

The Truth About the Cost of Public Campaign Funding

Defenders of the status quo who benefit from Albany's "show me the money" culture of corruption have made exaggerated and dishonest claims about the costs of the small donor matching system at the core of comprehensive campaign finance reform. Here are the facts.

A small donor matching system of public financing would cost between \$26 and \$41 million per year — that's about \$2 per New Yorker. This estimate comes from the [Campaign Finance Institute](#), a national, non-partisan research organization, which used peer-reviewed methods. CFI took contribution data from the 2010 and 2012 New York elections and examined how much would be disbursed by a public funding system with a six-to-one match of the first \$250 of each contribution — a feature of comprehensive campaign finance reform bills introduced by both [Assembly Speaker Sheldon Silver](#) and [Senate Co-Leader Jeffrey Klein](#). The higher estimate of \$41 million is based on the assumption that a public funds match would encourage so many new donors to give that every candidate would *double* the number of his or her donors as compared to 2012.

Senate Republicans' cost estimate is based on wildly unrealistic assumptions. The grossly exaggerated cost estimates floated by defenders of the status quo are based on the assumption that every race for every office in the state would have two candidates drawing the maximum amount of public funds for the general election, and that a quarter of primaries would also feature two maxed-out candidates. This scenario is extremely unlikely. By contrast, CFI's responsible and credible cost estimates are based on facts — what actually happened in recent elections. In New York City's matching funds system, which the vast majority of candidates participate in, only [half](#) of the candidates qualify for the maximum amount of funds.

A cost of \$41 million is only 0.03% of the state budget, and funding from sources other than the general fund is available. The bills introduced by Speaker Silver and Senator Klein include new funding sources: a surcharge on fines and settlements for securities fraud, voluntary contributions by taxpayers, and the abandoned property fund. In addition, Senator Liz Krueger has proposed using funds raised through casino licensing fees, which could raise [\\$56 million every year](#) if additional casinos are permitted in the state. The Center for Working Families has examined these and other revenue options and estimated that \$150 million or more is available from sources outside the general fund.

A healthy democracy, one that gives ordinary New Yorkers the ability to have their voices heard in Albany, is worth spending money on — and can even save money in the long run. Democracy costs money: We spend public funds to print ballots, hire poll workers, and pay our elected officials' salaries. A small donor matching program is a worthwhile investment in the infrastructure of our democracy that will make Albany work for average New Yorkers, not special interests. We should be willing to use the general fund to make our democracy work for us. Public campaign funding will pay for itself in the long run. It will save the state money by stopping special interests from using campaign cash to win themselves [sweetheart deals](#) like massive tax breaks that cost the state hundreds of millions of dollars every year.