

**Testimony Susan Lerner, Executive Director of Common Cause New York
Before the New York City Council Governmental Operations Committee
In Support of Int. 1130-A
April 27, 2017**

On behalf of Common Cause New York, I appreciate this opportunity to share our views on Int. 1130-A, which would allow participants in New York City's well-regarded public matching fund system to lift the cap on matchable contributions for participating New York City candidates so that the combined total of private matchable contributions and matching funds is equal to the amount which candidates can spend.

I am Susan Lerner, Executive Director of Common Cause/New York. Common Cause fights to strengthen public participation and faith in our institutions of self-government and to ensure that government and political processes serve the general interest, and not simply the special interests. For nearly 50 years, we have worked at both the state and municipal level to bring about honest, open and accountable government. We have been a long-standing advocate for innovative campaign finance and ethics laws in New York, as well as throughout the country. Common Cause is a leading supporter of comprehensive campaign finance reforms and public funding of elections throughout the country. We have been involved in helping craft, ultimately pass and help implement virtually all of the public funding of election systems that are functioning at the state and national level, as well as numerous municipal level systems.

As we simultaneously work to reduce the role of unchecked super PACs and corporate special interest spending, we must also support small donors, who continue to have a diminished role in the political process. At the federal level, small donors (those defined as giving less than \$200) contributed slightly more than one-third of aggregate political money in the 2016 cycle, a modest increase over the ratio of small donors in 2014, according to an analysis by Common Cause. Furthermore, donors in the 2016 federal election cycle giving \$200+ consist of just 0.52 per cent of the U.S. adult population. These figures contrast starkly with the experience under New York City's campaign finance system of small dollar matching funds. As you well know, in 2013, more than two-thirds of New York City residents who made campaign contributions contributed in amounts of \$175 or less. Nevertheless, more can be done to further incentivize small donors under the City system.

The initial impetus for the New York City system was to fight corruption and help limit the influence of large private donors on public policy. As the founding Executive Director of the Campaign Finance Board, Nicole Gordon, wrote in a 1991 law review article:

“By instituting a campaign finance reform program in New York City, we are attempting to close the gap between the idealism that promotes reform and the actual practicality of implementing administrative mechanisms to diminish the influence of money on campaigns.”

Gordon, N. & Wagner, H.P, The New York City Campaign Finance Program: A Reform That Is Working, Fordham Urban Law journal 19(3): 607 (1991).

Nevertheless, as currently configured, the New York City system has a gap of nearly one third between the total amount which participating candidates may permissibly spend and the amount of the public matching grant. In the case of the mayor's race, the gap is \$2.5 million. Council candidates face a gap of more than \$65,000. The City's campaign finance limits are currently \$2,750 for all Council candidates, \$3850 for all borough president candidates, and \$4,950 for all candidates for citywide office.¹ The effect of the gap between the public matching grant and the spending limit is to put pressure on candidates to "fill the gap" with larger dollar contributions. One of the salutary strengths and achievements of the New York City system is to empower first time candidates, candidates of color and women. It is those candidates, many of whom do not have existing connections to donors who can write the larger checks, who may be disadvantaged under the current "gap" system.

A major strength of the New York City campaign finance system, and, we believe, a key to its continued success, is the continued evolution and improvement of the system. Where systems in other cities adopted around the time New York City set up its campaign finance system were not continually evaluated and improved, as New York City's system has been, they fell into disuse. The history of our system on the Campaign Finance Board website shows 18 changes to the campaign finance law adopted between 1988 and 2014. Further modifications to the system were adopted recently.

We believe that Int. 1130-A continues our City's commendable practice of evaluating and improving the campaign finance system. By allowing candidates to raise matchable funds up to the expenditure limit it furthers our City's public policy goal of diminishing the influence of money on campaigns, and, we argue, on public policy, as well as further empowers candidates of color, women and first time candidates. It allows candidates to rely entirely on small dollar contributions, thus fostering even greater public participation in our election system. It simplifies the system and makes it easier for the public and candidates to understand.

Common Cause/NY hopes that the passage of Int. 1130-A will be the first of several improvements to the system to strengthen it and further its goals, including lowering campaign contribution limits and increasing the amount of the match.

Thank you again for the opportunity to testify.

¹ We note that the contribution limits for borough president and citywide offices are higher than the current federal contribution limit of \$2,700.