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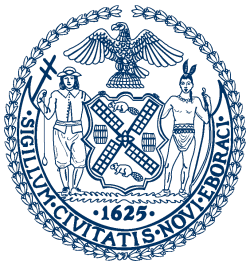

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New York State Commission to Create Public Financing of Elections
New York City Hearing
September 10, 2019

Spoken Testimony

Thank you to the distinguished Commission, fellow elected officials, and to the hundreds of people here today. I am Council Member Ben Kallos.

Over one million people, some 80% of the voters in New York City, demanded that we get big money out of New York City politics, and we've created a constitutional court tested voluntary program that now offers candidates a full public match for every small dollars they raise with 8 public tax payer dollars up to the spending limit.

In a citywide and city council special election it has flipped how campaigns have been financed from nearly three-quarters big money to almost two-thirds small dollars with 73% of the campaign spending coming from public dollars. I've always refused real estate money that many blame for our city's affordable housing crisis and this law has allowed us to elect our first citywide candidate without real estate money.

This Commission should adopt the current New York City system in its entirety. I will submit testimony on 18 key components and proposed improvements for your consideration and implementation, many of which I have personally authored and already passed into law. In my remarks I will highlight only a few of the most important.

Empower small dollars over big money. Provide a full public match on every small dollar up to a spending limit. As an improvement to the New York City system, do not match any portion of big money contributions over what would be matched. Elected officials and candidates should not spend the majority of their time courting a select group of millionaires and billionaires who give big money but in the community talking to residents and small dollar donors.

Get big money out. Contribution limits need to come down from the sky high of $69,500 for governor to be inline with what can be given to the President of the United States of America $2,800, which should be $2,000 statewide, $1,500 for Senate, and $1,000 for Assembly. It's time for a state ban on corporate money, Federal government has had a ban for more than a century, New York City's had a ban for a generation, and 22 other states already have a ban.

Open the ballot to more candidates. If someone qualifies for public funds they should automatically get on the ballot instead of continuing the cynical game of ballot bumping based on an arcane petition requirement. Fusion voting must remain for races with more than one candidate so voters can identify candidates aligned with their values whether Working Families, Women's Equality, Conservative, or even the Rent is Too Damn High.

Costs can be controlled and elections kept competitive by capping spending in each race and forcing candidates to return all unused funds following an election in order to eliminate warchests, kill zombie committees and keep the program costs well under $100 million.

The time is now, when the national and statewide attention is captured by the Presidential election, with this program available for candidates in the 2020 June Primary and November General elections.

Introduction

Since its inception in 1988, New York City has had *the* model campaign finance system in the country, while New York State has lagged significantly behind. The New York City system has survived court challenges, been strengthened by legislative changes, and helped candidates, like me, compete and get elected. It is a system that this commission should replicate in its entirety and where possible improve upon. I offer to this commission proposals large and small that will create a fairer campaign finance system for New York State by shifting the balance of power away from the wealthy and well-connected, back toward the people.

Executive Summary

Empower Small Dollars Over Big Money in New York State Politics

1. Match Every Dollar with a Full Public Match – match every small dollar up to the first $175 for legislative and $250 for statewide candidates up to the spending limit.[*NYC Model*]

2. Match Small Dollars with 8 to 1 Multiplier – match each of the first $175 for legislative and $250 for statewide candidates with 8 tax payer dollars from the public.[*NYC Model*]

3. Lower Contribution Limits – lower contribution limits below Federal limits for President to $2,000 for statewide offices, $1,500 for Senators, and $1,000 for Assembly Members total per election cycle.[*NYC Model*]

Get Big Money Out

4. Ban Corporate Contributions – extend cetnury's old Federal ban and New York City decade's old ban on corporate contributions.[*NYC Model*]

5. Limit Contributions from Lobbyists or People Doing Business with the State and Do Not Match Their Money or the Money They Bundle – eliminate the appearance of or actual pay to

play in Albany by lowering contribution limits from lobbyists as well as those who do business with government and do not match their contributions or the contributions they bundle.*NYC Model*

6. Do Not Match Big Dollar Contributions – candidates should be forced to actually solicit small dollars from residents to get public matching funds, big money over $250 or $175 should not be matched with public dollars.*New*

Attract More Candidates and Voters Now

7. Empower Residents to Run for Office – automatically allow candidates who qualify for public matching to be on the ballot as an alternative to archaic petition requirements.*New*

8. Limit Candidate Spending – institute spending caps on Assembly and Senate primary and general elections to keep them competitive.*NYC Model*

9. Limit Public Match in Non-Competitive Races – candidates who are not facing serious challenges should not receive public funds.*NYC Model*

10. Provide a Voter Guide Online and Available by Mail Complete with Donor Disclosures – provide every voter with a guide for what is on the ballot including whether candidates are participating in public finance, with a pie chart showing where they get their money, broken down by industry.*New*

11. Eliminate War Chests and Kill All the Zombie Committees – prohibit war chests by requiring candidates to have only one authorized committee at a time with any remaining funds paid to the state after each election. This will help defray costs and keep the program under $100 million.*New*

12. Require Minimum Raise from New York State Residents to Qualify for Matching – candidates must raise 20% of the funds necessary for a full public funds payment from New York State residents.*NYC Model*

13. Require Support from Residents in the District to Qualify for Matching – establish a threshold of $5-minimum contributions from residents in district to qualify for matching funds of 75 such contributions for candidates for Assembly, 150 for Senate, and 1,000 for statewide office.*NYC Model*

Ethics Reform

14. Prohibit Campaign Spending that Benefits Candidates – candidates, family, and friends must not personally benefit from the campaign funds, which can be prevented by prohibiting non-campaign expenditures such as paying for relatives, cars, meals, tuition, international travel, or home improvement.*NYC Model*

15. Prohibit Coordination with Independent Expenditures – strict liability for sharing consultants between a candidate and an independent expenditure in their favor.[New]

16. Maintain Fusion Voting – provided there is more than one candidate, those candidates should be free to run on multiple party lines.[NYC Model]

Conclusion

17. Limiting Costs to Under $100 Million - elections for open seats draw the most candidates in the most competitive elections whereas without term limits incumbents and their challengers rarely receive a full public matching grant minimizing the overall cost.

18. Act Now – implement new program in time for the 2020 election when many New Yorkers will participate for the first time because of the Presidential elections. Initial rollout in 2020 would also provide an opportunity to test the new program in a year when no statewide races are planned, allowing it to scale up to a full rollout in 2022. The New York City Campaign Finance Board could initially administer races taking place completely within New York City.

Note on format:
[NYC Model] Indicates proposals currently implemented in the New York City Campaign Finance system.

[New] Indicates necessary improvements for both the New York City and State Campaign Finance systems.

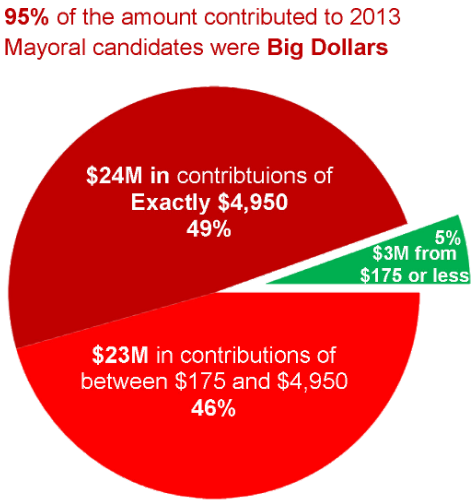
Benjamin J. Kallos
New York City Council Member
District 5, Manhattan

Empower Small Dollars Over Big Money in New York State Politics

1. Match Every Dollar with a Full Public Match *NYC Model*

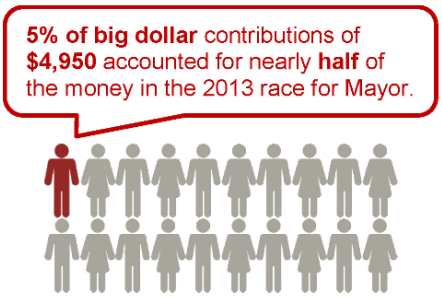
A full public match campaign finance system is necessary to incentivize and allow candidates to run on small dollars alone. This reduces the corrupting influence of big dollars and special interests in our elections process and empowers New Yorkers who cannot write maximum contribution checks but still want their voices heard.

While New York City's public campaign finance program has existed since 1988, big money has remained rampant through most of its existence, due to a gap between the amount of money a candidate could raise through small matching dollars, and the total amount the campaign can spend.



In 2013, the most recent open race for mayor, 49% of all contributions to mayoral candidates – totaling $24 million – came from contributions of $4,950, the maximum contribution allowed under law. Only 5%, or $3 million, came from small donations of $175 or less.

The same analysis showed nearly the same result in the 2017 election cycle when 47% of contributions to mayoral candidates came from checks of $4,950, again the maximum contribution allowed under law, with less than 10% coming from contributions of $175 or less.



Though the public matching funds system was created to counteract this problem, we still have a system where half the money comes from a few wealthy donors with special interests.

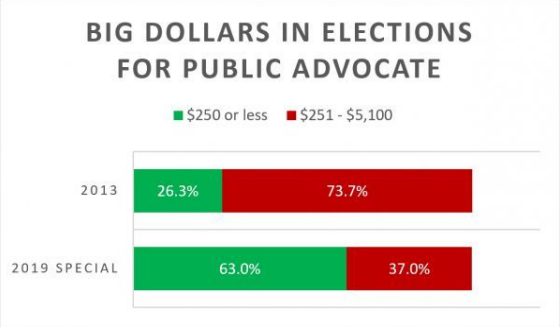
In 2016, I authored Introduction 1130 to close the gap that was bringing all that big money into the system. It was co-sponsored by 31 of my colleagues and heard in March of 2017 and received strong support from 32BJ SEIU, CWA District One, Working Families Party, New York Immigration Coalition, New York Communities for Change, Make the Road, Community Voices Heard, Bridge Roots, the New York Progressive Action Network, Urban Justice Center, Tenants & Neighbors, Historic Districts Council, Strong Economy for All, Friends of the Earth, New Kings Democrats, New York Democratic Lawyers Council, Eleanor Roosevelt Legacy Committee, Women's City Club of New York, Effective NY, Reinvent Albany, Citizen Action, Demos, Public Citizen, NYPIRG, Common Cause, and the Brennan Center. Despite all the support it was not brought to the floor for a vote.

When Mayor de Blasio called a Charter Revision Commission on Democracy in 2018 I testified in favor of campaign reforms on May 9, June 19, July 23, and August 9 including reducing contribution limits, increasing matching ratios, and increasing public funds payments all of which were in part or in whole adopted.

I wrote in favor of Questions 1 and Question 3 in the NYCCFB's Voter Guide. Actively participated in the Democracy Yes coalition that included recruiting many existing supporters of Int. 1130 of 2016. Authored opinion editorials one with Patriotic Millionaire Morris Pearl in City and State and another in Medium. Ballot Question 1 even received the endorsement of Senator Bernie Sanders and the New York Times.

On November 8,2018,1,151,775 votes were cast for the campaign finance reforms proposed by ballot question one according to the Board of Elections unofficial election night results. A staggering 80.25% of 1,435,210 votes, a 4 to 1 margin. The numbers show that nearly 75% of all voters who voted for Governor in New York City "flipped" their ballot to the fourth page (1,928,280). Almost as many voters voted for campaign finance reform as voted for any candidate for Mayor in the 2017 General Election (1,166,313).

Following this mandate by the voters, I authored Introduction 1288 of 2018 to apply the full public match and 8:1 match to Special Elections, including the soon to be declared Public Advocate, which passed as Local Law 1 of 2019.



Money in New York City politics got flipped on its head in the Special Election for Public Advocate. For the first time small dollars made up almost two-thirds of all the money candidates raised when in the last competitive public advocate election small dollars only made up a quarter. Of the 17 candidates who appeared on the ballot, 11 qualified to receive public matching grants, all but one of which chose the new system, receiving $7,178,120 accounting for more than 73% percent of the funds available to candidates. Jumaane Williams made history as the first candidate to win citywide office without real estate money. The trend continued in the Special Election for the vacancy created in Council District 45.

Following the mandate from the ballot and proof that the new system works, Introduction 732 of 2018 (the reintroduction of Introduction 1130) gained a super-majority of co-sponsors. This past June, after a decade of advocacy, the City Council passed Introduction 732, which became Local Law 128 on July 13, 2019. This local law implemented a full public match for candidates in New York City to run for office without the need for any big money.

This Commission should adopt a full public match for state elections, so that there is no big money gap between the total amount of money a candidate can raise from small dollar matching and the campaign spending limit. This system will empower anyone to run for office, and empower candidates to say no to big money in favor of small dollars from everyday New Yorkers.

2. Match Small Dollars with 8 to 1 Multiplier *NYC Model*

Now that New York City matches every small dollar with 8 tax payer dollars from the public, few if any candidates are still choosing the lower 6 to 1 match, even with its allowance for big money. The new New York State Public Campaign Finance system should be on equal footing.

In 1997, when New York's matching rate was 1:1, city council candidates had an average of 176 small donors ($250 or less) per 100,000 participants. As the match was increased to 4:1 in 1998 and then 6:1 in 2007, the number of small donors grew to 197 and 218, respectively. By increasing the value of small donations, the campaign finance system incentivized candidates to seek them out. Accompanying these changes was a lowering of the dollar amount that was matched. The initial $1,000 was reduced to $250 and then $175.

To further incentivize candidates to seek small donations, lower how much of a contribution is matched and increase how many times that amount is matched to make those small donations worth more.

In New York City currently, the first $175 of a contribution to a city council candidate from a city resident is eligible for matching at a rate of 8 to 1 for a total of $1,400. Many, especially those in low-income communities of color, argue that this is still a large amount to raise from the community. An analysis of the source of contributions in low-income communities of color shows that the bulk of fundraising comes from outside districts. To empower every New Yorker, the matching amount should be set to $175 for Assembly and Senate races and matched at a rate of 8 to 1 for a total of $1,400. For statewide races the matching amount should be set to $250 and also matched at a rate of 8 to 1 for a total of $2,000.

This Commission must incentivize elected officials to raise funds from residents in their own districts regardless of socioeconomic status by lowering the dollar amount eligible to be matched to $175 for legislative races and $250 for statewide races. Research shows that an increase of the multiplier results in even more small donors, thus the match ratio should be set to 8 to 1.

3. Lower Contribution Limits*NYC Model*

In New York State candidates for statewide office have skyhigh contribution limits. Candidate for governor can accept up to $22,600 in primary elections and up to $47,100 in the general election for a total of $69,700. Senate candidates can raise $7, 500 in the primary and up to $11,800 in the general election for a total of $19,300. Assembly candidates can raise $4,700 in both the primary and general elections for a total of $9,400. These limits do not relate to whether our not the candidates name actually will appear on the ballot. This incentivizes incumbent candidates to seek big dollar donations rather than raising money from their communities.

In contrast, under the current system in New York City, limits are per election cycle and all together much lower at $2,000 for citywide, $1,500 for boroughwide, and $1,000 for city council. Even on the Federal level the limit for the President of the United States of America is only $2,800 per individual per election.

This Commission must go lower than the contribution limits suggested in the Executive budget $25,000 statewide, $10,000 Senate, and $6,000 Assembly per election. In order to eliminate the influence of big money in Albany, this Commission must lower contributions for participants to $2,000 for statewide offices, $1,500 for Senators, and $1,000 for Assembly Members total per election because you should not be able to give more to a state election candidate than the President.

For candidates who choose not to participate in the matching program, limits should be set to mirror the city's limits with $3,500 for statewide, $2,500 for State Senate and $1,500 for Assembly. This would encourage candidates to participate in the system because they would receive more money with small dollars plus public dollars than from big money.

Get Big Money Out

4. Ban Corporate Contributions*NYC Model*

In 1996 the State Board of Elections decided that LLCs would be treated as people. The LLC loophole that was created resulted in $25 million being dumped into the campaign coffers of state politicians over a decade, with one real estate developer responsible for $13.2 million since 2000 from LLCs he reportedly controlled, according to the New York Daily News.

The Tilman Act of 1907 has banned corporate contributions in federal elections for over a century. The United States Supreme Court last upheld the Tilman Act in *FEC v. Beaumont* in 2003 and this year declined to hear an appeal to a Massachusetts state ban on corporate contributions *1A Auto, Inc. v. Sullivan*, according to the Brennan Center.

In the New York City Campaign Finance system, contributions from corporations, partnerships, and LLCs have been banned since 1998 when it was proposed as the sole question on a referendum set forth by then Mayor Rudolph Guiliani and adopted by New York City voters with 60% of the vote.

Throughout the nation, 22 states have completely banned corporate contributions, according to the National Conference of State Legislatures.

This year, S.1101/A.776 carried by Senator Brian Kavanagh and Assembly Member Joanne Simon and signed by Governor Andrew Cuomo, finally closed the LLC loophole by treating LLCs as the corporations that they are, but this was only the start.

This Commission should follow the century's old precedent of the Tilman Act, 22 other states, and the city of New York in banning corporate contributions.

5. Limit Contributions from Lobbyists or People Doing Business with the State and Do Not Match Their Money or the Money They Bundle*NYC Model*

Contributions from people who are lobbyists or otherwise identified as doing business with city government should be strictly limited. In New York City, lobbyists, contractors, grantees, and other business-doers may give no more than $400 to a citywide candidate, $320 to a boroughwide candidate, or $250 to a city council candidate.

Lobbyists and those doing business sought to get around these low limits by collecting "bundles" of contributions that would be eligible for public matching, a loophole that undermined the intent of the law to prevent or limit the appearance of "pay-to-play" corruption. Of the money collected by intermediaries, 24 percent of the total was bundled by people doing business with the city. Of the ten most active intermediaries, six were listed in the Doing Business Database during the 2013 election cycle, according to the New York City Campaign Finance Board. Based on the recommendations from that report I authored Introduction 985 of 2015 and had an uphill fight against the power of lobbyists, according to the New York Times. Ultimately, I won the passage of Local Law 167 of 2016, eliminating the public matching eligibility of contributions bundled by lobbyists or any person doing business with the city.

You must eliminate pay to play or the appearance of it in Albany by lowering contribution limits from lobbyists and those who do business with government. Contributions made or bundled by lobbyists and those doing business should not be eligible for public matching.

6. Do Not Match Big Dollar Contributions*New*

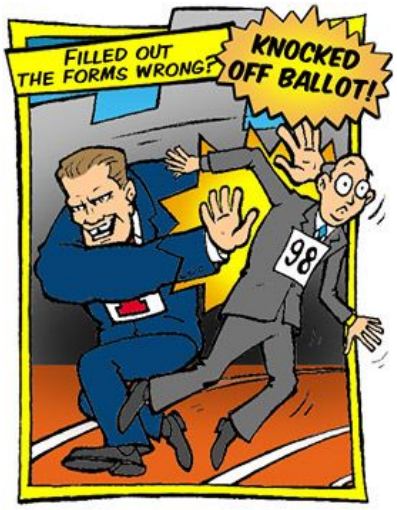
Public tax dollars should only be used to match small contributions. In New York City, big money contributions of up to $2,000 for citywide elections see the first $250 matched at a rate of 8 to 1 for $2,000 in public tax dollars so that the total amount becomes $4,000. Only small contributions of $250 or $175 or less (depending on the race) should be matched with public dollars. Any contribution over the applicable match should not qualify for public matching with taxpayer dollars. There is no reason why a statewide candidate receiving a maximum contribution, needs and additional $2,000 in public dollars as any type of reward for taking such a large big money contribution. I have proposed this before and plan to introduce legislation on point. This commission should adopt a proposal that only matches small dollar donations.

Attract More Candidates and Voters Now

Our legislators should mirror the people they serve. Without a way for everyday New Yorkers to mount competitive campaigns for elected office, our legislature lacks experience with the array of life experiences it is empowered to address. We need elected officials who have lived what their communities have lived and we must give those individuals the opportunity to enter public life.

7. Empower Residents to Run for Office*New*

The state should take this opportunity to offer a different method to gain access to the ballot than is currently available. Currently, prospective candidates have 37 days to collect signatures to get on the ballot. This process has given rise to "ballot bumping" by political clubs and created a cottage industry of lawyers hired by campaigns to knock their opponents off the ballot, often on technicalities like an incorrect or missing date at the top of a signature page. Mayor de Blasio was briefly removed from the ballot for public advocate in 2009 because although he collected exponentially more than the required number of signatures, the Board of Elections (BOE) incorrectly claimed the cover page de Blasio submitted with his signatures listed 131 folders when the BOE counted 132. Admitting fault, BOE voted to reinstate de Blasio on the ballot.



Candidates should be able to earn a spot on the ballot when they qualify for matching funds. This means any candidate who convinces the required number of residents from the district where they are running to give a minimum contribution (in New York City it is at least $10—I propose a $5 minimum for New York State) and raises a minimum amount of money in small dollars. This would provide a path for candidates who can show substantial local support, but may not have institutional support for the ballot petitioning and legal process.

In 2016, I authored and submitted for consideration Introduction 1129 to the New York City Council, which would establish this system in New York City. I have reintroduced this legislation to the Council, as Introduction 730 of 2018.

Requirements for ballot access exist to better ensure candidates have some measure of support from the communities they seek to represent. While in some neighborhoods campaigns gather signatures by targeting registered voters of their party in door-to-door canvassing, in high density residential neighborhoods or any area near public transportation, it is common practice to gather signatures at random from individuals on the street. Some campaigns, like mine, take the time to verify these signatures before submitting to BOE, striking any who are not registered voters, not a member of the same political party, and/or not a resident of the same district, but others do not.

Further, it is accepted practice to present multiple candidates on one signature petition page. Signing for someone who is running for mayor, for example, also counts as a signature for every candidate on the page, even if the signatory has no idea who they are and otherwise would not have signed their name to endorse the candidate appearing on the ballot. Such common practices in no way signify a candidate's level of support in the district they seek to represent. A campaign donation of $10 demonstrates support far better than a hastily scribbled signature from a voter as they rush into the subway.

8. Limit Candidate Spending *NYC Model*

This commission should institute spending caps on Assembly and Senate primary and general elections to keep them competitive.

In New York City, all elections have an expenditure limit, with the same limits set for both primary and general elections. For citywide races the totals limits are $7,286,0000, for borough presidents the limits are $4,555,000, and for city council the total limits are $190,000. Districts for city council have approximately 160,000 residents.

When I ran for City Council in 2013 against an incumbent Assembly Member, all the candidates in the race participated in the campaign finance system, and with it a spending limit of $168,000. While it took me more than a year to raise the funds, the incumbent Assembly Member raised all the funds in a single filing period weeks after announcing. If their had been no spending cap, the incumbent Assembly Member would have far outraised me.

During the last redistricting New York State Legislative Task Force on Demographic Research and Reapportionment found 129,089 per Assembly district and 307,356 per Senate district. I recommend that this Commission set a spending limit of $1 per resident following each redistricting. This would provide $129,089 for Assembly and $307,356 for Senate.

This would provide enough funds for candidates to have sufficient communication with their voters while keeping costs down in order to stay far below the $100 million limit. Anything more might result in more communication than necessary, waste, and higher barrier to entry for first time candidates.

9. Limit Public Match in Non-Competitive Races *NYC Model*

Candidates who are not facing serious challengers should only receive a small portion of their public funds payment. This common sense measure to reduce waste would also help keep the program under the mandated limit. Following the New York City model, campaigns with challengers of limited resources could receive partial public funds payments, with the agency tasked to execute the campaign finance program reserving the flexibility to increase the public funds payment should the candidate's challenger raise additional funds.

10. Provide a Voter Guide Online and Available by Mail Complete with Donor Disclosures*New*

This commission should empower the state board of elections (BOE) to provide every voter with a guide for what is on the ballot including whether candidates are participating in public finance, with a pie chart showing where they get their money, broken down by industry.

In 2013, a White House petition received 36,824 signatures to make lawmakers wear logos of financial backers on clothing, like in NASCAR. In 2015, a protest of the California state legislature labeled politicians "NASCAR-style" with logos from their corporate donors as they fought for a ballot initiative. However, one scholar expressed concern that the First Amendment would be a potential impediment to such a proposal. New York State can become a bit more like NASCAR, by sharing with voters the sources of the money candidates have taken.

In the New York City Council, I introduced Introduction 1504 of 2019, which would require the Campaign Finance Board (CFB) to add to existing contribution cards check boxes for industries, the list of which could expand but would have to include: (i) real estate, (ii) finance and insurance; (iii) government employee; (iv) organized labor; and (v) lobbying. Contributors would have to indicate their industry when making campaign contributions to receive public matching. Finally, the bill would require the CFB to provide voters, through the CFB Voter Guide, that is currently online and mailed to every voter's household, with a pie chart for each candidate indicating the percentage of campaign contributions from top industries. This system should be established by the state.

11. Eliminate War Chests and Kill All the Zombie Committees*New*

We want elected officials and candidates to spend their time working for their districts. This means talking to residents, even if it means asking for small dollars. We do not want elected officials and candidates spending their time chasing big money as they talk to big dollar donors outside their districts who may only wish to exploit the neighborhoods they represent. This means candidates should be able to raise what they need in small dollars from their residents and once they reach their public match and spending limit, stop and get back to business. The more money candidates are raising, the less they are doing the jobs they are paid to do. To incentivize politicians to go back to their jobs, this Commission should prohibit non-participant war chests by requiring candidates to have only one authorized committee at a time with any remaining funds paid to the state after each election. This will also help defray costs and keep the program under $100 million.

Eliminate War Chests

New York City's Campaign Finance system had discouraged the creation of campaign war chests by non-participants who were not relying on small dollars, particularly among incumbents, by making contributions to political committees of non-participants ineligible for transfer for matching in future elections. In 2016, this law was repealed by Local Law 189 which was authored specifically to allow contributions first made to a committee created by "one or more candidates to aid or take part in the elections of such candidate or candidates" to transfer

funds to a candidate's principal committee and still have the transferred funds eligible for public matching. In effect, it allows incumbents who do not face a competitive election to war chest with big dollars, giving them an advantage over every other candidate who participated in the public matching funds program.

The impact of the repeal of the anti-war chest by non-participants provision in Local Law 189 was immediate. In 2013, only five incumbent New York City elected officials did not participate in the public matching funds program. In 2017, non-participants in the public matching funds program increased to 17 incumbents, more than triple. Without a public matching funds program currently in place, war chests are the norm in New York State. The state should eliminate war chests in order to encourage more candidates to opt into the public matching system and spend more time talking to residents.

Kill All the Zombie Committees

Another loophole that has emerged in New York City and State is for candidates to evade contribution limits with candidate committees for state and federal offices, raising tens of thousands of dollars from outside a system designed to limit the influence of big money in our city.

When candidates do not use the money in their city, state, or federal accounts for an election, or once those candidates are no longer in office due to a term limit, losing an election, resignation in disgrace, even death, their campaign committees live on as "zombie committees."

One notable example involves convicted – and reconvicted – on felony corruption charges, former Assembly Speaker Sheldon Silver who is barred from ever holding public office in New York. Yet, through a campaign account called SpeakerPAC, Silver is able to use $428,764 for political purposes or legal defense. Unfortunately, Silver is only one example of many former elected officials who maintain campaign accounts years after having left or been removed from office.

To prevent the buildup of a "war chest" or the spread of "zombie committees," all money raised for the purpose of an election cycle should not be transferred to another committee and instead should be returned to the state following the close of that election cycle to cover the costs of public matching funds program and keep it under the $100 million limit.

This Commission must eliminate "war chests" and kill all the "zombie committees" by eliminating a candidate's ability to participate in a succession of authorized committees and limit fundraising to a single principal committee valid for one election cycle only with any additional funds paid to the New York State to turn big money contributions into public matching dollars that incentivize small dollar donors.

12. Require Minimum Raise from New York State Residents to Qualify for Matching*NYC Model*

Candidates should be required to demonstrate support from their districts by having a certain number of in-district donations and raising a certain amount in small dollars.

The New York City system requires that candidates for mayor receive at least $250,000 from at least 1,000 individual contributors; candidates for other citywide offices must raise at least $125,000 from 500 individual contributors in New York City, borough president candidates must receive between $10,000 to $50,094 (depending on the population of the borough) with contributions from 100 borough residents; while candidates for city council must raise at least $5,000 from New York City residents, with contributions from 75 residents living in their respective districts.

This Commission should require minimum thresholds for Assembly of 75 in-district contributions with $5,000 raised in small dollars and double that for State Senate of 150 and $10,000. This Commission could use existing thresholds for Mayor for Statewide candidates or considering doubling those thresholds for Governor.

This is an indication that a candidate is a serious contender and shows support from the residents over whom the candidate would have legislative authority. When paired with a threshold of in-district donors, it is an effective show of support that ensures public matching funds only go to serious campaigns and are not wasted.

13. Require Support from Residents in the District to Qualify for Matching*NYC Model*

Establish a threshold of $5-minimum contributions from residents in district to qualify for matching funds of 75 such contributions for candidates for Assembly, 150 for State Senate, and 1,000 for statewide office. As illustrated above, when paired with a minimum raise from New York State residents threshold, this is an effective show of support that ensures public matching funds only go to serious campaigns and are not wasted.

Ethics Reform

14. Prohibit Campaign Spending that Benefits Candidates*NYC Model*

Candidates, family, and friends must not personally benefit from campaign funds, especially when the state is providing public funds. This can be prevented by prohibiting non-campaign expenditures such as paying for relatives, cars, meals, tuition, international travel, or home improvement. The only caveat should be child care expenses as recently allowed. The New York City Campaign Finance Act prohibits the use of campaign funds on technology purchased less than two weeks before election day, normal living expenses, household items, clothing or personal grooming, tuition payments, admission to entertainment events, and much more. The program should also establish, as the City law does, that expenditures that are commonly campaign-related must actually be used for the campaign.

15. Prohibit Coordination with Independent Expenditures*New*

Keeping independent expenditures separate from campaigns is essential for maintaining the integrity of campaign spending limits as well as for transparency measures. The Commission should establish strict liability for coordination or sharing consultants between a candidate and an independent expenditure in their favor.

16. Maintain Fusion Voting*NYC Model*

Provided there is more than one candidate, those candidates should be free to run on multiple party lines. Fusion voting allows voters to pick their candidate and their party. If a candidate has chosen to run on more than one party, a voter can pick the candidate they most want to represent them and the party they most want to support. This helps to support minor parties that can bring more and better choices to our elections.

Conclusion

17. Limiting Costs to Under $100 Million

Elections for open seats draw the most candidates in the most competitive elections. In New York City incumbents rarely face competitive Primary or General elections with the most competitive races occuring for open seats brought on by term limits. Without term limits, it will be likely that incumbents and their challengers will rarely receive a full public matching grant minimizing the overall cost. Given that the state legislature has no term limits, there are fewer candidates who would qualify for the public match per seat in the state than there are in the city. This should be kept in mind when planning for the cost of the system.

18. Act Now

This Campaign Finance Commission has an opportunity to correct this problem now, so that we do not have another cycle of state elections where the wealthy few get to decide who runs our state. In 2020, many New Yorkers will be participating in the political system, both as voters and as candidates, for the first time, driven by interest in the presidential election. These New Yorkers deserve a new campaign finance system, and implementing it in time for 2020 is feasible, in part because there are no statewide elections planned. This will allow a partial rollout in 2020, expanding to a full rollout in 2022. We must act now.

How we fund our elections determines how our legislators decide on every issue. If we continue to allow high dollar, special interest money to control our elections, we will continue to elect people whose allegiance, real or perceived, is to their donors, not their constituents. If we want our state government to mirror our population and serve everyone, we need a robust public matching system. For if we want our democracy to be for the people, it must be funded by the people.