciates the opportunity to submit testimony regarding Governor Kathy Hochul's proposed Executive Budget for State Fiscal Year 2025. We will focus on the proposed funding for the Public Campaign Finance Board, the Commission on Ethics and Lobbying, and the State Board of Elections.

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, allows candidates to run campaigns based on small-dollars, in-district donations, fosters greater participation in the democratic process, and amplifies the voices of regular New Yorkers rather than wealthy donors.

In FY 2024, Governor Hochul and the State Legislature appropriated \$25 million for the Campaign Finance Fund and \$14.5 million for the PCFB's administrative needs. That support strengthened the public confidence in the program's solvency in its first year, encouraged candidates to join as participants, and gave campaigns the assurance that they may structure their fundraising plans to focus on obtaining small donations from supporters rather than big donations.

The financial commitment to the program has proven effective. The public matching funds program is now being actively and widely used. More than 200 candidates have joined the voluntary program in the 2024 election cycle, including dozens of incumbent lawmakers in the State Senate and the State Assembly. In fact, the majority of New York's 213 legislative districts, across all corners of the state, currently have candidates running with public campaign finance political committees. More could join the program before the February 26, 2024 deadline.

PCFB filing disclosures indicate the extent to which campaigns are already using this program. Over the last filing period alone (covering July 2023 to January 2024), public campaign finance committees have raised over 20,000 small donations of \$250 or less for a total of over \$15 million. In addition, dozens of campaigns have filed disclosers with qualified expenditures, amounting to hundreds of thousands of dollars.

¹ Based on Citizens Union analysis. Data retrieved from the New York State Board of Elections January 2024 financial disclosure reports and list of filers.

As a reminder, Senate candidates can receive up to \$375,000 for a primary and \$375,000 for the general election, and Assembly candidates can receive up to \$175,000 for the primary and \$175,000 for the general election.

The final number of qualified campaigns and donations matched depends on the PCFB's review of disclosure filings, and the first public funds will only be distributed in May. However, these preliminary numbers suggest that the public campaign finance program is very popular with candidates and voters.

The Executive proposes to fund the matching funds program with \$100 million in aid to localities. Citizens Union strongly supports this proposed appropriation for the matching funds fund and requests the Legislature to include this level of funding in the one-house bill and in the final state budget.

Such robust funding will allow the Public Campaign Finance Fund to meet the needs of campaigns and candidates in the 2024 election. It will also encourage candidates to spend more time meeting with their constituents rather than large-money donors who do not even live in their district. Securing a strong budget will signal to New Yorkers that their voice matters more than those with special interests and encourage more small donors to participate in our democracy.

The Executive also proposes \$14.5 in appropriations to support the PCFB's administrative work, including staff, office space, technology, software, communications, and outreach. FY 2025 will serve as the first test of the program's audit process. The agency must be fully resourced and staffed to conduct post-election reviews, especially since it is not expected to integrate new software solutions for audits and payments in time for the 2024 cycle. We support the proposed appropriation for administration and oversight of the small-donor public match program, and request the Legislature to include this level of funding in the one-house bill and in the final state budget.

Sustainable campaign finance programs must adapt and change over time to ensure they continue furthering their objectives. However, reforms should only be made after a program has been implemented, issues have surfaced in practice, and proper analysis has been conducted. For example, the New York City public campaign finance system evolved and improved over the course of its 35-year history, and those periodic changes were enacted after the completion of election cycles and following a process of data analysis, public hearings, and legislative deliberations. New York State should follow that model and avoid making changes to the public campaign finance program midstream.

Citizens Union strongly believes the program should be maintained in its current form through the end of the 2024 cycle, and urges the Legislature not to make any changes to the structure, eligibility requirements, process, or rules of the matching funds program as part of the FY2025 budget legislation. With only a few months before the primary election, changes could wreak havoc and confusion amongst the program's participants and administrators. As noted, hundreds of campaigns are already using the program and have structured their fundraising plans based on the current structure of Article 14 of the Election Law.

New York State Board of Elections

We welcome the increase in funding for election administration in the Executive's proposed budget. 2024 is set to be a high-profile, high-turnout election year, with new policies like early vote by mail being implemented for the first time. With increasing threats to the democratic process, including the

proliferation of election misinformation and disinformation, it becomes imperative for New York to ensure a well-run, smooth election cycle.

The proposed budget includes \$1.24 million for a new poll worker training program mandated by Chapter 477 of 2023 and to hire accessibility coordinators; \$14.7 million in capital funds to purchase electronic pollbooks; and \$7.7 million to cover pre-paid postage for the early vote-by-mail and absentee voting program. These are all reforms the Legislature passed in the past, and Citizens Union supports fully funding them to ensure proper implementation.

In addition to the valuable investment in statewide election administration, Citizens Union believes the state should do more to support local boards of elections (BOEs). County election boards are particularly important in keeping our democracy safe during a high-turnout presidential year, but almost all of their funding depends on their county legislatures, and those legislatures often underfund election administration. We ask for an additional \$10 million in aid to localities to support local BOEs in needed upgrades and staffing to ensure an orderly election year.

In the long run, New York State should ensure county boards of elections receive steady, annual, and adequate funding. This would help create a more professional and independent election administration across the state. The quality of service voters receive should not depend on the goodwill of local elected officials or the type of elections held that year.

Citizens Union also supports legislation that ensures county BOEs have the capacity to run elections properly. That includes S644A (Mannion)/A1258A (Hunter), which would make election commissioners full-time employees, and S611A (Mayer)/A919 (Jacobson), which would set minimum staffing levels for county boards. These bills, which received bipartisan support among election commissioners, would help produce professional and independent election administration for all of New York.

The Commission on Ethics and Lobbying in Government

We appreciate the Executive's proposed funding of \$8.1 million to the Commission on Ethics and Lobbying in Government (COELIG), a \$300,000 increase from last year's budget, and ask it be included in the final budget. COELIG's responsibilities include training a workforce of more than 300,000 people and regulating a lobbying industry that has reached spending records of more than \$330 million a year.

COELIG commissioners are still determining how best to fulfill their expanded responsibilities. Over the past year, the agency has developed new rules and procedures and sought input from good government groups and the public through public hearings and stakeholder meetings.

As the agency expands its capabilities and improves its infrastructure, including by developing a new disclosure filing system, it may require further funding. In its budget testimony, COELIG mentioned the proposed budget is "the least amount needed" to carry out its responsibilities. Citizens Union supports the continued funding of the commission to complete its mission.

For more information, please contact Ben Weinberg, Director of Public Policy, at bweinebrg@citizensunion.org.