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# PUBLIC POLICY AND EDUCATION FUND OF NEW YORK

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## How Much Will Clean Money, Clean Elections Reform Cost in New York?

Clean Money, Clean Elections reform was first proposed for New York in 1998. Since that time, the CMCE model of full public financing has been implemented in two states, Maine and Arizona. The following is an analysis of the likely cost of CMCE in New York, based on actual experience in Maine and Arizona. The analysis also considers factors that might have an impact on the relevance of the Maine and Arizona experience to New York.

The analysis is based on the cost of public financing in the 2002 and 2004 elections, or one four-year election cycle. Both states are similar to New York in that all legislators serve two-year terms and statewide elected officials serve four-year terms.

We calculated the total cost of public financing in Maine and Arizona over the four-year cycle in three ways: per capita; per registered voter; per actual voter. We calculated the cost in New York by applying the Maine and Arizona costs to the population, number of registered voters and voter turn out in New York, in 2004. As the chart below shows, the Maine and Arizona costs over a four year cycle, applied to New York, are almost exactly the same, \$81 million over four years.

	ME	AZ	NY Based on Maine	NY Based on Arizona	NY Based on ME AZ Ave.
<b>Four Year Cost</b>					
<b>Per Voter</b>	\$ 10.45	\$ 12.34	\$ 77,831,600	\$ 91,908,320	\$ 84,869,960
<b>Per Registered Voter</b>	\$ 6.35	\$ 7.55	\$ 75,164,950	\$ 89,369,350	\$ 82,267,150
<b>Per Capita</b>	\$ 4.80	\$ 3.08	\$ 92,289,600	\$ 59,219,160	\$ 75,754,380
<b>Average NY Costs</b>			<b>\$ 81,762,050</b>	<b>\$ 80,165,610</b>	<b>\$ 80,963,830</b>

Significantly, the costs are almost identical in the two states; the only real similarity between the two states is the underlying legislation. Arizona is a state with a much larger voting population than Maine and with much bigger cities. Arizona has a total of 90 state legislators while Maine has 186. Arizona has 11 statewide elected officials; Maine has one.

### Other Considerations for New York:

**Cost of Campaigns:** Since the biggest election expenditure is for television, and the cost of TV buys in metro New York are high, we compared the cost of TV per capita between New York City and Phoenix. Comparing the cost of a 30 second TV spot on the local, evening news on the ABC affiliate, we found that the cost in Phoenix is 12% higher per capita (based on each SMSA).

While New York campaigns are likely to be somewhat more expensive than in the other states due to the higher cost of living, for major campaign expenses such as postage, auto-calls, the costs are identical.

So there is no reason to believe that running a campaign in New York is, on the whole, more expensive than in the other two states.

**Number of Races:** A state with a higher number of races is likely to have higher costs. New York has far fewer legislative districts per capita than the other two states. With a population almost 19 times greater than Maine we have only 17% more state legislators. With more than 9 times the population of Arizona we have about 3 times as many legislators. Arizona has 11 statewide elected officials. So with far fewer races per capita, the costs in New York should be lower than the other states.<sup>1</sup>

**Conclusion:** The cost of Clean Money, Clean Elections in New York is likely to be about \$20 million a year. This amounts to less than 2 hundreds of a percent of New York's \$112 billion state budget. Even if the actual experience in New York turns out to be greater, the cost of the program should not be a concern.

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<sup>1</sup> One of the arguments about CMCE is that it will lead to an explosion of candidates, driving up costs. If that were true, those costs would be reflected in the data above. The facts are that enactment of CMCE has led to a modest increase in the number of candidates (15%). Fewer than 33% of those candidates actually participated in the public financing system in 2004. However, most of the winning candidates participated. We can conclude from this that while CMCE won't open up the flood gates to candidates with no other viable electoral qualifications, it does enable qualified candidates to compete successfully for public office.