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**Before the New York City Campaign Finance Board
RE: Post-Election Hearing on 2021 Municipal Elections**

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The Brennan Center for Justice at New York University School of Law¹ appreciates the opportunity to testify before the New York City Campaign Finance Board (CFB) on the 2021 New York City municipal elections. For more than two decades, the Brennan Center’s nonpartisan experts have helped design and implement campaign finance reforms in states and cities across the country and at the federal level. The Center has long studied New York City’s landmark campaign finance system as it has evolved over the years.²

The Importance of New York City’s Matching Funds Program

New York City’s system of small donor public financing is the most powerful solution available to counter the corrosive influence of big money in politics in the age of unlimited spending by a wealthy few. The program enjoys high rates of participation from candidates, has empowered candidates to run without relying on big money or special interest donors, and has strengthened civic participation by

¹ The Brennan Center is a non-partisan public policy and law institute that focuses on the fundamental issues of democracy and justice. The Center’s Election Reform and Money in Politics projects work to reduce the real and perceived influence of money on our democratic values. The opinions expressed in this letter are only those of the Brennan Center and do not necessarily reflect the opinions of NYU School of Law, if any.

² See, e.g., Angela Migally, Susan Liss, and Frederick A.O. Schwarz, Jr., *Small Donor Matching Funds: The NYC Election Experience*, Brennan Center for Justice, 2010, <https://www.brennancenter.org/our-work/research-reports/small-donor-matching-funds-nyc-election-experience>; Michael Malbin, et al., *Donor Diversity Through Public Matching Funds*, Brennan Center for Justice & Campaign Finance Institute, 2012, <https://www.brennancenter.org/our-work/research-reports/donor-diversity-through-public-matching-funds>.

encouraging New Yorkers of all demographics to donate to campaigns.³ It has strengthened the connection between candidates and their future constituents by incentivizing grassroots campaigning. A recent study found that City Council candidates using the matching funds program relied more on in-district donors and small donors than state legislative candidates running in the same communities without public financing.⁴

The success of New York City's system has made it a nationwide model of campaign finance reform, with similar legislation enacted in cities and counties across the nation, as well as New York State.

The matching funds program has evolved a great deal over the past three decades. This year's municipal elections were the first after 80 percent of voters approved an increase in the public financing match ratio from \$6-to-\$1 to \$8-to-\$1 and a reduction in contribution limits in City Council races from \$2,850 to \$1,000. Candidates have remarked that the increased match rate encouraged them to run for office and empowered their grassroots campaigns.⁵

The Program Played a Role in the Election of the Most Diverse City Council

New York City elected the most diverse and representative legislative body in its history in 2021.⁶ A recent Brennan Center analysis shows that the incoming council will more accurately reflect the demographics of the city than ever before. Women, who make up 52 percent of the city's population, will increase their representation

³ See, e.g., Gregory Clark, Hazel Millard, and Mariana Paez, *Small Donor Public Financing Plays Role in Electing Most Diverse New York City Council*, Brennan Center for Justice, 2021, <https://www.brennancenter.org/our-work/research-reports/small-donor-public-financing-plays-role-electing-most-diverse-new-york>; Michael J. Malbin, Peter W. Brusoe & Brendan Glavin, *Small Donors, Big Democracy: New York City's Matching Funds as Model for the Nation and States*, 11 ELECTION L. J. 3 (2012) (finding the program has increased the number and importance of small donors).

⁴ Nirali Vyas, Chisun Lee, and Joanna Zdanys, *The Constituent Engagement Effect of Small Donor Public Financing*, Brennan Center for Justice, 2019, <https://www.brennancenter.org/our-work/research-reports/constituent-engagement-effect-small-donor-public-financing-statistical> (finding the program encourages candidates to focus on in-district donors).

⁵ Christine Chung and Ann Choi, "Women Take the Lead in City Council Fundraising Race After Years of Gender Imbalance," *The CITY*, March 23, 2021, <https://www.thecity.nyc/2021/3/23/22346736/nyc-women-take-lead-city-council-fundraising>; Crystal Hudson and Sandy Nurse, "What ranked-choice meant in NYC," *New York Daily News*, July 19, 2021, <https://www.nydailynews.com/opinion/ny-oped-what-ranked-choice-meant-to-nyc-20210719-qydyl6mzwrhcllk4dhw2tceg4y-story.html>.

⁶ Rachel Holliday Smith, Clifford Michel, and Will Welch, "City Council Adds Historic Number of Women to Its Ranks as Republicans Gain," *The CITY*, November 3, 2021, <https://www.thecity.nyc/2021/11/3/22760797/city-council-adds-women-republicans>.

on council from 27 percent to 61 percent of the council.⁷ People of color, making up 68 percent of the citywide population, will increase their representation on council from 51 percent to 67 percent.⁸

One of the many factors that influenced this outcome is the presence of New York City's robust small donor public financing system. Of the women and people of color that were elected to the City Council, 97 percent participated in the public financing program.⁹ Our analysis found that among all competitive candidates in the primary cycle, there was remarkable race and gender parity in campaign fundraising. Women and men raised similar amounts on average, with women raising 4 percent more than men. Candidates of color raised 2 percent more than their white counterparts. These candidates also were also similar in how much they relied on small donations and public matching funds.¹⁰

This fundraising parity is remarkable given the longstanding disadvantages women and candidates of color face in campaign fundraising as compared to white and male candidates.¹¹ The disparity is mostly due to candidates raising money from their social and professional networks, especially in the early stages of their campaigns.¹² The well-documented racial and gender wealth gap causes women and candidates of color to typically fundraise from networks that are more likely to have lower incomes and wealth.¹³ Women candidates also report a lack of party support, hindering their access to party fundraising networks.¹⁴ Even in races where

⁷ Clark, Millard, and Paez, *Small Donor Public Financing Plays Role in Electing Most Diverse New York City Council*.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ Nirali Vyas, Chisun Lee, and Gregory Clark, *Small Donor Public Financing Could Advance Race and Gender Equity in Congress*, Brennan Center for Justice, October 15, 2020, <https://www.brennancenter.org/our-work/research-reports/small-donor-public-financing-could-advance-race-and-gender-equity>.

¹² Kira Sanbonmatsu, *Research Inventory: American Women and Politics*, Center for American Women and Politics, 2015, 42, <https://www.politicalparity.org/wp-content/uploads/2017/10/Parity-Research-Full.pdf>.

¹³ Vyas, Lee, and Clark, *Small Donor Public Financing Could Advance Race and Gender Equity in Congress*. See also, Sanbonmatsu, *Research Inventory: American Women and Politics*; Moritz Kuhn, Moritz Schularick, and Ulrike I. Steins, *Wealth and Inequality in America, 1949-2016*, Opportunity and Inclusive Growth Institute, Federal Reserve Bank of Minneapolis, 2018, 26, <https://www.minneapolisfed.org/institute/working-papers-institute/iwp9.pdf>; Tom Shapiro et al., *The Black-White Wealth Gap*, Institute on Assets and Social Policy and Thurgood Marshall Institute, November 2019, 2, <https://tminstituteldf.org/wp-content/uploads/2019/11/FINAL-RWG-Brief-v1.pdf>.

¹⁴ Institute for Women's Policy Research, "Building Women's Political Careers: Strengthening the Pipeline to Higher Office – Major Findings and Recommendations for Action," accessed December

women see their greatest opportunity for taking office, systemic bias remains. In open-seat races, institutional donors like PACs are more likely to support men than women.¹⁵

To be sure, this election cycle was unique in other ways that could contribute to the increase in diversity among the incoming council. Due to term limits, over half of the races were for open seats, and the new system of ranked choice voting created new dynamics for candidates to navigate. But is far from clear whether either ranked-choice voting or term limits create a positive impact on racial and gender diversity in legislative bodies.¹⁶

Legislation

Finally, we note our responses to two of the bills considered by the City Council this session that would affect the CFB and the public financing program.

As discussed in our testimony before the Committee on Government Operations last month, Int. 2429 would needlessly increase mayoral control over the CFB's budget.¹⁷ The agency already has adequate oversight from elected officials. The mayor and the speaker of the council appoint its members, and its budget is ultimately controlled by the council.¹⁸ At the same time, the CFB is unique among agencies in that it enforces rules against elected officials, raising the risk of retaliation. Some degree of independence for the CFB must be carefully protected — especially at a time when the administration of elections is facing dangerous political attacks across the country.¹⁹

Another bill, Int. 2453, would reduce the thresholds of independent expenditures that trigger increases in expenditure limits for participating candidates. We recommend further study of the likely effects of this policy before the City Council

10, 2021, <https://iwpr.org/publications/building-womens-political-careers-strengthening-the-pipeline-to-higher-office/>.

¹⁵ Center for Responsive Politics, Common Cause, and Representation 2020, *Individual and PAC Giving to Women Candidates*, November 2016, 1, https://d3n8a8pro7vhmx.cloudfront.net/fairvote/pages/4944/attachments/original/1480999514/Giving_to_Female_Candidates_2016.pdf.

¹⁶ Clark, Millard, and Paez, *Small Donor Public Financing Plays Role in Electing Most Diverse New York City Council*.

¹⁷ Ian Vandewalker, "Testimony on Intro. 2429 before the New York City Council Committee on Governmental Operations," *Brennan Center for Justice*, November 29, 2021, <https://www.brennancenter.org/our-work/research-reports/testimony-intro-2429-new-york-city-council-committee-governmental>.

¹⁸ New York City Charter § 1052(a)(1), (b)(3).

¹⁹ *See, e.g.*, Will Wilder, Derek Tisler, and Wendy Weiser, *The Election Sabotage Scheme and How Congress Can Stop It*, Brennan Center for Justice, 2021, <https://www.brennancenter.org/our-work/research-reports/election-sabotage-scheme-and-how-congress-can-stop-it>.

proceeds. Especially since 2021 was the first cycle under the higher match and lower contribution limits, more information is needed. Although the goal of allowing candidates to effectively respond to independent expenditures is a good one, this bill may generate unintended consequences. We would encourage the CFB to conduct further research on races where there is high independent spending to understand the likely impacts of changes to the expenditure limit relief policy.