

## CAMPAIGN FINANCING

The League of Women Voters of the United States believes that the methods of financing political campaigns should ensure the public's right to know, combat corruption and undue influence, enable candidates to compete more equitably for public office, and allow maximum citizen participation in the political process. (LWVUS *Impact on Issues*, 2006-2008, p. 18) Statement of Position on Campaign Finance, as Announced by National Board, January 1974 and Revised March 1982.

**CONSENSUS STATEMENT: ELECTION LAW/  
CAMPAIGN FINANCING  
Statement of Position  
As announced by the State Board, April 1991**

**The League of Women Voters of New York State reaffirms its belief that it is necessary to improve methods of financing political campaigns in order to ensure the public's right to know, combat corruption and undue influence, enable candidates to compete more equitably for public office and promote citizen participation in the political process. (LWVUS *Impact on Issues*, 2006-2008).**

**In order to restore public confidence in the political process:  
Appropriate limits should be placed on campaign contributions which can be made to each candidate from individuals, corporate funds (in the aggregate where there are subsidiaries), political party monies, donations by PACs and special interest groups.**

**Funding limits on statewide candidates should be set at a higher level than on candidates running in smaller districts.**

**Equal access to the political process for candidates should be enhanced by supporting measures which would open the system to challengers and by enacting a public financing law for statewide offices.**

**The New York State Election Law should enable rather than limit candidates' attempts to gain ballot positions. All qualified candidates aspiring to public office should have access to the ballot through a fair, simplified petition system that is straightforward and that does not present a maze of technical minutiae. Basic safeguards against fraud should not require excessive rigidity.**

**CONSENSUS STATEMENT: ELECTION LAW/  
CAMPAIGN FINANCING**

**Statement of Position**

**As announced by the State Board, April 1991 (continued)**

**Enforcement of the election law pertaining to campaign finance requires analysis of the data collected under the established procedures for reporting the receipt and expenditure of funds. The League calls for centralized computerization of campaign finance records for local and statewide elections. In order for this information to have any meaningful effect, it must be monitored, analyzed, and disclosed. Oversight and enforcement must be vested in a government entity with the independence, power, and adequate resources to enforce the law.**

**The League supports measures to restore integrity to a system which has become flawed by political partisanship.**

**The League of Women Voters of New York State supports passage by the legislature of a legally valid Fair Campaign Code. Fair Campaign Practices Committees can play an important role in establishing ethical campaign guidelines at all levels of government and can focus public opinion on the conduct of campaigns. We urge their widespread use across the state.**

While functioning under the national position, the LWNYS supported campaign-financing rules limiting contributions and expenditures. The League consistently lobbied for partial public financing of campaigns for statewide offices and strongly endorsed a funding system incorporating a state income tax check-off.

In 1982, the League interpreted its campaign financing position to include ballot issues as well as candidates. During the 1983 legislative session, the League actively supported a bill, subsequently signed into law, that would require political action committees to report all contributions and expenditures made for the purpose of supporting or opposing ballot issues.

Closing a serious gap in the state election law, a bill that prohibits candidates and political committees from diverting excess campaign funds to personal use passed with League support in 1985. Until this restriction became law, candidates and committees were free to use excess funds in any manner they desired.

Another loophole in the law was closed in 1988 when the legislature passed a law requiring the disclosure of "housekeeping" funds. These funds are for the purpose of maintaining political party offices and are to be used only for normal office expenses. They are not meant for use in political campaigns. However, since the law formerly required no reporting of these funds, there was no way to determine that they were expended properly.

LWVNYS continues to support campaign-financing legislation that meets the criteria of our position. In the 2000 session, the Assembly leadership introduced the same partial public financing bill that had been introduced for the past fifteen years. In the 2001 session, the League, Common Cause and NYPIRG lobbied members of the Democratic majority conference to amend their campaign financing legislation to include a 4-1 public match component patterned after New York City's successful public financing law. Assembly Democrats amended their legislation to reflect the system in New York City, and it passed the house. The League then turned its attention to the Senate where we were able to secure a majority sponsor (Sen. Goodman) for similar-to legislation. This bill will have to pass the Senate in a future session in order to go to joint conference committee to resolve differences.

Full public financing, "Clean Money, Clean Elections," was introduced as far back as the 1998 legislative session. Only Democratic sponsorship in the Senate could be secured and the legislation was never addressed in committee. In the Assembly the bill had majority sponsorship, but, as in the Senate, was not taken up in committee. No action on this legislation has taken place since 1998. The Governor has repeatedly said that he is not in favor of full public financing of elections.

On the last day of the regular 1999 session in June, Governor Pataki announced a campaign finance program bill. Although disappointed the legislation came so late, League supported this comprehensive approach and requested that the Governor become an actual advocate for his legislation. Clearly this legislation came too late to be debated fully by the Legislature and did not get sponsorship or was not introduced during that regular session. The League will continue to urge the governor to push for Senate sponsorship during the 2000 session.

The Governor's program bill on campaign finance reform did not obtain a Senate sponsor until late in the 2001 session (introduced by Rules Committee). The bill did not see any action in the 2001 session. The bill would:

- Ban soft money
- Dramatically lower contribution limits
- Crack down on sham issue ads
- Restrict fundraising during the legislative session
- Enhance disclosure
- Toughen enforcement

### **Campaign Finance 2002-2003**

The League has lobbied extensively for reform of the Campaign Finance laws for several years. Passage of the McCain/Feingold law at the national level brought hope for reform of New York's lax campaign finance laws. Although the Assembly Speaker sponsored comprehensive legislation in 2002 that passed overwhelmingly in the house, the Senate has never introduced or passed similar to legislation.

The Speaker has publicly stated his support of going to a public, joint conference committee on campaign finance reform if the Senate acts on the Governor's proposal. The League has called on the Governor and the Senate to support a plan based on the successful New York City system of public financing, in which candidates receive public funds to match small private contributions raised. At a

minimum, the League has urged the Senate to support the Governor's legislation and to take up the Speaker's offer of a joint conference committee negotiation on campaign finance reform. Although the League has continued to lobby for campaign finance reform, no action was taken on this legislation in 2003 or 2004.

With an incumbency rate of over 99%, this legislature is likely to continue the status quo that works for them.

In the 2005 session, the League, in coalition with NYPIRG, Common Cause, and Citizens Union, continued to support comprehensive campaign finance reform through the following recommendations:

- Creating a voluntary system of public financing modeled on New York City's,
- Overhauling existing campaign finance laws,
- Requiring candidates for local government to report their contributions in electronic format and then posting those filings on the Internet as contributions for state office are,
- Limiting the use of campaign contributions to those activities directly involved in campaigning.

Again, the Assembly passed legislation the League supported. Governor Pataki had proposed a comprehensive campaign finance plan that was similar to the Assembly legislation except it did not include a public financing system. The Governor continued to not push the Senate to act on his plan. Unfortunately, the Senate did not offer its own reform plan and blocked more limited measures to reform the system. Advocacy on this issue has been directed at moving the Senate to act on the Governor's bill so that a conference committee could resolve differences on the two bills. Campaign finance reform was one of ten issues targeted during the reform lobby day in May 2005.

The session of 2006 preceded legislative elections and a gubernatorial election. The reform coalition continued to push the legislature to adopt the Assembly Speaker's campaign finance legislation, but began the process of making the issue of campaign finance reform a campaign issue for both the legislature and candidates for governor. For the first time, every legislator was a "reformer" and reform day in 2006 drew hundreds of citizens into the legislature to push for reform issues, most prominently, campaign finance reform. Unfortunately, the session concluded with no legislative action, but with a clearer vision for renewed anticipation of a more receptive Governor and legislature in 2007.

The election of November 2006 brought a new Governor and several new legislators into office. The League was asked to sit with other reform groups on Governor Elect Eliot Spitzer's Transition Team, specifically on the government reform committee. One of the recommendations given to the new Governor was on campaign finance reform. This Governor had campaigned on a reform agenda and there was anticipation that campaign finance reform would be a top priority. In the Governor's first State of the State message, he talked about the need for campaign finance reform.

*"To neutralize the army of special interests, we must disarm it. In the coming weeks, we will submit a reform package to replace the weakest campaign finance laws in the nation with the strongest.*

*Our package will lower contribution limits dramatically, close the loopholes that allow special interests to circumvent these limits, and sharply reduce contributions from lobbyists and companies that do business with the state.*

*But reform will not be complete if we simply address the supply of contributions. We must also address the demand. Full public financing must be the ultimate goal of our reform effort. By cutting off the demand for private money, we will cut off the special-interest influence that comes with it.” State of the State Address, Assembly Chamber, The Capitol, Albany, NY, Monday, January 3rd, 2007”*

Shortly after the Governor’s State of the State address, reform groups including the League were asked onto the second floor (Governor’s Offices) to help craft comprehensive campaign finance legislation. Negotiated language with the Governor’s office included elements listed below, however, during the regular legislative session of 2007, these reforms were not introduced as actual legislation.

- Lowered campaign contribution limits.
  - For statewide candidates – from current total maximum of \$55,900 from a single source per cycle to \$20,000 total.
  - For Senate candidates – from current \$9,500 general/\$6,000 primary to \$5,750/\$5,750.
  - For Assembly candidates – from \$3,800 for each primary and general to \$2,300/\$2,300.
  - For party and legislative committees from current \$94,200 to \$50,000 per year.
- While we supported the Governor’s plan, his contribution limits would have moved New York from having the highest contribution limits of states with limits, to second highest.
- Limited donations to “housekeeping accounts.” The proposal would limit “soft money” contributions, currently unlimited, to \$50,000 in aggregate from each source per year.
- The Governor’s proposal would still allow staggeringly high donations, but would have eliminated the possibility that one entity would be able to pour millions of dollars into one party’s political committee – which would have diminished the appearance of a conflict of interest.
- Close loopholes. The proposal would have closed the loopholes that allow corporate subsidiaries and LLCs to skirt the law.
- Strengthened enforcement. The Governor’s plan would add a fifth commissioner to the State Board of Elections. This bipartisan appointee would have broken enforcement logjams that exist currently.
- Strengthened disclosure. The proposal would require all contributors to provide information on their occupation, employer, and business address; would require additional reports during the legislative session; and add a 15-day pre-general election disclosure report.

Campaign finance reform was also highlighted at reform day April 2007. Governor Spitzer and Speaker Sheldon Silver attended and committed to pass reforms, however, Senate Majority Leader Joseph Bruno did not attend and made it clear that his conference did not intend to pass campaign finance reform. In response to Majority Leader Joseph Bruno’s assertion that citizens did not “give a hoot” about campaign finance reform, the League initiated public forums across upstate New York to highlight the concern of citizens for this necessary reform. These public forums were held in Syracuse, Rochester, and Schenectady and were held to put legislators of both political parties on the record

about their position on campaign reform. These forums were well attended by the public, but not by most legislators.

For the last two months leading up to the end of the regular session, it became apparent that campaign finance reform was to be held “hostage” to other issues primary among them a judicial and legislative pay raise. Governor Spitzer also began to aggressively go into Senate Republican districts to highlight the Senate’s inaction on this issue. A war of words began in the final days of the session and it became apparent that until campaign finance was addressed by the Senate, no other issue would be addressed. The 2007 legislative session ended without campaign finance reform and with many issues left undone. It is anticipated that before the end of the year 2007, the Governor will call a special session to address campaign finance reform.

The League intends to continue our grassroots advocacy on this issue.

### **Computerization of Campaign Finance Records**

Following vigorous lobbying during 1996 and 1997, including much media work, the Take Back Democracy Coalition was finally successful in securing an appropriation through the 1997-98 state budget to computerize campaign finance reports filed with the State Board of Elections. Computerization would begin in July of 1999. The implementing legislation would require candidates planning to spend more than \$1,000 on their state campaigns file their required financial reports on computer disk with the State Board of Elections.

On July 1, 1999, the State Board of Elections began computerizing and putting out on the internet all campaign finance records of candidates who spend more than \$1,000 on their campaigns. This now enables anyone with access to the Internet the ability to follow campaign contributions to candidates for statewide and legislative offices. The League will continue to lobby to extend computerization to local boards of election.

During the 2002-2003 session the League worked to pass local computerization of campaign finance records. The legislation had majority Senate and Assembly sponsorship. Although the League lobbied vigorously to pass local computerization of campaign finance records and the Assembly did pass the bill, the 2003 session closed without the Senate taking any action.

Late in the 2005 session, after extensive lobbying by the Reform New York Coalition, the Senate and Assembly agreed to computerization legislation which would require candidates for local government to report their contributions in electronic format and then post those filings on the Internet. The new law went into effect January 2006. This was a major success for the reform coalition.

As part of the League’s transition with Governor Elect Eliot Spitzer, the issue of adequate funding for the state Board of Elections, Campaign Finance Enforcement Unit was addressed. As a result, the executive budget allocated \$1.5 million dollars for increased staffing for this enforcement unit. The legislature agreed to this appropriation and with passage of the budget on April 1, 2007, several new staff positions were created. The League will continue to monitor the composition and effectiveness of the new Campaign Finance Enforcement Unit.

**Fair Campaign Practices**

In 1973 the first Fair Campaign Practices Committee (FCPC) was established in Monroe County by the Rochester League. This committee, composed of selected community leaders, establishes guidelines for the conduct of ethical political campaigns and has the influence to produce a positive effect on the tenor of campaigning. The committee hears complaints made by opposing candidates and releases findings to the media. The negative campaigning of the 1988 elections was a major impetus to citizen concern about the election process and stimulated renewed interest in the establishment of FCPCs. Several FCPCs now function in various parts of the state; local Leagues were the impetus for their creation.

The League is concerned about the ethical conduct of candidates for political office. The practice of self-monitoring by candidates, campaign committees, their media advisors and political party committees may be commendable, but it is not always successful. In an attempt to improve the conduct of individuals and groups involved in the electoral process, the Fair Campaign Code was written into the Election Law; however, it has never been implemented because a section has been found unconstitutional. Since 1983 a Fair Campaign Code bill has been introduced regularly whose purpose is to remove the section, which had invalidated the Code. The League has lobbied for its passage.