Political Parties and Campaign Finance
What Role Do the National Parties Play?

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In the past two decades, the rules and regulations governing campaign finance activities for federal elections have changed, and the various campaign finance actors have adapted and adjusted in ways that aim to maximize their ability to raise and spend money. In this report, I examine various aspects of national political party campaign finance activity, and, if data are available, analyze how the six national party committees have raised and spent their money over time. What is most clear is that the parties have effectively adapted to the changing regulatory landscape to pursue majority status and White House victory. Yet, parties also face an increasingly crowded field of new and newly energized campaign finance actors, such as super PACs and 501(c) nonprofit corporations. Some of these non-party actors raise and spend money in ways that are congruent with party goals, while others act in different or even contrary ways. The changes in the rules also impact where large individual and institutional contributors direct their donations. So, the parties now face a more competitive fundraising environment where contributions to their committees are limited but contributions to other organizations are not. The overall picture is of vibrant parties beginning to rely on allied organizations that are technically not political parties but are focused on the same goals as the parties to raise and spend money beyond what the parties can, given the restrictions on contributions to and spending by the parties.
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Highlights of the Report

- The various analyses show that the national party organizations, as well as other campaign finance actors, adapt to changes in the legal and regulatory environment in ways that aim to maximize their ability to raise and spend funds.
- The loss of soft money after passage of the Bipartisan Campaign Reform Act in 2002 had a perceptible but not fatal impact on national party fundraising.
- The national party committees have adapted well to changes in the rules that control who can and cannot donate to the parties and how those donations are limited. In some cases this has meant relying more on large contributions from individuals, while still raising substantial sums in small amounts.
- While the DNC and RNC raised substantial amounts from joint fundraising committees for the 2008 and 2012 elections, none of the six national party committees have raised much through this fundraising vehicle since then.
- The House congressional campaign committees (DCCC and NRCC) have effectively raised large sums from their own membership, while the Senate committees (DSCC and NRSC) have not been as successful on this front.
- Although party direct contributions to House and Senate candidates constitute a very small proportion of all the funds raised by these candidates, parties direct a great deal of money to targeted candidates in close races, primarily through independent expenditures.
- Party spending relative to all other spenders appears to have declined significantly since BCRA banned party soft money in 2002, particularly since 2010, as super PAC and 501(c) spending has increased. However, some of the non-party spenders, especially super PACs closely allied with the party committees in extended party networks, follow the parties’ allocation strategies and therefore extend the reach and influence of the parties.

Note: The results of most of the data analyses are presented in graphs for ease of viewing, and all data tables are available upon request.
Introduction

The Changing Campaign Finance Role of Political Parties in the U.S.

How U.S. political parties, as well as other campaign finance actors, raise and spend campaign money today has been shaped by statutory, legal and regulatory decisions (Dwyre 2015) as well as by other developments, such as new technologies, and the increasing use of big data, email and social media to raise money, recruit volunteers and get out the vote (Issenberg 2013). Of course, campaign finance activities also are influenced by the electoral calendar (e.g., presidential year or not) and by national political tides that may favor one party or the other. Recent changes to the rules and regulations governing party campaign finance have generally restricted the formal party organizations’ ability to play a major role in modern federal elections (Herrnson 2009), even as some other developments, such as the widespread use of social media for campaign communications, make it easier for the parties (as well as nonparty entities) to engage in campaign activities to help their candidates get elected. In particular, contributions to and most spending by party committees are more limited than other non-party organizations such as super PACs and 501(c) nonprofit corporations. In this paper, I examine the various factors that have contributed to the changing campaign finance role of parties and the resulting impact on the parties, particularly relative to other campaign actors, to ascertain whether the parties are currently playing a meaningful campaign finance role in federal elections. This evaluation is conducted in the context of an ongoing debate about the nature of contemporary American parties, and I hope that my analysis will shed some light on this theoretical debate as well.
The Changing Campaign Finance Landscape

The Federal Election Campaign Act (FECA) and its amendments of the 1970s codified the candidate-centered character of campaign funding by limiting what all actors could raise and spend, including parties, and solidifying restrictions on the sources of campaign money. Then, with *Buckley v. Valeo* (1976), the Supreme Court redefined the contours of permissible fundraising and spending by various campaign finance actors according to the Court’s understanding of corruption and of how First Amendment free speech rights apply to the financing of elections in the U.S. In order to guard against corruption, or even the appearance of corruption, the Justices retained the limits on contributions to candidates, parties and PACs. At the same time, in the name of free speech, the Court lifted the limits on candidate spending and individual independent spending, as well as the ability of candidates to spend unlimited amounts of their own money. The parties were not permitted to make independent expenditures until the congressional campaign committees were given that ability in 1996 with *Colorado Republican Federal Campaign Committee v. Federal Election Commission* (518 US 604 1996) and the DNC and RNC through FEC approval in 2003 (Wilson 2003).

Other recent adjustments to the rules governing how elections are funded in the U.S. have had perceivable impacts on the campaign finance activities of political parties and other campaign finance actors. The most significant changes affecting party campaign finance since *Buckley* include the following:

- **Bipartisan Campaign Reform Act of 2002** – banned party soft money, regulated sham issue ads run close to elections; raised and indexed to inflation the limits on hard money individual contributions to candidates and party committees.
- **McConnell v. FEC** in 2003 (540 US 93 2003) – upheld most of BCRA.
• **FEC v. Wisconsin Right to Life, Inc.** in 2007 (551 US 449 2007) – ruled that BCRA restrictions were unconstitutionally applied to what the Court deemed were “issue ads” not “express advocacy” ads.

• **Citizens United v. FEC** in 2010 (558 US_2010) – overruled *Austin v. Michigan Chamber of Commerce* (1990) and parts of *McConnell v. FEC* (2003) that prohibited political spending by corporations, and held that under the First Amendment corporations are permitted to fund independent expenditures for political broadcasts related to candidate elections; upheld disclosure requirements and the ban on direct contributions to candidates from corporations and unions.

• **SpeechNow.org v. FEC** in 2010 (599 F.3d 674 2010) – Citing the Supreme Court’s *Citizens United* decision, the D.C. Circuit Court struck down limits on contributions to independent political groups that spend money to support or oppose federal candidates; upheld disclosure requirements.

• **FEC Advisory Opinion 2010-09** in 2010 (Club for Growth) – The FEC confirmed that the *SpeechNow* decision permitted unlimited contributions to independent expenditure only political committees in federal elections.

• **FEC Advisory Opinion 2010-11** in 2010 (Commonsense Ten) – The FEC exceeded the ruling in *SpeechNow.org v. FEC*, ruling that *Citizens United* allows independent expenditure-only committees to accept unlimited contributions from political committees, corporations and unions, not just from individuals. Within weeks, a new type of independent expenditure committee, the super PAC, emerged to take advantage of the new, more flexible rules about independent fundraising and spending.

• **McCutcheon v. FEC** in 2014 (572 US_2014) – the Supreme Court ruled that the two-year aggregate campaign contribution limit for individuals was an unconstitutional violation of free speech.

How have these changes to the rules and regulations that govern federal election campaign finance activities impacted the role of political parties, particularly the role of parties relative to other campaign finance actors? I focus here mostly on campaign finance activities and developments since passage of the Bipartisan Campaign Reform Act in 2002, for BCRA is a logical turning point in the move to a more deregulated campaign finance system that has enhanced the fundraising and spending capabilities of *non-party* campaign finance actors. Have these deregulatory changes diminished the role and influence of parties? Is it a zero-sum game whereby rules that increase the fund raising and/or spending capabilities of non-party actors decrease the fund raising and/or spending capabilities of
parties? I argue that it is not that simple, because both the formal party organizations and non-party actors react and adapt to changes in the regulatory environment, and their reactions and adaptations alter the role that parties and other organizations play. For instance, parties have adapted to the restrictions on their ability to directly support their candidates with contributions and coordinated expenditures by taking advantage of their ability (since 1996) to make unlimited independent expenditures. Another adaptation is the development of party allies that enhance the parties’ reach and influence as partners in the extended party network.

Indeed, how we evaluate the role of parties depends on our understanding of parties. Contemporary scholars disagree about how we should define and conceptualize political parties today, and one’s view of parties is likely to shape one’s evaluation of the role of parties in the financing of modern campaigns. Thus, there also is disagreement about the effects of campaign finance changes on parties and non-party actors (see, for example, Stratmann 2005; Samples 2006; La Raja 2008; Cain 2015). I first discuss the group theory of parties, a fairly recent development in our theoretical understanding of modern American political parties, and I examine two broad competing approaches to the group theory that offer different hypotheses about the role and health of contemporary political parties. I then analyze the campaign finance activities of parties, as well as non-party political actors, in the wake of recent legal and regulatory changes to provide a comprehensive picture of the role of political parties in the federal campaign finance system.

**What Is A Party?**

Efforts to curb the influence of political parties in the U.S. are as old as the nation itself. In his 1976 book *Curing the Mischiefs of Faction*, Austin Raney documented the history of efforts to curtail what have been seen as the negative impacts of parties in the U.S. (Ranney 1976). More recently, La Raja argued that various reforms, from those
enacted by the 19th Century Mugwumps to the reforms accomplished by the 21st Century McCains and Feingolds, have diminished the parties’ involvement in campaign finance in ways that have negatively impacted the health of representative democracy in the U.S. by weakening the role and influence of parties in elections, campaign finance and governing (R. J. La Raja 2008; see also R. J. La Raja and Schaffner 2015). Yet, one’s view of the relevance and influence of parties in the modern campaign finance system depends to some extent on how one defines contemporary political parties in the U.S.

Recent political science research on American political parties has ushered in a new group theory of parties as broad organizations that include allied partisan groups and activists in an extended party network. This group theory approach contrasts sharply with the characterization of American parties as organizations populated and controlled by party elites such as office holders, candidates and party leaders, what Aldrich called the “ambitious office holders and seekers” who are focused on winning as a proximate goal to achieving policy or other goals (Aldrich 1995). The group theory also differs from the more traditional view of parties as composed of a tripod of the party-in-the-electorate, party organizations, party-in-government (Key 1942).

Different scholars characterize the group theory of parties differently. One school of thought has been articulated most clearly by a collection of political scientists at UCLA who view parties as “networked” with interest group and activist “policy demanders” outside of the traditional party organizations (Bawn et al. 2012). Bawn et al. argue that “policy demanders rather than office holders determine the broad agendas of political conflict” (Ibid., 589). Most scholars agree that contemporary American parties are surrounded by intense policy demanders with narrow policy goals, but some see the consequences of their activities as more detrimental to American representative democracy than others. Bawn et al. suggest negative consequences because of the nature of contemporary political parties
as a collection of organized policy demanders who work, especially in nomination contests, to elect lawmakers in service to their policy agenda rather than the parties’ interest in majority status through the election of moderate lawmakers who can appeal to the median voter (Ibid.).

Other scholars view the party organizations themselves as more central to the party network. For instance, Herrnson views contemporary American parties as “enduring multilayered coalitions” with the parties as the central node in a wider network of allied outside groups and activists (Herrnson 2009, 1207). In the campaign finance world, certain party-allied organizations, such as some traditional PACs, 527 organizations, super PACs and 501(c) groups, are viewed as part of a party’s “extended party network” (Bedlington and Malbin 2003; Dwyre and Kolodny 2014a; Herrnson 2009; Koger, Masket, and Noel 2009; Kolodny and Dwyre 1998; Skinner 2005; Skinner, Masket, and Dulio 2013). These party-allied organizations are thought to often compliment rather than contradict the parties’ pursuit of majority status.

Yet, other scholars argue that the goals of non-party organizations are not necessarily congruent with those of the party organizations, and that as the campaign finance landscape has changed, the influence of parties has diminished relative to non-party organizations and resulted in negative consequences for the health of representative democracy itself. For instance, La Raja and Schaffner contend that limits on state party campaign finance activities have contributed to polarization and thus to governmental dysfunction (La Raja and Schaffner 2015). They find that limits on party fundraising alter the flow of campaign money away from the parties and toward outside groups, which they argue are more ideologically extreme than pragmatic party leaders. These groups, they assert, help elect more extreme candidates who then contribute to heightened partisan polarization and decreased representation in state legislatures.
Yet, Hamm et al. examine party and non-party spenders in states with and without limits on party fundraising, and they find that these campaign finance rules have little clear impact on party and non-party spending before and after *Citizens United* (Hamm et al. 2014). Comparing party and what they call “party-affiliated” (e.g., the Republican Governors Association) and “party-allied” (e.g., Crossroads) group spending in 2006 and 2010 (before and after *Citizens United*), Hamm et al. find that the partisan groups most removed from the parties, the “party-allied” groups, spent little in states with limits on party fundraising in both years, and there was more spending by both types of non-party groups in both years in states with no party limits (Ibid., 313). They argue that this finding “throws a monkey wrench into the notion that limits on political party contributions are the key mechanism driving money away from the formal party organizations” (Ibid.). Hamm et al. also found that the parties are “vertically networked,” whereby some *national*, party-affiliated groups, specifically the Republican Governors Association and the Democratic Governors Association, are involved in *state* elections across the country (Ibid.). They maintain that the “parties are networked not only horizontally, across actors within jurisdictions. They are now networked vertically as well, with the key actors including national party organizations that operate with fluidity across state boundaries” (Ibid., 326).

Indeed, Mann and Corrado note that the *national* parties have actually done quite well financially after the BCRA ban on soft money and other changes that have led to big independent spending by non-party groups (Mann and Corrado 2014). They make the case that some “party-affiliated” super PACs, such as Majority PAC and House Majority PAC, are part of the party network and these groups pursue the party’s objectives by targeting many of the same races that the formal party committees target (Mann and Corrado 2014, 12). Mann and Corrado assert that the national parties “have never been as effective in financing of election campaigns as they are today” (Mann and Corrado 2014, 13). They do
not see diminished parties in the wake of BCRA, *Citizens United* and other campaign finance changes: “To contend that parties have been marginalized or that their role in contemporary elections is diminishing as a result of the rise of Super PACs and other non-party organizations is to view ‘the party’ simply as the formal party committees, rather than as a networked amalgamation of diverse organizations with common electoral goals and shared ideological predispositions” (Ibid.).

So, what do we know about the relationship between parties and groups? Skinner et al. used network analysis to examine how closely linked partisan 527 groups were to the formal party organizations by analyzing personnel connections between the parties and 527s after BCRA, and they found that “the formal parties are highly central to the network of 527s. The best-connected 527s tend to have a high percentage of employees who have also worked for formal party organizations and top presidential campaigns” (Skinner, Masket, and Dulio 2013, 141). They view this close connection between the parties and these non-party groups as an effective adaptation to a regulatory environment that has made it more difficult for parties to raise money.

Herrnson found that, like the parties, party-allied outside groups targeted resources to competitive races, but they also invest in safe incumbents to insure access to lawmakers (Herrnson 2009, 1220). Grossman and Dominguez also report that interest groups act in concert with parties to pursue electoral goals, but that they enter into more bipartisan coalitions to pursue their legislative goals (Grossman and Dominguez 2009). Dwyre and Kolodny used network analysis to examine the spending of party and non-party groups in the 2012 congressional elections and discovered that partisan groups most closely ideologically allied with a party (e.g., the Chamber of Commerce with the GOP) spend most of their money on the same races that their allied party targets, while anti-establishment groups (e.g., the Tea Party group FreedomWorks) do not generally spend in the same
races as the party (Dwyre and Kolodny 2014a, 220–22). They point to this congruence between party and party-allied group spending as some support for the idea that the parties may be “orchestrating” the flow of funds from outside groups toward races that help the parties maintain or pursue majority status (Ibid.). Dwyre and Braz also found high levels of congruence between the parties’ congressional campaign committee spending and super PAC spending in the 2012 congressional elections (Dwyre and Braz 2015). Indeed, the national parties make it quite easy for their interest group and donor allies to know who the parties would like them to support, without actually talking to one another, something that likely would be considered illegal coordination (Dwyre and Kolodny 2014a; Jacobson 2013, 80). So, if party allies want to help the parties pursue winning, they can easily do that.

Similarly, Malbin argues that party and non-party organizations are not in a zero-sum game: “Increased activity by these groups in a polarized environment did not come at the expense of the parties. The organizations often acted together with party surrogates through independent-spending coalitions in a manner that has been more helpful to the parties than the groups’ direct contributions to candidates has ever been” (Malbin 2014, 101–2). In a recent Campaign Finance Institute report, Malbin showed what the national parties’ share of spending was in 2014 and 2016 when the “four major Super PACs clearly associated with congressional party leaders” are included (Malbin 2017). He includes the Congressional Leadership Fund and Senate Leadership Fund, which are associated closely with the House and Senate Republican leaders, and the Senate Majority PAC and House Majority PAC, which are strongly associated with the Democratic leaders (Ibid.). Malbin calls these “leadership Super PACs” and argues that “these four committees were massively important in 2016, spending $232 million in general elections for the House and Senate,” and that this amount is more than double what these organizations spent in 2014 (Ibid.).
For those who view the extended party network as a positive development or at least a useful adaptation to a changing campaign finance landscape, the party organizations are the central players in the extended party network. For instance, Dwyre and Kolodny contend while the parties may not do the lion’s share of campaign spending, they influence, or “orchestrate” the spending strategies of their allied partners in the network (Dwyre and Kolodny 2014a; see also Malbin 2017). Yet, do the party organizations need to maintain some minimal level of campaign finance activity in order to play this orchestration role? As non-party groups have benefitted from recent legal and regulatory changes that allow them to raise and spend more than the parties with fewer restrictions than the parties face, have the parties continued to play a meaningful campaign finance role?

**The Changing Campaign Finance Role of National Party Organizations**

The role of the formal national political party organizations (e.g., the national party committees, the congressional campaign committees, and the state party committees) relative to other campaign finance actors has continued to change in recent years. For example, the national parties’ loss of soft money with passage of the BCRA in 2002 changed how parties raise and spend money, and we saw increased campaign finance activity by some non-party groups. After 2002, the parties could raise only hard money, which must be collected in small increments from many donors, instead of soft money in big chunks from a few big givers, including corporations and labor unions. So, how has the changing campaign finance regulatory landscape affected the role of the party organizations?

**National Party Fundraising**

Changes to the rules have influenced how the parties raise their money. However, most scholars note that the loss of soft money after passage of BCRA, the biggest blow to the parties’ bottom line in recent years, did not completely undermine the national party
committees’ ability to raise money (Dwyre and Kolodny 2014b; Malbin 2014; Mann and Corrado 2014). Figure 1 shows national party committees’ receipts of both hard and soft money between 1992 and 2002, and then hard money only after BCRA from 2004 to 2016 (note: all dollar amounts adjusted for inflation). The impact of soft money is clear, as especially the Hill Committees (DSCC, NRSC, DCCC and NRCC) took advantage of their last chance to raise and spend soft money in 2002, inspiring Magleby and Monson to title their book about soft money The Last Hurrah? Soft Money and Issue Advocacy in the 2002 Congressional Elections (Magleby and Monson 2004). For instance, the NRCC in particular raised more in 2002 than the five cycles before then and six cycles after, with one-third of the $277.2 million it raised in 2002 from soft money receipts (Brookings Institution 2017, Table 3-13). Interestingly, however, the DNC raised more money after BCRA, reaching a fundraising peak in 2004, with a sharp decline in receipts in 2006 and only a slight recovery after that. The DCCC actually exceeded its pre-BCRA fundraising totals from 2006 to 2016. So, perhaps the end of soft money was not, as some had predicted, a major blow to party strength (R. La Raja 2003, 69–96; McConnell 2003, 143), especially Democratic Party strength (Gitell 2003).

[Figure 1 about here]

Yet, Republican Party national committee hard money receipts (RNC, NRSC and NRCC combined) have declined since 2004 (Dwyre and Kolodny 2014b, 177–78; Mann and Corrado 2014, 10). The Republican Party’s reduced receipts are somewhat surprising given that BCRA raised and indexed to inflation the limits on hard money individual contributions to party committees. However, as Malbin (2014, 97-99) and Mann and Corrado (2014, 11) note, before BCRA, the Republican Governors Association (RGA) and the Republican State Leadership Committee (RSLC) were part of the RNC, and they were spun off into independent 527 organizations after BCRA. Thus the RGA and RSLC fundraising totals
were no longer included in national party reported receipts after 2002. If this money is added back in to the RNC’s totals, as Malbin did in a recent article (2014), the RNC’s 2004, 2006 and 2012 fundraising actually exceeded the committee’s receipts before McCain-Feingold. Malbin adds that the Republican national committees (the RNC, NRSC and NRCC) did raise less during midterms after BCRA, particularly between 2006 and 2010, primarily due to a decline in receipts from small donors who give less than $200 (Malbin 2014, 99). Malbin also contends that the receipts and spending of the “leadership Super PACs” should also be included in parties’ totals (the Republican Party affiliates Congressional Leadership Fund and Senate Leadership Fund, and the Democratic Party allies Senate Majority PAC and House Majority PAC (Malbin 2017), and doing so would surely increase the party committees’ receipts in recent years.

Sources of Party Funds

The parties get their money from a variety of sources. Figures 2a and 2b show the sources of receipts for the national Democratic and Republican Party committees from 1992 to 2016. Soft money was an important source of funds for both parties, especially from 1996 until it was banned with the passage of BCRA in 2002. While both parties have always relied heavily on contributions from individuals, after BCRA individuals became the primary source of funding for the parties. Transfers show up in 2010 because that is when the Federal Election Commission began to report these receipts (presumably transfers were included in the “Other Committees” category before that). The “Transfers from State/Local” party committees that appear beginning in 2010 include some Levin Fund transfers.1

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1 The Federal Election Commission describes Levin Funds, which are raised by state and local parties, as “a category of funds used to finance certain types of Federal Election Activity. Levin funds may include donations from some sources ordinarily prohibited by federal law (e.g. corporations, unions and federal contractors) but permitted by state law; thus, national parties are not permitted to raise Levin funds. Levin donations are limited to $10,000 per calendar year from any source or to the limits set by state law, whichever limit is lower)” (Federal Election Commission 2015a).
Figures 2a and 2b show that prior to BCRA in 2002, the GOP had a fundraising edge over the Democrats. By 2008, Democratic Party committees had caught up to the Republican committees, and in 2014 and 2016 Democratic Party receipts exceeded GOP receipts. As before, we see a clear impact of policy change, in this case BCRA (2002), on campaign finance activity as the types of sources on which the parties rely for funds shift from soft money to mostly hard money contributions from individuals and to PACs and other committees (note that some of the other changes in sources, such as the increase in transfers, are due more to FEC reporting changes than to policy or strategic changes).

[Figures 2a and 2b about here]

**Contributions from Individuals**

Since 2004, all six national party committees (the DNC, DSCC, DCCC, RNC, NRSC and NRCC) have raised more of their funds from individuals than from any other source, such as from their own incumbents and candidates, PACs and other party committees (Dwyre and Kolodny 2014b, 180–83). Donors generally prefer to give contributions directly to candidates for access reasons, ideological reasons, or for the social benefits associated with attending fundraisers and meeting candidates and lawmakers. Francia et al. call contributors motivated by these different interests *investors, ideologues and intimates* (Francia, Green, et al. 2003). But many contributors also will give to the parties. Indeed, some reform-minded activists and some jurists view parties as “corrupt conduits” through which donors who want to influence lawmakers can direct contributions (Persily 2006, 213–40). This view helps explain why, for example, FECA limited direct contributions to parties, parties’ contributions to candidates and the coordinated expenditures that parties can make on behalf of their candidates and why the Bipartisan Campaign Reform Act ended party soft money. From this perspective, a small donation from an individual is seen as the most acceptable type of contribution because it is least likely to raise corruption concerns.
Yet, as Figures 3a through 3f show, since BCRA in 2002, both parties’ committees have raised a good deal of their money from individuals making large contributions, with many of them giving over $20,000 to the party committee in a two-year election cycle. Figures 3a through 3f show each party committee’s individual contributions by the size of donors’ aggregate contributions as a percentage of total receipts from 2000 to 2014. One possible explanation for the decrease in small donor fundraising is that BCRA raised the contribution limits to candidates and parties from $5,000 to $10,000 per year, which may have motivated party leaders to focus on pursuing more of these larger donations.

While raising money from individual donors in small amounts is valued, there is disagreement about whether donors who make small contributions are more or less ideologically extreme than donors who make large contributions. Adam Bonica developed a way to map the ideology of candidates and donors across federal and state elections with contribution data and found that small donors may be more polarizing than large donors (Bonica 2014). Malbin offers an alternative view of small donors as more economically representative than those who make big contributions, and as no more ideologically extreme than large donors (Malbin 2013). La Raja and Schaffner find that small donors are just as ideologically extreme as large donors, particularly in the Republican Party, and they propose that state campaign finance laws be designed to “push” ideological donors to give to the parties by constraining their ability to give to candidates but not to parties (R. J. La Raja and Schaffner 2015, 59). So, while the jury is out on the ideological inclinations of those who make small donations, the public continues to think big contributions pose a problem. For instance, in a January 2017 poll of 1,239 registered voters, 66% of all voters

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2 Detailed contribution data for 2016 not reported here for these data are not yet fully analyzed.
(73% of Democrats and 56% of Republicans) said that “the power of big money in politics right now” is “a very big problem” (Hattaway Communications 2017).

Of course, the parties have different donor bases. La Raja and Schaffner have found that partisan contributors also differ according to their perceived degree of ideological agreement with the party. For example, they argue conservative donors view the Republican Party as too moderate and candidates as more conservative, so they are reluctant to contribute to the party and more likely to give directly to conservative candidates and groups. They note that conservative GOP donors “prefer to send their donations directly to candidates by a margin of almost 3 to 1” (R. J. La Raja and Schaffner 2015, 52). Moderate Republican donors see both the party and Republican candidates as “very conservative” and give a greater share of their contributions to the party. Liberal donors, on the other hand, view both the party and Democratic candidates as moderate and are just as likely to give to the party as to candidates (Ibid., 115). La Raja and Schaffner suggest that the ideological differences between liberal and conservative donors may help explain why the GOP has moved farther from the median voter than the Democratic Party in recent years. Future research might focus first on settling this disagreement over the ideological characteristics of small and large donors to political parties in particular.

**CRomnibus**

The national party committees also are now permitted to raise additional money for other purposes. In December 2014, Congress passed and President Obama signed what became known as the controversial “CRomnibus” bill, the combination continuing resolution (CR) - omnibus spending bill, which, among other things, eliminated public funding for the
party’s presidential nominating conventions that had been in place since 1976. Indeed, public support for the public funding system had plummeted, and the convention grants had failed to keep pace with the cost of the conventions. A bipartisan but mostly Republican group of lawmakers replaced the public funding with a new method that allows each party’s national committee to set up a new nominating convention account with separate contribution limits that are much higher than the standard limits for individual and PAC contributions to the parties. CRomnibus also provided for two additional new party accounts, one for legal proceedings and election recounts, and another for the national party headquarters. So, for the 2016 election, individuals could give $33,400 to each national party committee per year (indexed for inflation)—this is the standard traditional contribution. Plus, because of the CRomnibus changes, that same donor could give additional contributions of $100,200 per year to a party’s national committee for its presidential nominating convention, as well as $100,200 per year to a party’s three national committees (their national committee, House campaign committee and Senate campaign committee) for legal proceedings and election recounts, and another $100,200 to each committee for the national party headquarters (all indexed for inflation). So, as Table 1 shows, in 2016, a single donor could theoretically have given $334,000 to a party’s national committee, the DNC or RNC ($33,400 standard contribution + $100,200 for the presidential convention + $100,200 for recount/legal costs + $100,200 for party headquarters), and $233,800 to each of the party’s congressional campaign committees ($33,400 standard contribution + $100,200 for recount/legal costs + $100,200 for party headquarters), for a grand total of

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3 Note that the CRomnibus bill directed the convention public funds to the “10-Year Pediatric Research Initiative Fund” for research on pediatric cancer, autism, fragile X syndrome and other childhood diseases (Overby 2014).

4 Political action committees also are permitted to give to these new accounts, as discussed below.
$801,600 to the three committees of one national political party, for a total of $1,603,200 for the two-year election cycle (Federal Election Commission 2015b; Garrett 2015, 3).

[Table 1 about here]

Technically, this new money is only to be used for these specific purposes, but some warn this is the new “soft money” and have cautioned that without more detailed guidance from the FEC (which has deadlocked on moving ahead with regulations for the new spending accounts), the parties may be able to legally use these funds to “pay for some election-related costs such as opposition research and data mining” (Levine 2015). Indeed, the Center for Public Integrity reports that the RNC already used some of these funds for staff salaries, and the parties have transferred money from these accounts to other party accounts (Ibid.). During the debate on the CRomnibus legislation, proponents of public funding for the conventions noted that in the 1970s private funding of conventions raised corruption concerns, which, in part, motivated the move to public funding of presidential nominating conventions (Garrett and Reese 2016). Others favor the new sources of money for the national parties. La Raja argues that the increased party limits will improve transparency and accountability:

A greater portion of cash, which is now swishing around outside the formal campaign finance system, will flow instead through highly transparent parties . . . Making parties the central financiers of elections strengthens their vital role in the political process . . . : they help aggregate diverse interests in the polity, frame electoral choices, and organize governing. Financially strong parties have the wherewithal to diminish the clout of the most extreme interest groups and Members of Congress who don’t ever want to compromise (R. La Raja 2014).

It is difficult to analyze the contribution records for these big contributors who are directing, with the parties’ guidance, their contributions over the standard amount of
$33,400 (in 2016) to the parties’ convention, legal/recount and headquarters accounts, because these new accounts were not established as separate committees and therefore do not have separate FEC committee ID numbers. So, these data must be extracted from the various reports filed with the FEC by each party committee to determine which contributors gave above the standard amount and to which account their additional contribution was directed. One early report from the Center for Responsive Politics in 2015 noted that the GOP was way ahead of the Democratic Party committees in raising money above the standard contribution for these new party accounts (Center for Responsive Politics 2015).

Contributions from Traditional PACs

Political action committees can give limited contributions to candidates and parties, and they can also make independent expenditures. A multi-candidate PAC (the most common type of PAC) may give $15,000 per year to a national party committee. The CRomnibus bill also enhanced PAC giving to parties, so that in addition to the standard $15,000 contribution, a PAC can give $45,000 per year to a party’s national committee (DNC and RNC) for its presidential nominating convention account, as well as $45,000 per year to each party’s three national committees (their national committees, House campaign committee and Senate campaign committee) for their legal/recount accounts, and another $45,000 per year to each for the national party headquarters. Nonmulticandidate PACs can give even more to these new party accounts. Yet, unlike individual donations, PAC contributions are not indexed to inflation. Tables 2 and 3 show how much each type of PAC could contribute to the national party committees during the 2015-2016 election cycle.

[Tables 2 and 3 about here]

The national parties collect tens of millions of dollars from PACs, but, as Figures 2a and 2b show, PAC contributions constitute a small portion of their overall receipts (PAC
contributions are included in the “Other Committees” category of receipts) (see also Dwyre and Kolodny 2014b, 180–83). Indeed, many PACs, particularly those tied to interest groups and industries that also lobby, are more inclined to follow an access-oriented strategy by making contributions directly to candidates, and quite often to safe incumbents of the majority party (rather than the marginal incumbents and challengers that the parties funds), and sometimes to both parties’ candidates. Perhaps we will see more PAC money going to the new party accounts for conventions, headquarters, and legal and recount issues, which would increase the parties’ reliance on PAC funds. Interestingly, a single PAC could give the maximum amount ($360,000 for multicandidate PACs and $801,600 for non-multicandidate PACs – see Tables 2 and 3) to both parties, which would not be terribly surprising since many PACs, especially corporate PACs, already contribute to both parties in an effort to insure access to a broad base of lawmakers.

Figure 4 shows that the Hill Committees (DSCC, DCCC, NRSC and NRCC) have generally raised more from PACs (“other committees”) than the national committees (DNC and RNC), except in 2004, when the DNC had a spike in PAC contributions. It is not surprising that PACs give more to the DCCC and NRCC, and more to the party that controls the House, since, on average, House candidates receive about one-third of their funds from PACs (see Figure 8 below) and because PACs seek to insure access to incumbents, who are most likely to be reelected, and to the majority party given the greater power of the majority in the House than in the Senate (where the minority party has more influence through the use of the filibuster and other tools).

[Figure 4 about here]

Joint Fundraising Committees

Another source of party funds is joint fundraising committees (JFCs), committees created by two or more candidates, party committees and/or PACs, whereby they split the
fundraising costs to raise money together and then split the proceeds according to a prearranged formula. Donors can give the maximum amount to the candidate(s) and then the remainder to the party committee(s) and/or PAC(s) up to the allowable limit. In fact, in 2012, the DNC was allocated more from joint fundraising committees ($128 million) than it raised from individual donations directly to the party committee ($119 million) (Dwyre and Kolodny 2014b, 194). Joint fundraising committees can help streamline fundraising for the parties by holding events featuring high-profile guests such as presidential candidates, and then multiple candidates and various party committees can reap proceeds from an event that is sure to attract donors who will no doubt be asked to write one big check to max out their allowable contributions (Corrado 2011, 138). Joint fundraising committees may also raise funds for the new party accounts for presidential conventions, party headquarters and legal and recount costs, so a single donor could write a check for over $801,600 for a party’s three national committees if a JFC was set up to allocate the maximum amount to each party account, and even more if the JFC also included candidates (see Table 1 above).

Presidential candidates in particular have used joint fundraising committees to raise funds with their party’s committees. Obama had two joint fundraising committees with the DNC and state party committees in 2012. The Obama Victory Fund raised $456 million in 2011-2012, and distributed $181.7 million to Obama for America, $126.2 million to the DNC, and $29.5 million to state party committees in ten battleground states (Ibid., 195). Obama’s Swing State Victory Fund raised $4.5 million for Democratic state parties in battleground states during the nomination period and allocated most of it during the general election (Green, Kohler, and Schwarber 2014, 85). Romney Victory Inc., the GOP nominee’s joint fundraising committee in 2012, disbursed $68.8 million to Republican Party committees in four select states that then transferred funds to GOP party committees in battleground states (Dwyre and Kolodny 2014b, 196; Green, Kohler, and Schwarber 2014, 87). It
appears that Romney chose four states where his campaign could most easily direct how
the money was spent (Drucker 2012). In the 2016 presidential race, Hillary Clinton raised
29% ($160.8 million) of her total receipts ($563.8 million) from JFCs, and Donald Trump
collected a full 41.6% ($135.5 million) of his campaign money ($333.1 million) from JFCs.
Joint fundraising committees are clearly a fruitful fundraising tool for presidential candidates
(Center for Responsive Politics 2017a, 2017b).

The Supreme Court’s 2014 McCutcheon v. Federal Election Commission decision is
expected to have a significant impact on party fundraising, particularly through joint
fundraising committees. The McCutcheon decision eliminated the aggregate limit on
individual donations in a two-year election cycle, meaning that a wealthy contributor who
may have rationed his or her donations to candidates, parties and groups in the past
because of the overall limit, may now spread the wealth around to as many of these as he
or she wishes, within the limits for each, of course. So, we might see parties benefit from
this because donors can now give the maximum amount allowed to as many party
committees as they like without worrying about bumping up against an aggregate limit. And
since party committees are allowed unlimited transfers between one another, the money
could then be concentrated to target it where it is most needed, or perhaps it will mean party
money will become more concentrated at the national party level. Indeed, the plaintiffs in
the case argued that removing the aggregate spending limit “would help parties and
candidates raise more money from limited contributions” (Mann and Corrado 2014, 4), and
some welcome this new avenue that may direct more money toward the parties and away
from super PACs (R. La Raja 2013). Not surprisingly, the number of multiple party and
candidate-party joint fundraising committees rose soon after the Court’s McCutcheon
decision in 2014, just as Justice Breyer predicted in his dissenting opinion (Carney 2014;
Mann and Corrado 2014, 4).
Some assert that the *McCutcheon* decision might open up a wider avenue for undue influence, and that the Court’s narrow view of what constitutes corruption (i.e., only *quid pro quo* corruption warrants concern) will encourage such behavior. With the ability to raise so much money from a single donor, it is likely that party leaders and office holders will leverage what they can to attract wealthy donors seeking access and policy results. A big contributor may be motivated to attend a joint fundraising committee event to get face time with a president, a presidential candidate, or a powerful House or Senate leader, or perhaps something more, such as a private meeting with the President or Speaker of the House, or even a night in the Lincoln Bedroom. Malbin suggests that “[p]arty leaders (or their agents) may pressure donors to extract higher contributions, the donors will gain agenda-setting access and influence, and the leaders will turn around to pressure the members on policy,” something “the *McCutcheon* Court’s plurality opinion seems to present as a constitutionally protected interplay” (Malbin 2014, 103).

Figure 5 shows the national party committees’ receipts from joint fundraising committees from 2008 to 2016. As you can see, both parties’ national committees, but especially the DNC, are taking advantage of this vehicle for raising funds, with the DNC raising more each successive presidential election cycle since 2008. In 2016, the DNC raised 40% ($148.7 million) of its total receipts ($372.2 million) from JFCs, while the RNC raise 32% ($109.7 million) of its total receipts ($343.4 million) from JFCs (Center for Responsive Politics 2017b, 2017c).

Yet, JFCs are not just for presidential candidates and their national party committees. The top joint fundraising committee in 2014 was the Boehner for Speaker Committee, which raised $35.4 million, and in that midterm year, the joint fundraising committee for the National Republican Congressional Committee raised $19.1 million, and
the Democratic Senatorial Campaign Committee joint fundraising committee raised almost $8 million. For the 2016 elections, the NRCC in particular upped its JFC game, raising 20% ($34.5 million) of its funds ($170.6 million) from JFCs (Center for Responsive Politics 2017b, 2017c).

Joint fundraising committees are tailor-made for the extended party network. Indeed, these special fundraising vehicles can include candidates, parties and PACs to share fundraising costs for the benefit of all participants. Joint fundraising committees are usually candidate-candidate or candidate-party partnerships. However, during the 2016 presidential primary season, as early as November 2015, the Hillary Victory Fund partnered with Democrats.com and the Daily Kos to distribute mass emails from a Daily Kos email address that ask recipients to sign a petition, give their contact information, and “join Hillary’s official campaign.”5 The primary season partnership, before the Daily Kos had made any endorsement in the presidential race, ruffled some feathers at the Daily Kos since many of the staff supported Bernie Sanders. We have probably not seen all the possible combinations of joint fundraising committee memberships and partnerships. If high profile candidates can help their parties and supportive party-affiliated groups raise more money, then we are likely to see more candidate-party-PAC joint fundraising committees and other creative partnerships in the future.

Member Contributions to Their Parties

A final category of funds for parties is money raised from their own members—elected officials and candidates. Federal candidates and officeholders are permitted to transfer unlimited sums from their principal campaign committee and $15,000 per year from

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their leadership PAC to any national party committee (11 CFR 113.2). In the 1970s and 1980s, members of Congress redistributed very little to their parties or to fellow candidates (Bedlington and Malbin 2003; Wilcox 1989), and “incumbents actively resisted even suggestions from party leaders that they might share their wealth for the benefit of the team” (Heberlig and Larson 2012, 9; see also Jacobson 1985; Kolodny and Dwyre 1998). Heberlig and Larson found that House incumbent contributions to their congressional campaign committees (the DCCC and NRCC) began to rise in 1994, when control of the chamber was seriously up for grabs for the first time in four decades, and incumbent transfers to the Hill Committees grew sharply in 2004 when federal parties could no longer raise soft money after passage of the Bipartisan Campaign reform Act (Currinder 2009, especially chapter 6; Heberlig and Larson 2012, 5). After the 1994 election, there was great uncertainty about which party would control the House chamber, and Heberlig and Larson argue that this uncertainty allowed the CCCs to “extend their cartel powers over legislation to fundraising . . . to induce their members to leverage money from their own networks of donors on behalf of the party’s collective electoral fortunes” (Heberlig and Larson 2012, 16).

The congressional parties get incumbents to give to the Hill Committees and to the party’s candidates in close races by using positive encouragement and peer pressure, by charging members dues and setting fundraising quotas, as well by using the parties’ control over institutional positions of power such as committee and subcommittee leadership posts and important party positions. Heberlig and Larson found that House members’ contribution strategies became more party oriented over time as the fight for control of the chamber intensified after 1994 into the late 2000s (their analysis ends in 2008).

Figure 6 shows the rapid increase in member giving to their parties since 1998 (note, however, the slight decline in member giving after 2008). The competitive political context gave House party leaders the ability to aggressively raise increasing amounts from the
party’s incumbents and to successfully encourage members to give directly to the party’s candidates in the closest races that could determine majority control. Heberlig and Larson report that elected party leaders, committee chairs and majority party members are more party-centered and give more to their parties and fellow candidates than other incumbents (Heberlig and Larson 2012, chapter 5; 2014). Indeed, the parties ask these leaders to do more than their colleagues because of their relatively easy ability to leverage their positions to raise more from policy-seeking PACs and individual donors.

[Figure 6 about here]

Figure 7 shows that the House campaign committees were particularly good at raising money from their House members, and their receipts track with partisan control of the chamber, especially after 2004. The DCCC’s fundraising from federal candidates dropped in 2010 and 2012, but the NRCC raised more from their candidates in those years, as the GOP was riding a congressional electoral tide even as Democrat Obama was reelected president, suggesting that these party fundraising trends are quite sensitive to the partisan political context (Dwyre and Kolodny 2014b; see also Herrnson 2012, 108). Indeed, in an update to consider the effects of the 2010 *Citizens United* decision on House incumbents’ contribution patterns, Heberlig and Larson found that House incumbents reduced the proportion of campaign spending they directed to their party campaign committees and to fellow candidates in 2012 (Heberlig and Larson 2014). They attribute this decline in House incumbent party-connected giving to the post-*Citizens United* political environment in which incumbents are reserving some of their own campaign resources to respond to party and non-party independent spending against them, much as incumbents have always reacted when faced with significant challenger spending or a close election. They expect if independent spenders continue to increase spending in future elections, the congressional campaign committees are likely to raise less from their House incumbents.
(Heberlig and Larson 2014, 629). Note also that Figure 7 shows that the DSCC raised a good deal more from Senate Democrats as the party (and most other observers) thought it had a good chance to take control of the chamber.

Once again, a change in campaign finance law seems to have impacted campaign finance practices by changing the level of incumbent financial support for their party’s collective electoral interests, as super PACs and other outside spenders, who can raise unlimited amounts from virtually any source, are putting incumbents on the defensive, making them less willing to use some of their own campaign funds for collective party pursuits. Nevertheless, the congressional campaign committees continue to collect a large proportion of their funds from their incumbents. As competition for majority status remains fairly high, the CCCs are likely to continue their aggressive efforts to convince their incumbents to share some of their campaign funds with their parties and fellow candidates in close races.

This increased incumbent fundraising in service of their party’s collective interest of majority pursuit has raised concerns about the source of the funds being raised. The need to support their parties’ collective interests has likely intensified the money chase for incumbents and increased the amount of time they spend raising money, and the additional money incumbents are raising to pass on to their parties and fellow candidates in competitive races is mostly from access-oriented business PACs and large individual contributors (Heberlig and Larson 2012, 216; Jacobson 2010, 397). On the other hand, money originally donated to gain access to lawmakers is being redistributed by the parties to many non-incumbent candidates, a process that could potentially increase the number of competitive contests. Jacobson notes another possible benefit: “laundering donations through the parties may diffuse and soften whatever effect interested contributions have on
the behavior of individual members, reinforcing the parties’ character as broad coalitions of economic and social interests” (Jacobson 2010, 397).

We do know that the Hill Committees have become quite efficient in distributing their campaign resources since the 1980s, when they acted more like incumbent reelection clubs (Jacobson 1985, 2010). Similar legislative campaign committees on the state level have also been found to distribute their resources efficiently by targeting the most competitive elections (Francia, Herrnson, et al. 2003, 184; see also Gierzynski 1992; Shea 1995). Thus Jacobson may be correct that channeling money through the parties can cleanse it of some of its rent-seeking taint. La Raja and Schaffner agree that the parties can serve to place some distance between intense policy-demanding contributors and lawmakers as well as to moderate the impact of money given by ideologically extreme donors; that is why they recommend more money be channeled through the party organizations (R. J. La Raja and Schaffner 2015).

**National Party Spending**

The political parties can spend money in a variety of ways to assist their candidates, and all modern party committees work to distribute their funds efficiently, where the money is most needed or will do the most good. Moreover, the regulatory and political context of each election cycle impacts how the parties spend their money. For instance, once the national parties could no longer raise soft money after 2002, they spent their money differently by, for example, focusing more on independent expenditures. When the political tide is running against a party, as it was for the GOP in 2008 and the Democrats in 2010, parties do what they can to shore up endangered incumbents and focus less on challengers. Of course, all of the money in the world may not help if the political winds are not blowing one’s way.

**Direct Contributions to Candidates**
A national party committee may give up to $5,000 per election (primary and general election) directly to a federal candidate. Of course, this is a very small drop in the bucket for a presidential candidate. As Jacobson notes, “parties cannot be a major source of direct campaign contributions because the FECA will not allow it” (Jacobson 2013, 78). This strict limit on direct party contributions reflects the notion discussed above that parties could act as “corrupt conduits” for donors who want to influence lawmakers (Persily 2006, 213–40).

The parties have long played only a minor role relative to other actors in the direct financing of U.S. House and Senate candidates. Indeed, as Figures 8 and 9 show, the percentage of funding House and Senate candidates receive from their parties has actually decreased over time. Even candidates’ contributions and loans to themselves constitute a larger share of all contributions to House and Senate candidates than party contributions.

Yet, this seemingly tiny and declining role of parties in congressional elections is only part of the picture. Indeed, parties spend very little of their money on direct contributions to candidates. Direct contributions to candidates are the most limited type of spending parties can do to help their candidates, as parties can only contribute a maximum of $5,000 per election directly to a candidate, and this limit is not indexed to inflation. However, the limit is applied separately to the national party organization and the relevant state party organization. So, for example, a House candidate may receive $10,000 ($5,000 for the primary election and $5,000 for the general election) from the DCCC or NRCC and from his or her state party, for a total of $20,000.

The limit on donations from individuals, originally set at $1,000 per election in the FECA, was doubled with the Bipartisan Campaign Reform Act in 2002 to $2,000 and

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6 National party committees can contribute up to $5,000 to presidential candidates, and state, district and local party committees can give another $5,000.
indexed for inflation in subsequent election years, so that by 2016, the contribution limit was $2,700. Thus, it is not surprising that Figures 8 and 9 show an increase in the proportion of funding House and Senate candidates receive from individual contributors since 2002. Political action committees may give up to $5,000 per election (primary and general) to a candidate, and PAC contribution limits are not adjusted for inflation. Yet, there are many PACs giving to congressional candidates, so Figure 8 shows that, despite the stagnant contribution limit, PACs are a major source of funds for House candidates, but Figure 9 indicates that Senate candidates do not rely as much on PACs to fund their campaigns, which generally cost much more than their House colleagues since Senate candidates are running to win state-wide office.

Also important to note is the role parties play as “orchestrators” of non-party contributors and spenders. Dwyre and Kolodny argue individual contributors, PACs, super PACs and others direct resources to party-targeted candidates by following the very public signals the parties send via press releases, blog posts, and filings with the FEC (Dwyre and Kolodny 2014a).

**Party Coordinated and Independent Expenditures**

Jacobson explains when lawmakers were amending the FECA in 1974 they were concerned “that campaign finance regulation might further marginalize institutions once so central to electoral politics” if parties were permitted to give their candidates only as much as a PAC could give (Jacobson 2010, 383). So, the FECA included a provision to allow parties, but not others, to spend on behalf of their candidates in coordination with them. These *coordinated expenditures* were limited originally to $10,000 in 1974, but they are adjusted to inflation every election cycle. So, by 2016 the coordinated expenditure limits were from $96,100 to $2,886,500 for Senate nominees (depending on the state’s
population), and $48,100 for House nominees in most states and $96,000 for House nominees in states with only one representative (Federal Election Commission 2016).

Both national and state party committees can make coordinated expenditures, but many state parties cannot afford to make these expenditures for congressional candidates, or they prefer to focus on other spending priorities (Heberlig and Larson 2012, 40). So, the national party committee often acts as the state party’s agent, through an “agency agreement,” thus doubling the national party’s coordinated expenditure limit for a candidate (Kolodny 1998, 139–40). Indeed, in 2012, only 9.7% of Democratic federal coordinated expenditures and 4.3% of Republican federal coordinated expenditures were made directly by state and local party committees (Dwyre and Kolodny 2014b, 201).

A party committee works with a candidate to make coordinated party expenditures, and these expenditures can be used for a variety of campaign activities. For example, the congressional campaign committees have used coordinated expenditures to pay for polls, the production of campaign ads, opposition research, and to compile lists of targeted voters (Jacobson 2013, 79). Jacobson reports that the congressional campaign committees have done a good job spending contributions and coordinated expenditures efficiently by targeting this spending on close races (Jacobson 2010, 383). With direct contributions and coordinated expenditures, parties can give significant financial support to their congressional candidates, amounting to $126,000 for a House candidate in 2016—$5,000 in direct contributions for both the primary and general elections from the national, congressional and state party committees, plus twice $48,000 in coordinated expenditures (if the national committee acts as the state party’s agent). Yet, this generally amounts to “no more than 20 percent of what it typically costs to mount a competitive [House or Senate] campaign” (Jacobson 2013, 79).
Since the Supreme Court’s 1996 decision in *Colorado Republican Federal Campaign v. Federal Election Commission* (518 U.S. 604), the party committees also have been permitted to make unlimited independent expenditures to help their candidates, as long as they do not coordinate with candidates and the expenditure is made from disclosed and limited contributions raised from permissible sources in limited amounts (i.e., “hard” money). Individuals and candidates themselves have been permitted to make unlimited independent expenditures since *Buckley v. Valeo* (1976), and newer groups, such as super PACs, now do most of the independent expenditure spending because, since the 2010 *Citizens United v. FEC* and *SpeechNow.org v. FEC* decisions, they can raise and spend unlimited amounts of money from virtually any source for this purpose.

I consider the relative spending of the various campaign finance actors below. For now, I draw your attention to Figures 10a, 10b, 10c and 10d. These figures show how the national parties have allocated their resources using different types of spending (contributions, coordinated expenditures and independent expenditures) in support of their House and Senate candidates from 1980 to 2016. Clearly, the parties’ spending strategies have changed over time and the parties closely track one another in shifting their emphasis from one type of spending to another. The changes in the type of spending are influenced by changes in the rules governing their campaign finance activities. For instance, after *Colorado Republican Federal Campaign v. Federal Election Commission* in 1996 permitted the national parties to make unlimited independent expenditures, both parties, but especially the Republican Party, immediately experimented with this new type of spending in Senate races (see Figures 10c and 10d), and by 2004 both parties shifted almost all of their spending to independent expenditure spending.

[Figures 10a, 10b, 10c and 10d about here]
One might wonder why this shift to independent expenditures did not happen sooner since parties were permitted to make independent expenditures since 1996. The answer is related to another change in the rules. Beginning mostly in the early 1990s until passage of the Bipartisan Campaign Reform Act (BCRA) in 2002, the national parties did much of their spending using soft money (i.e., nonfederal money), money raised in unlimited amounts, often from otherwise prohibited sources, such as corporations and unions. Parties were permitted to spend soft money in unlimited amounts as long as that spending did not technically expressly advocate the election or defeat of a candidate for federal office, for the law allowed the parties to raise and spend soft money to promote “party building” activities, a restriction the parties interpreted quite broadly.

This party soft money spending does not even show up in Figures 10a to 10d, since the parties transferred most of their soft money to state party organizations to spend because the state parties could do so with fewer restrictions (Dwyre 1996). So, from 1996, when the parties were permitted to make unlimited independent expenditures, until 2002, when soft money was banned with BCRA, the parties saw little need to make independent expenditures because they were doing fine using soft money to pay for mostly issues ads against the opponents of their candidates in close races. Once soft money was no longer available after passage of BCRA in 2002, the parties shifted wholeheartedly to independent expenditures in 2004.

Independent expenditures may be more valuable than the soft money issue ads the congressional parties relied on before 2002. Since independent expenditures are paid for with limited hard money receipts, they may be used to expressly advocate for the election or defeat of a specific candidate. However, since the parties cannot coordinate independent spending with their candidates, they have had to separate their independent and coordinated operations, and, as a result, “the parties make redundant outlays for polls and
infrastructure before they make any meaningful IE investment in television ads or mail” (Kolodny and Dwyre 2006, 202). Moreover, since the parties cannot coordinate independent expenditures with their candidates, such spending may not always be very effective and is certainly not preferred by candidates who have no control at all over how the money is spent. Indeed, although well intentioned, such spending can sometimes backfire.

Independent expenditures have been used irregularly by the RNC and DNC in recent elections. Indeed, the national committees are affected more by the presidential election cycle than are the congressional campaign committees. The DNC made $1.1 million in independent expenditures in 2008, only $15,487 in 2010, and made no independent expenditures at all in 2012, 2014 and 2016. Obama declined public funding in the 2008 and 2012 elections, as did Hillary Clinton in 2016, and, given their own robust fundraising, they did not have to rely on the DNC to fund campaign activities with independent or coordinated spending. Moreover, Obama and Clinton probably wanted to control the messaging of their campaigns and likely did not expect the DNC to spend on their behalf.

The RNC made no independent expenditures in the last two midterm elections but made $53.5 million in independent expenditures in 2008, $42.4 million in 2012, yet only $321,531 in 2016. Of course, since McCain took the public funds in 2008, he was heavily reliant on the RNC for campaign advertising and voter contact and mobilization since his own funding was limited. However, Romney declined public funds in 2012, yet the RNC did quite a lot of independent spending, most of it for expenditures in opposition to Obama (Dwyre and Kolodny 2014b, 207). Indeed, most independent expenditures are used for negative advertisements against the party’s (or group’s) opponent, not for positive ads for

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7 More than half of the $1.1 spent independently by the DNC in 2008 was spent in April and May, before the party’s nominee was determined (Corrado 2011, 143).
their candidate. The RNC was caught off guard by the nomination of Donald Trump as their party’s presidential nominee in 2016, and it spent very little in independent expenditures. The RNC did, however, transfer an unusually large amount, $45.6 million (only $33.4 million in 2012) to state and local party committees, most likely for ground operations and voter mobilization in states like Florida, Pennsylvania and Wisconsin (Booker 2016; Lemongello 2016). Yet, the RNC did end the cycle with an unusually large amount of cash on hand, $25.3 million, after leaving only $5 million in 2014 and $4.8 million in 2012 (Federal Election Commission 2017).

Everything Is Relative: Party and Non-Party Campaign Finance

Clearly the parties’ campaign finance activities have been impacted in a variety of ways by changes in the law, new regulatory decisions and court rulings, as have the activities of individuals and non-party organizations. So, how have the parties fared relative to these other players in the changing campaign finance environment? As Figure 11 shows, outside of the heady soft money years (1992 - 2002), the parties’ role (measured as their percentage of overall spending relative to other spenders) is much smaller than the role of non-party spenders. The rise of newer non-party groups in particular, such as 527 and 501(c) organizations, and later super PACs, reduced the relative amount of formal party committee money in the overall mix.

[Figure 11 about here]

Yet, the parties’ expenditures are generally concentrated and focused on winning, while non-party spending is dispersed widely across many contests and motivated by a variety of goals, including super PACs established to assist a single candidate, access-oriented PACs that give primarily to incumbents, and ideological groups and individuals that work to elect only true believers. Scholars who view the parties more broadly as networked
with non-party groups might include some of these non-party groups, such as the Democratic Party ally House Majority PAC, in calculations of party influence. Indeed, Mann and Corrado argue that “it is a mistake to assume that all or most non-party independent spending committees are separate from the parties” (Mann and Corrado 2014, 12; see also Bedlington and Malbin 2003; Hamm et al. 2014; Herrnson 2009; Malbin 2014). Some groups are surely closer to the parties, and act more in harmony with them in pursuit of the parties’ goals, than other groups. Indeed, Malbin adds the spending by what he calls “leadership super PACs” (the Congressional Leadership Fund and Senate Leadership Fund with the House and Senate Republican Hill Committees, and the Senate Majority PAC and House Majority PAC with the Democratic Hill Committees) to the formal party organizations’ spending to produce what he argues is a more accurate picture of party participation in contemporary elections. When party spending is combined with the spending of these close party allies, overall party spending (parties plus leadership super PACs) was actually higher than non-party spending in both 2014 and 2016 (Malbin 2017).

Some of the early research has focused on understanding the contours of these party networks (Grossman and Dominguez 2009; Herrnson 2009). Herrnson (2009), Hamm et al. (2014), Magleby (Magleby 2014), Mann and Corrado (2014), and Dwyre and Braz (2015) have begun to classify super PACs and other non-party organizations and to test, for example, whether they are more or less party-connected based on their spending behavior. Dwyre and Kolodny have attempted to map each House congressional campaign committee’s extended party network with case studies of the spending patterns of party and non-party groups using network analysis (Dwyre and Kolodny 2014a). They contend that the formal party organizations (the DCCC and NRCC in this case) can and do effectively “orchestrate” the campaign activities of their closely allied groups. The changing nature of these networks (and of the political environment) makes it difficult, however, to get a clear
picture of who is inside and outside of a party’s network beyond a single election cycle. And other scholars see the direction of influence reversed. Bawn et al. see the non-party groups as orchestrating the parties by influencing, in particular, which candidates get nominated to run for office (Bawn et al. 2012).

What is clear is that the relative role of the formal party organizations (the national committees and the congressional campaign committees) has declined over recent years. Yet, a close examination of Figure 11 shows that the parties’ role relative to other campaign finance actors is very similar to what it was before the advent of soft money in 1992. Thus the introduction and departure of party soft money appears to have impacted the relative share of party spending more than the entry of new campaign spenders such as 501(c) non profits, 527 organizations and super PACs. This is not a zero-sum situation, as the overall amount of money in the system can and has changed. And if some non-party groups are indeed following campaign finance strategies more congruent with their party allies than not, then party influence in the campaign finance system may be more significant than the party spending patterns can reveal.

Conclusion

Political parties have long endured in the United States in part because of their ability to successfully adapt to often-dramatic changes in their environment. This examination of the campaign finance activities of the contemporary national parties is certainly further evidence of this adaptability. In recent years, the parties have worked to adapt to the presence of new campaign finance actors (501(c) nonprofits, 527s and super PACs) who have fewer restrictions on their campaign finance activities than the parties do. There is some evidence that the parties are adapting to this new environment by guiding or “orchestrating” the activities of some of these groups most closely allied with them in an extended party network, even as the parties are not permitted to coordinate with many of
their allied groups (Dwyre and Kolodny 2014a). The extent to which the parties are able to count on these network allies to pursue the parties’ goals may contribute to how successfully the parties adapt to a campaign finance landscape that has left them with less financial clout than non-party campaign finance actors. A thorough understanding of the contours, activities and impact of the parties’ extended party networks is needed and the topic deserves further research.

The parties also have managed to expand their own campaign finance abilities with the creation, by party leaders in Congress, of the new party accounts for presidential nominating conventions, headquarters buildings, and legal and recount activities. Moreover, Republicans in Congress or perhaps the Supreme Court may act to loosen restrictions on party campaign finance, by, for example, allowing the national party committees to do unlimited coordinated spending. Indeed, the Supreme Court’s very narrow understanding of what constitutes corruption laid out most recently in the McCutcheon decision may result in a reexamination of the notion that parties can act as “corrupt conduits” through which interested money can influence lawmakers’ policy decisions (Malbin 2014; Persily 2006). Such a shift in opinion would potentially put parties on more of a level playing field with non-party groups, which may increase the number of competitive races as both parties would have more resources to pursue majority status.
Acknowledgments

I am truly grateful for the contributions of my research assistants, Georgia Anderson and Michael Huston, and for the patience of my husband Joe Picard and son Quinn Picard. I also thank Robin Kolodny, Paul Herrnson, Rob Boatright, Michael Malbin and David Magleby for their suggestions and support, and I am grateful for the financial support for this research provided by the Campaign Finance Task Force and its Funders, with Nate Persily as the principal investigator.
### Table 1: Annual Individual Contribution Limits to National Political Parties, 2015-16 \(^a\)

<table>
<thead>
<tr>
<th></th>
<th>Previous Limits</th>
<th>New Additional Segregated Accounts and Associated Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Traditional Individual Contributions</td>
<td>Convention Account</td>
</tr>
<tr>
<td>National Party Committees (DNC, RNC)</td>
<td>$33,400</td>
<td>$100,200</td>
</tr>
<tr>
<td>House Campaign Committees (DCCC, NRCC)</td>
<td>$33,400</td>
<td>N/A</td>
</tr>
<tr>
<td>Senate Campaign Committees (DSCC, NRSC)</td>
<td>$33,400</td>
<td>N/A</td>
</tr>
<tr>
<td>Totals</td>
<td>$100,200</td>
<td>$100,200</td>
</tr>
</tbody>
</table>


\(^a\) Limits are indexed to inflation each election cycle.

### Table 2: Annual Multicandidate PAC Contribution Limits to National Political Parties, 2015-16 \(^a\)

<table>
<thead>
<tr>
<th></th>
<th>Previous Limits</th>
<th>New Additional Segregated Accounts and Associated Limits</th>
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</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td>National Party Committees (DNC, RNC)</td>
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<tr>
<td>House Campaign Committees (DCCC, NRCC)</td>
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<td>Senate Campaign Committees (DSCC, NRSC)</td>
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<td>N/A</td>
</tr>
<tr>
<td>Totals</td>
<td>$45,000</td>
<td>$45,000</td>
</tr>
</tbody>
</table>


\(^a\) Limits are not indexed to inflation each election cycle.
<table>
<thead>
<tr>
<th>Non-Multicandidate PACs</th>
<th>Previous Limits</th>
<th>New Additional Segregated Accounts and Associated Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Traditional Individual Contributions</td>
<td>Convention Account</td>
</tr>
<tr>
<td>National Party Committees (DNC, RNC)</td>
<td>$33,400</td>
<td>$100,200</td>
</tr>
<tr>
<td>House Campaign Committees (DCCC, NRCC)</td>
<td>$33,400</td>
<td>N/A</td>
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<tr>
<td>Senate Campaign Committees (DSCC, NRSC)</td>
<td>$33,400</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$100,200</strong></td>
<td><strong>$100,200</strong></td>
</tr>
</tbody>
</table>


* Limits are indexed to inflation each election cycle.
**Figure 1: National Party Committee Receipts, 1992 - 2016**

(in millions of 2016 dollars)


Note: Totals include both hard and soft money from 1992 to 2002 and only hard money from 2004 (after the national party committees were prohibited from raising soft money by the Bipartisan Campaign Reform Act of 2002).
Figure 2a: Democratic Party Committees: Sources of Funds, 1992-2016 (in millions of 2016 dollars)

Figure 2b: Republican Party Committees: Sources of Funds, 1992-2016 (in millions of 2016 dollars)

Source: Compiled by author from Federal Election Commission data.
Figure 3a: Contributions to the DNC, 2000-2014

Figure 3b: Contributions to the RNC, 2000-2014


Note: DNC and RNC totals include gross itemizations from joint fundraising committees associated with the presidential election.
Figure 3c: Contributions to the DSCC, 2000-2014

Figure 3d: Contributions to the NRSC, 2000-2014
Figure 4: Party Receipts from "Other Committees," 1998-2016 (in millions of 2016 dollars)

Source: Compiled by author from Federal Election Commission data. “Other Committees” are mostly political action committees.
Figure 5: National Party Receipts from Joint Fundraising Committees, 2008-2016 (in millions of 2016 dollars)

Figure 6: Total Member Giving to Party Committees, 1998-2016
(in millions of 2016 dollars)

Figure 7: Member Contributions to Their Congressional Party Committees, 1998-2016
(in millions of 2016 dollars)

Figure 9: Funding Sources for Senate Candidates, 1984-2016

Figure 10b: Republican Party Spending for House Candidates, 1980-2016
(in millions of 2016 dollars)
Figure 10c: Democratic Party Spending for Senate Candidates, 1980-2016
(in millions of 2016 dollars)
Figure 10d: Republican Party Spending for Senate Candidates, 1980-2016
(in millions of 2016 dollars)
Figure 11: Spending in Federal Elections by Percentage, 1986-2016

Source: Compiled by author from Federal Election Commission and Center for Responsive Politics data, various dates.
References


