

Small Donor Public Financing: A Tool for Empowering New Yorkers

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Joanna Zdanys, Senior Counsel

Hazel Millard, Advocacy Campaign Strategist

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Agenda

- Legal context
- Campaign fundraising & spending in 2022
- State & national momentum for reform
- NYS Public Campaign Finance Program
 - How it works
 - Policy innovations
 - Projected impact

Legal context

- Deregulatory decisions by Supreme Court opened the doors to unprecedented election spending
- Outside spending since 2010 = over \$9B
- Court has upheld the democratic value and constitutionality of public campaign financing

2022 midterms nationwide

- Total spent on state and federal races = \$16.7B
- At the federal level, just 100 ultra-wealthy donors outspent 3.7 million small donors by 60%
- Megadonors enabled extremist, election-denying candidates running to oversee elections

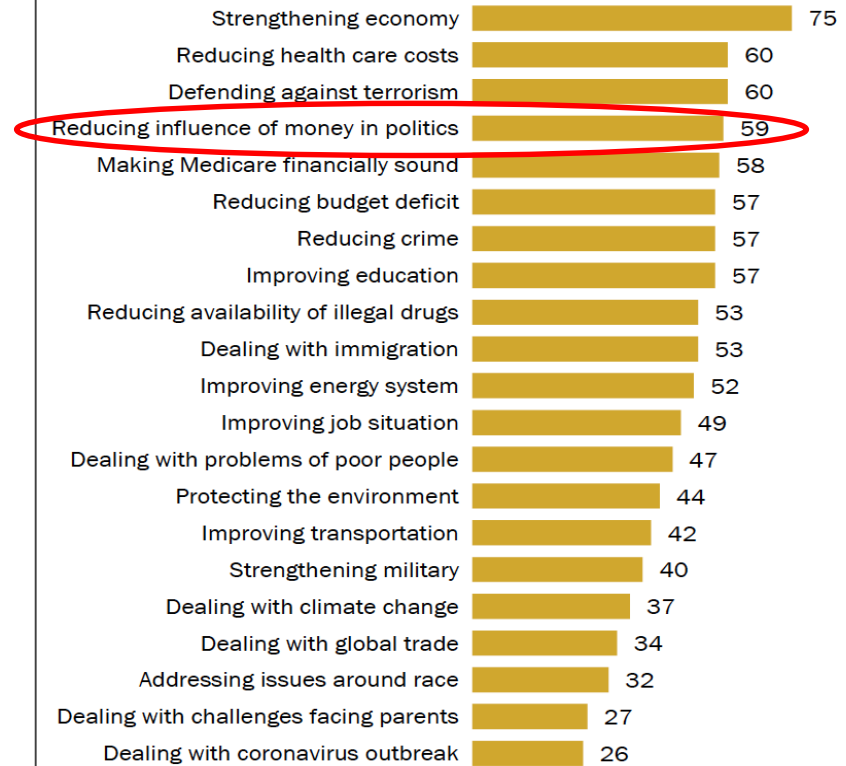
2022 midterms in New York

- Total raised by state candidates in 2022 = \$104.8M
- 200 biggest donors outspent more than 206,000 small donors by \$2 million

Americans support campaign finance reform

Strengthening the economy is Americans' top policy priority; dealing with COVID-19 is among the lowest

% who say ____ should be a top priority for the president and Congress to address this year



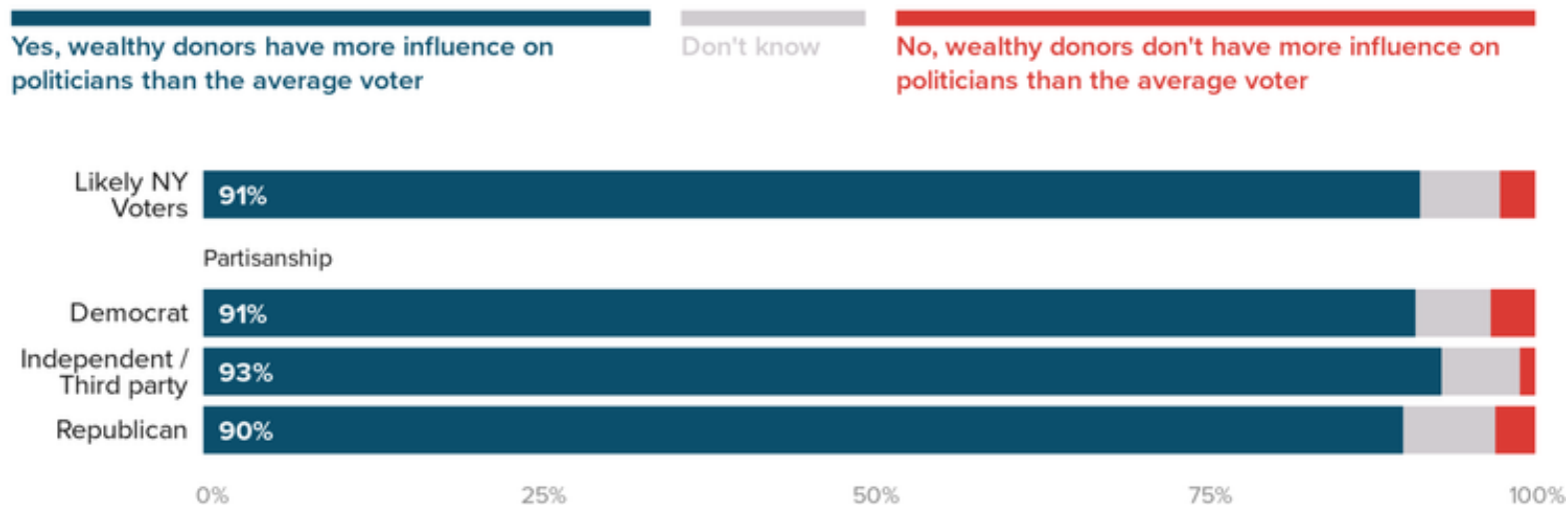
Source: Survey of U.S. adults conducted Jan. 18-24, 2023.

PEW RESEARCH CENTER

Image source: "Economy Remains the Public's Top Policy Priority; COVID-19 Concerns Decline Again," Pew Research Center, February 6, 2023, <https://www.pewresearch.org/politics/2023/02/06/economy-remains-the-publics-top-policy-priority-covid-19-concerns-decline-again/>.

New York Voters Overwhelmingly Believe Wealthy Donors Have More Influence on Politicians Than Average Voters

Do you believe that wealthy donors have more influence on politicians than the average voter?



February 14–20, 2023 survey of 1,105 likely New York voters

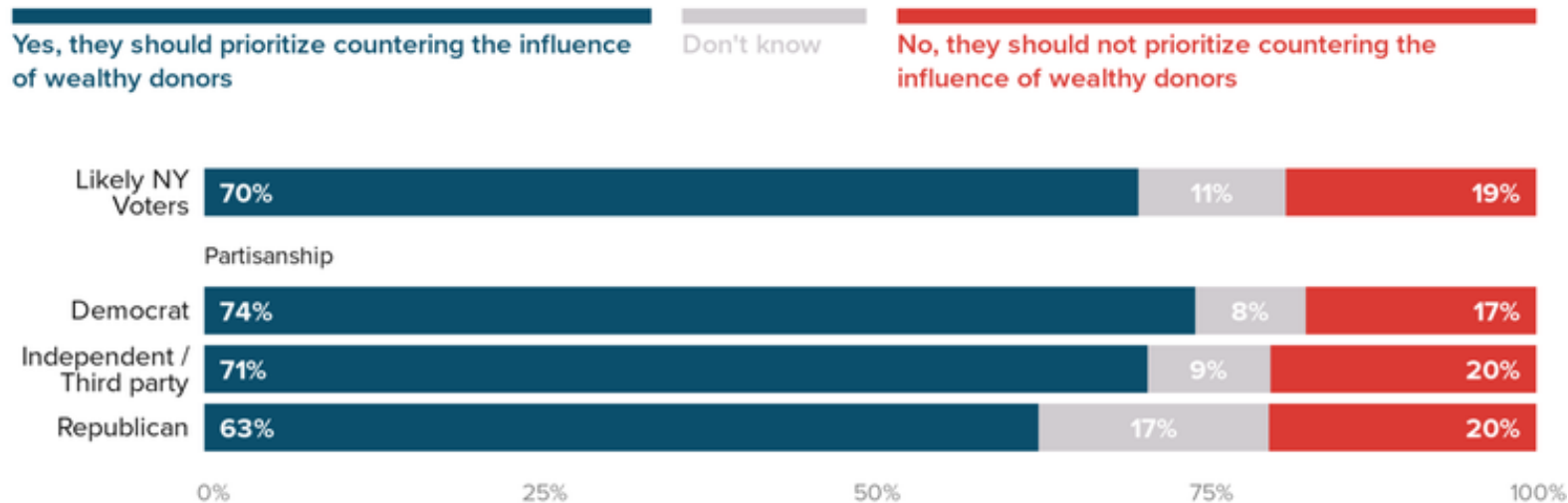


DATA FOR PROGRESS

Image source: Tenneth Fairclough II and Isa Alomran, “New York Voters Support New Public Campaign Finance Program,” Data for Progress, February 28, 2023, <https://www.dataforprogress.org/blog/2023/2/28/new-york-voters-support-new-public-campaign-finance-program>.

Voters in New York Want Their Elected Officials to Prioritize Countering the Influence of Wealthy Donors in Politics

Do you think your elected officials in New York should prioritize countering the influence of wealthy donors in politics?



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DATA FOR PROGRESS

02/28/23

Image source: Tenneth Fairclough II and Isa Alomran, “New York Voters Support New Public Campaign Finance Program,” Data for Progress, February 28, 2023, <https://www.dataforprogress.org/blog/2023/2/28/new-york-voters-support-new-public-campaign-finance-program>.

New & strengthened public financing programs since 2010

New programs

- Montgomery County, MD (2014)
- Seattle, WA (2015)
- Berkeley, CA (2016)
- Portland, OR (2016)
- Denver, CO (2018)
- Washington, DC (2018)
- Howard County, MD (2018)
- Prince George's County, MD (2018)
- New York State (2020)
- Oakland, CA (2022)
- Portland, ME (2022)

Strengthened programs

- New York City, NY (2018)
- San Francisco, CA (2019)
- Los Angeles, CA (2019)

Seattle: Public funds stand up to historic corporate spending

THE AMERICAN PROSPECT

IDEAS, POLITICS & POWER

Grassroots Money Beats Amazon in Seattle

The New York Times

Amazon Tests 'Soul of Seattle' With Deluge of Election Cash

Search jobs Sign in Search US edition

The Guardian

Why did Amazon spend \$1.5m in Seattle's local elections?

Hamilton Nolan

GeekWire

NEWS JOBS EVENTS RESOURCES ABOUT



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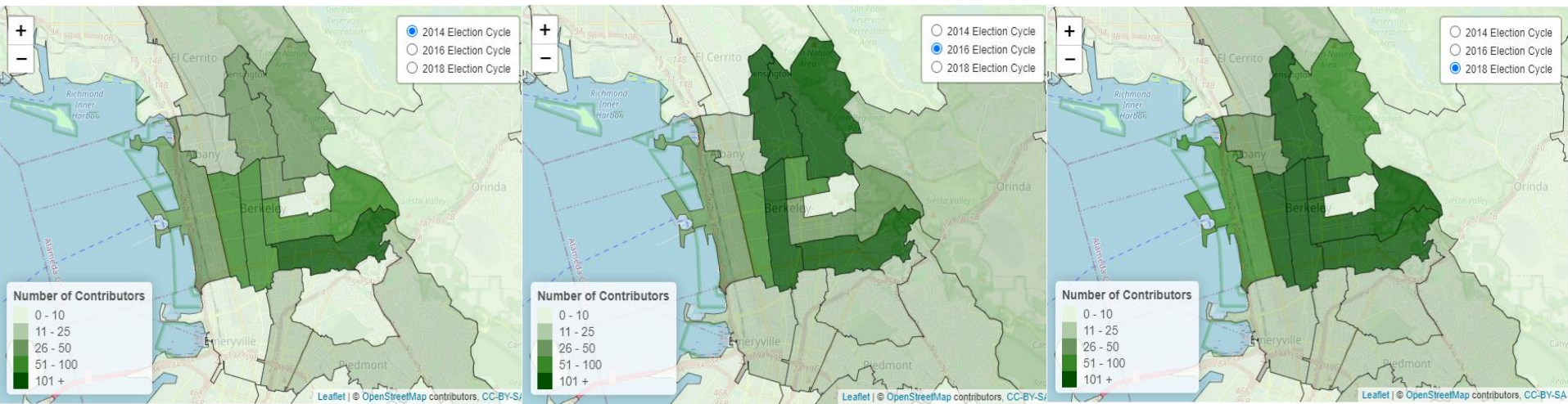
Activists and politicians protest Amazon spending on Seattle elections: 'The country is watching'

Bloomberg

Technology

Amazon Pledges \$1 Million More in Heated Seattle Elections

Berkeley: Increase in small donor participation across zip codes



2014

2016

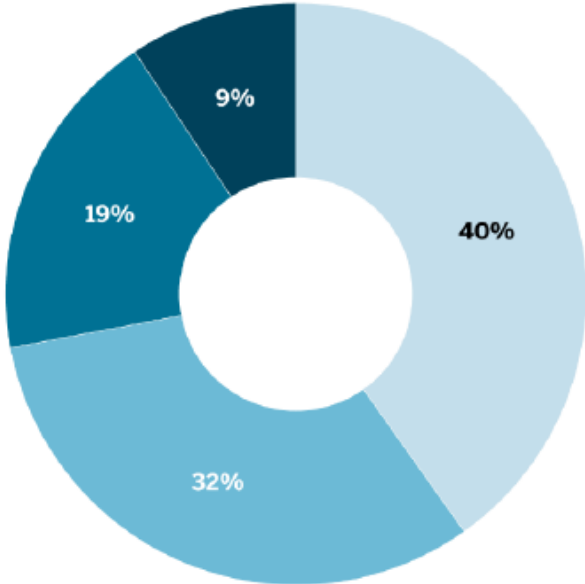
2018

Image source: Bergen Smith, Hamsini Sridharan, and Laura Curlin, "2018 Fair Elections in Berkeley," MapLight, December 19, 2019, <https://maplight.org/story/2018-fair-elections-in-berkeley/>.

New York City: Constituent engagement & public financing

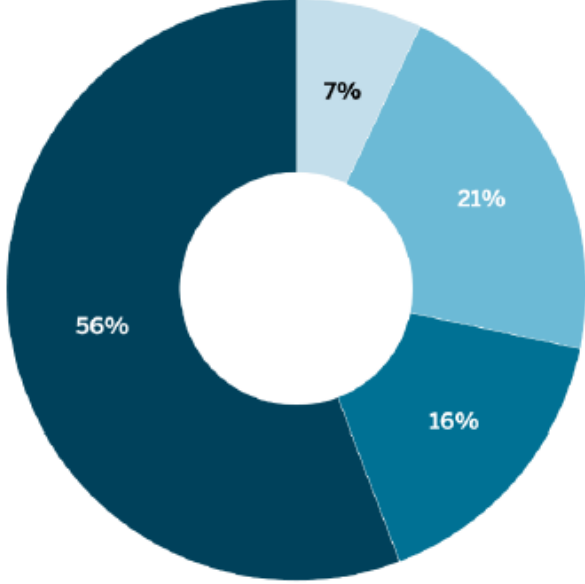
City Council Candidates, 2017

- Small donations by people (\$175 or less)
- Donations by people (\$176 to \$2,000)
- Donations by people (above \$2,000)
- Donations by entities (PACs and unions)



NYC Assembly Candidates, 2018

- Small donations by people (\$175 or less)
- Donations by people (\$176 to \$2,000)
- Donations by people (above \$2,000)
- Donations by entities (PACs, unions and corporations)



Voters Support the Small-Donor Matching Program

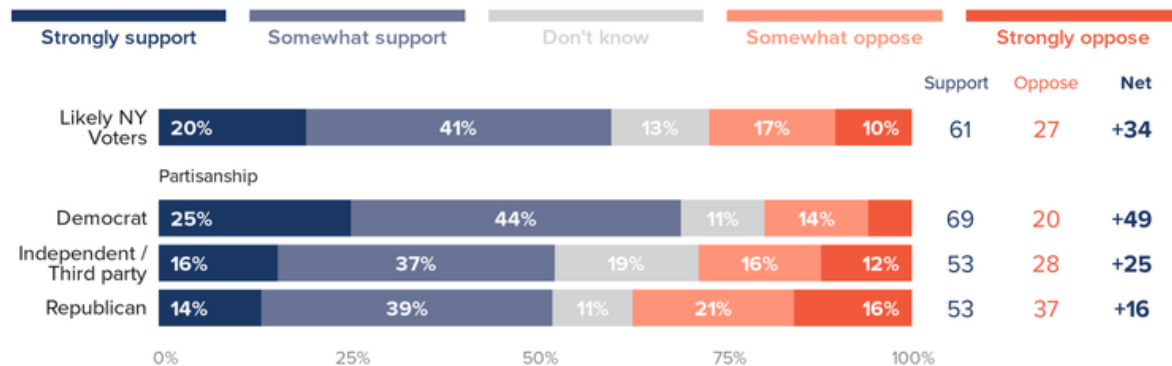
In November 2022, New York launched its voluntary small-donor matching program. Beginning in 2024, this program aims to increase the power of everyday donors and reduce the influence of big donors by using public funds to match small donations from state residents to participating state candidates who volunteer to join.

This program is estimated to cost far less than half a percent (about 0.045%) of the state's budget.

An example of how the small-donor matching program will work:

- If you donate \$1 to a **statewide** candidate, the program matches it by **\$6**, so a \$20 donation is worth **\$140** to the candidate
- If you donate \$1 to a **legislative** candidate, the program matches it by **\$12**, so a \$20 donation is worth **\$260** to the candidate

Do you support or oppose the small-donor matching program?



February 14–20, 2023 survey of 1,105 likely New York voters



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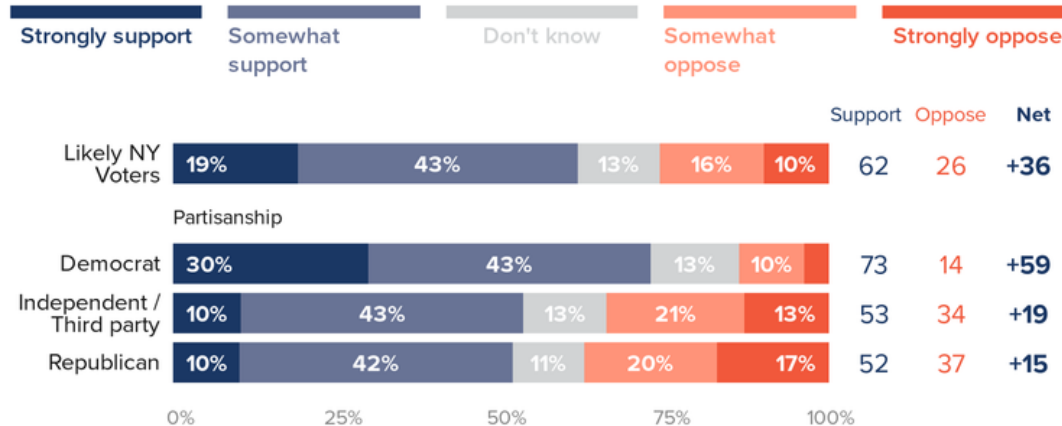
Image source: Tenneth Fairclough II and Isa Alomran, "New York Voters Support New Public Campaign Finance Program," Data for Progress, February 28, 2023, <https://www.dataforprogress.org/blog/2023/2/28/new-york-voters-support-new-public-campaign-finance-program>.

A Majority of New York Voters Support Fully Funding the Small-Donor Matching Program so It Can Run As Intended

Currently, New York's small-donor matching program is estimated to cost far less than half a percent (about 0.045%) of the state's budget.

State leadership is currently negotiating New York's next budget.

Do you support or oppose state leaders providing sufficient funding for the small-donor matching program so it can run as intended?



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DATA FOR PROGRESS

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Image source: Tenneth Fairclough II and Isa Alomran, “New York Voters Support New Public Campaign Finance Program,” Data for Progress, February 28, 2023, <https://www.dataforprogress.org/blog/2023/2/28/new-york-voters-support-new-public-campaign-finance-program>.

NYS Public Campaign Finance Program (PCFP)

- Small donor match system enacted in 2020
- Effective as of Nov. 2022 for candidates running in 2024 legislative and 2026 statewide races
- Administered by the Public Campaign Finance Board (PCFB)

Who can participate in the PCFP?

- Completely voluntary system
- Candidates for:

Governor	Comptroller
Lt. Governor	Senate
Attorney General	Assembly

How do candidates become eligible for the PCFP?

- Obtain place on ballot
- Raise a certain amount of small donations from in-state/in-district donor

How do candidates demonstrate eligibility?

Office	Minimum Fundraising Threshold to Qualify*	Reduced Thresholds for Lower-Income Districts
Governor	\$500,000, including at least 5,000 matchable contributions	N/A
Lt. Governor, Attorney General, Comptroller	\$100,000, including at least 1,000 matchable contributions	N/A
Senate	\$12,000, including at least 150 matchable contributions	\$8,000, including at least 150 matchable contributions
Assembly	\$6,000, including at least 75 matchable contributions	\$4,000, including at least 75 matchable contributions

**Statewide offices:
\$6-to-\$1 match on \$250 or less from a New Yorker**

Donor	Donation amount	Match amount (6:1)	Total value to candidate
NY Resident	\$10	\$60	\$70
Non-NY Resident	\$10	\$0	\$10

**Legislative offices:
Tiered match on \$250 or less from an in-district donor**



**Legislative offices:
Tiered match on \$250 or less from an in-district donor**

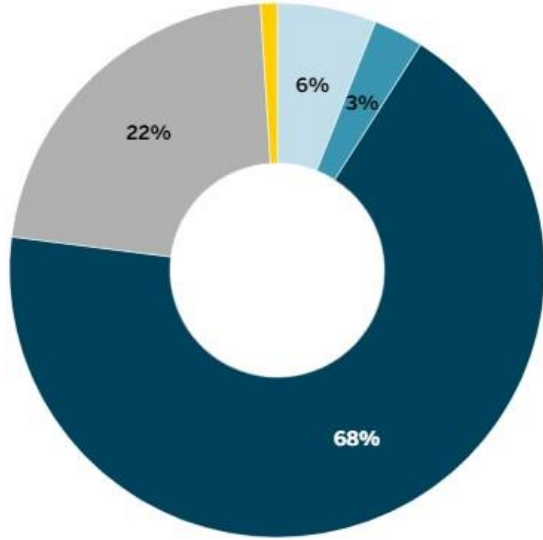
Donor	Donation amount	Match tier	Match amount	Total value to candidate
In-district	\$25	12:1 on entire contribution	\$300	\$325
In-district	\$100	12:1 on 1 st \$50 + 9:1 on 2 nd \$50	\$1,050	\$1,150
Out-of-district	\$300	Not eligible	\$0	\$300

Greatest innovations

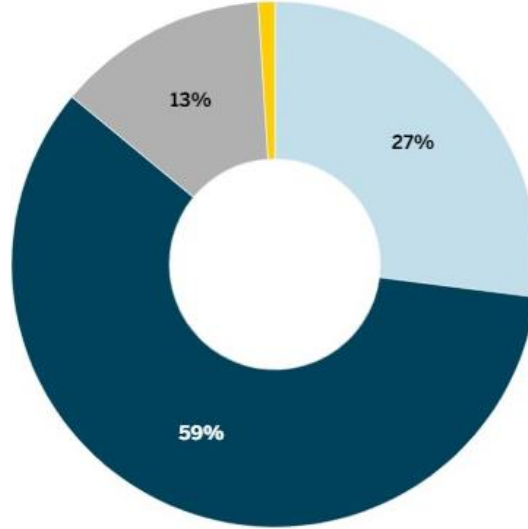
- Match applies to contributions of \$250 or less
- In-state/in-district only match
- Sliding scale for legislative candidates
- Allows candidates to keep raising and spending to combat independent expenditures

Statewide Candidates

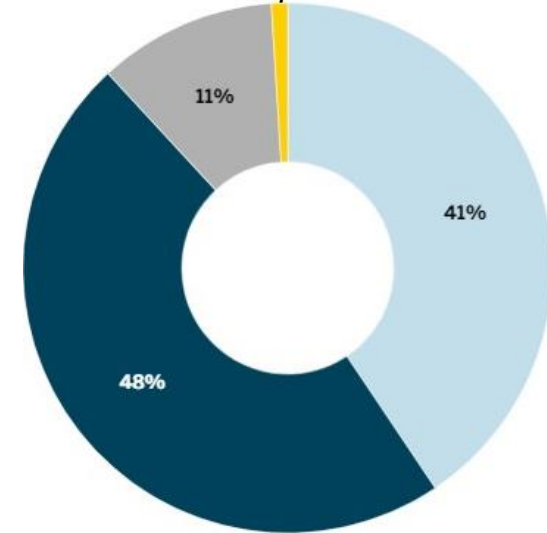
Actual Share of Contributions in 2022



Projected Share If Public Financing Had Applied in 2022



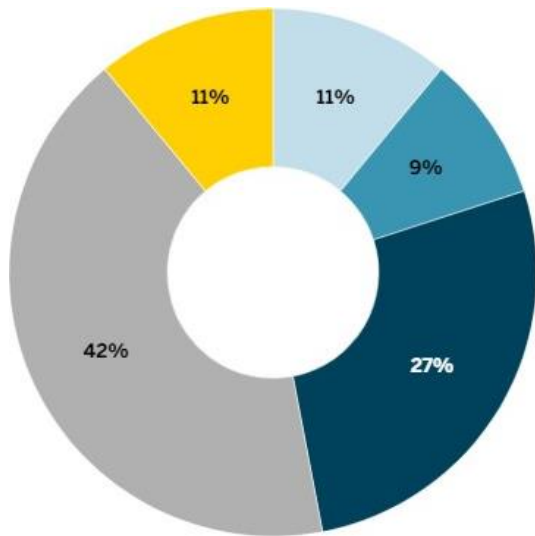
Projected Share If Public Financing Had Applied – With Increased Small Donor Participation



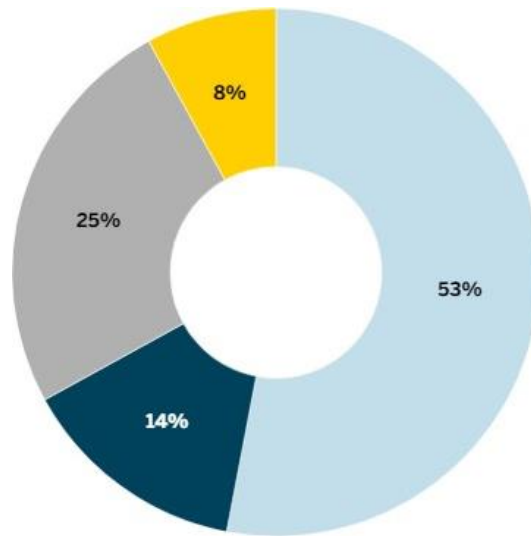
- Small donations by individuals of \$250 or less
- Donations by individuals of \$1,000 or more
- Donations by entities (PACs, unions, and corporations)
- Donations by political parties

Legislative Candidates

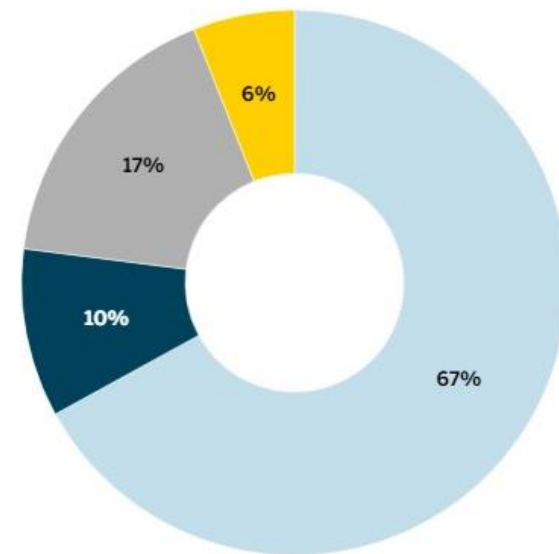
Actual Share of Contributions in 2022



Projected Share If Public Financing Had Applied in 2022



Projected Share With Public Financing and Increased Small Donor Participation



- Small donations by individuals of \$250 or less
- Donations by individuals of \$1,000 or more
- Donations by entities (PACs, unions, and corporations)
- Donations by political parties

“New York’s PCFP is a major step forward for grassroots, participatory democracy. It is a smart investment in the state’s future designed to empower all New Yorkers and not just the deep-pocketed few.”

Karen Wharton, Comptroller Thomas DiNapoli, and Senator Zellnor Myrie, “Putting the public back into campaign finance,” *New York Daily News*, February 10, 2023, <https://www.nydailynews.com/opinion/ny-oped-putting-the-public-back-into-campaign-finance-20230210-e5wnflutjvdrpbntksixzohii-story.html>