MARIAN CURRINDER

MONEY IN THE HOUSE

CAMPAIGN FUNDS AND CONGRESSIONAL PARTY POLITICS

Money in the House

TRANSFORMING AMERICAN POLITICS

Lawrence C. Dodd, Series Editor

Dramatic changes in political institutions and behavior over the past three decades have underscored the dynamic nature of American politics, confronting political scientists with a new and pressing intellectual agenda. The pioneering work of early postwar scholars, while laying a firm empirical foundation for contemporary scholarship, failed to consider how American politics might change or to recognize the forces that would make fundamental change inevitable. In reassessing the static interpretations fostered by these classic studies, political scientists are now examining the underlying dynamics that generate transformational change.

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Introduction

In the November 2006 midterm elections, forty-two Democrats challenging for seats in the U.S. House of Representatives won election and propelled their party into the majority for the first time in twelve years. Known as the majority makers, these newly elected Democrats had campaigned as agents of change and had promoted ethics reform, fiscal responsibility, and an end to the war in Iraq. Many of them had also emphasized conservative social values. As a result of their election, the new Democratic majority looks quite different from the last one in 1994. The party's liberal majority has been tempered by an influx of new members who must walk a fine line between supporting traditional Democratic policies and representing conservative constituencies. Perhaps no one is more attuned to this intraparty dynamic than House Speaker Nancy Pelosi (CA). As Speaker of the House, Pelosi is responsible for setting the House's legislative agenda—a task that requires her to negotiate compromises among her party's diverse factions. On any given policy, differences may surface between members of the Congressional Black Caucus, the Congressional Hispanic Caucus, the Progressive Caucus, the conservative Blue Dog Coalition, the New Democrat Coalition, and the freshman Democrats, who, because of their large numbers, sometimes act as an informal caucus. The challenge for Speaker Pelosi is to produce a record of Democratic policy accomplishments on which all Democratic incumbents can successfully run in 2008.

Building majority coalitions within a diverse caucus is not so much a remarkable leadership strategy as it is a necessary one. More remarkable is Speaker Pelosi's financial strategy for retaining majority status: She has committed to contributing $800,000 to the Democratic Congressional Campaign Committee (DCCC) and to raising an additional $25 million for the committee during the 2008 election cycle. The DCCC is the campaign committee for House Democrats and works to help the party gain or retain majority status. The committee's strategies depend on a number of factors, but today they center primarily on fundraising to help Democratic incumbents in close races and promising Democratic challengers and candidates for open seats.[1] The National Republican Congressional Committee (NRCC) is the campaign committee for House Republicans and, like the DCCC, focuses on gaining or retaining majority status, primarily through fundraising.

Speaker Pelosi's commitment to raising over $25 million for the DCCC is stunning. No House leader has even come close to raising that much money for a party campaign committee during a single election cycle. In fact, the combined fundraising commitments of the other eight current House Democratic leaders total less than Speaker Pelosi has pledged to raise on her own (Davis and Newmyer 2007). Fundraising is as central to her strategy for retaining majority control as producing policy results; winning elections requires both.

As part of her plan to protect the freshman majority makers, Speaker Pelosi directed the DCCC to help them build up their campaign war chests. A hefty campaign account signals strong financial support that can scare away potential challengers. As soon as the newly elected freshmen arrived in Washington, the committee began working with them to raise funds. Those facing the toughest races in 2008 qualified for the DCCC's Frontline program, which helps vulnerable members raise money early and provides them with logistical support. During the first half of 2007, the forty-two freshman Democrats outdid their thirteen Republican counterparts in fundraising $21.8 million to $4.3 million, for an average of $520,000 per Democrat to $330,000 per Republican (Sabato 2007). At the end of 2007, seven freshmen had more than $1 million in their campaign accounts, and more than half were safely positioned to win reelection. In addition, the DCCC ended 2007 with a more than eleven-to-one cash advantage over the NRCC. This advantage translated into even more potential support for endangered freshmen (Kane 2007a).

The freshman members also get special treatment from their leaders and meet once weekly with Speaker Pelosi and Majority Leader Steny Hoyer (MD). In addition, Democratic Caucus Chair Rahm Emanuel (IL) and DCCC Chair Chris Van Hollen (MD) meet frequently with the freshmen to advise them on how to vote. Despite the intensity of leadership support, the freshman Democrats still regularly vote with the Republicans. And they do so with the full support of their leaders. Many of the freshmen represent conservative or moderate constituencies; while they generally support the leadership's agenda, they need to distance themselves from the party's liberal leaders as they prepare for their first reelection campaign. As part of their strategy to defeat vulnerable Democrats in 2008, House Republicans launched a Web site that tracks the percentage of votes that Democratic freshmen cast with the Speaker. Pelosi, a liberal Democrat from San Francisco, is a polarizing figure in many conservative districts, and some of the most vulnerable freshmen have responded to the Republican tactic by voting with the Republicans on procedural matters that have no bearing on the Democratic leadership's agenda. For example, the chamber votes each day on approving the House Journal (essentially, the minutes from the previous day). The majority party routinely votes in favor, and the minority party votes in opposition. By voting with the Republicans, the freshman Democrats can up their "Pelosi opposition" scores without adversely affecting their party's agenda. "We've given them very simple advice: Make sure you vote your district," said DCCC Chair Chris Van Hollen (Kane 2007). For many of the Democratic freshmen, voting their districts means opposing the liberal leadership on occasion. And leaders figured out a way for them to do just that, without actually hurting the party.

Ideological differences aside, Speaker Pelosi and the freshman Democrats share the goals of wanting to win elections and retain majority status—aspirations that explain their willingness to engage in financial and procedural protectionist strategies. Speaker Pelosi's extraordinary financial commitment to her party, and especially to her party's vulnerable members, illustrates the overriding emphasis that congressional political parties and members place on money. And her encouragement of selective "opposition votes" demonstrates the complexity of governing in a highly partisan and highly competitive political environment.

Beginning in the early 1990s, two factors—campaign money and close partisan margins—started to dominate congressional party politics. As competition between the parties increased, electoral strategy became as important as legislative strategy in securing majority control. Campaign money has figured prominently in electoral party politics for decades, but it became central during the 1990s and remains so today. As the margins between the parties in the House shrank and electoral competition increased, party leaders sought out new sources of money for the congressional campaign committees (CCCs). In addition to requesting money from individual contributors and political action committees (PACs), the CCCs began asking incumbent members to contribute their excess campaign funds. They reasoned that retaining or gaining majority status was a group goal, and that all members who could afford to give should do so for the good of the whole. They also believed that incumbent giving would inspire potential outside contributors to support the party.

As more and more members began to participate in the CCCs' fundraising efforts, party leaders began to view member fundraising as a sign of party loyalty. The presence of real competition in the House meant that House leaders had to enforce strict party discipline to pass (or block) policy. By rewarding loyalty, leaders could maintain some degree of control over members who were anxious to promote their own political and policy agendas rather than the party's. Eventually, members understood that their ability to successfully pursue their own ambitions depended on their willingness to vote with their leaders and raise money for their parties.

Members can contribute to the CCCs using funds from their personal campaign committees and from their leadership PACs. Members typically use their personal campaign committees to raise money for their own election and reelection campaigns. Leadership PACs are generally created to promote the politicians who establish them. Like other PACs, leadership PACs solicit donations and make contributions to candidates and party committees. Members also use their leadership PAC funds to pay for travel, and for a broad range of campaign-related expenses. Members can make unlimited transfers from their personal campaign committees to party committees, but they can contribute a total of only $15,000 per election cycle from their leadership PACs to the national party committees.

Member contributions to the CCCs have increased dramatically since 1990. House Democrats contributed $0.3 million to the DCCC during the 1990 election cycle, then upped that amount to $7.8 million during the 2000 cycle. In 2006, House Democrats contributed $33.7 million to the DCCC. House Republicans gave $0.001 million to the NRCC during the 1990 cycle and $14.7 million during the 2000 cycle. In 2006, they gave $31.6 million to the NRCC (Bedlington and Malbin 2003, 134; Campaign Finance Institute). Flash forward to the 2008 election cycle: The DCCC has requested that House Democrats raise a total of $155 million, and the NRCC has established unprecedented fundraising targets for all House Republicans. These figures reflect the escalating cost of running competitive campaigns; they also reflect significant changes in how congressional parties compete for majority status.

House members have also increased their efforts to raise money for each other and for same-party candidates. Members can give $2,300 per candidate, per election, out of their personal campaign committees and $5,000 per candidate, per election, out of their leadership PACs. In 1990, House Democrats contributed a total of $1.8 million to incumbents, challengers, and open-seat candidates; ten years later, they contributed $7.8 million. In 2006, House Democrats gave candidates for the House $14 million. House Republicans contributed $0.9 million to incumbents, challengers, and open-seat candidates in the 1990 elections and $9.6 million in the 2000 elections. In 2006, House Republicans gave $24.6 million to Republican House candidates (Bedlington and Malbin 2003, 134; Campaign Finance Institute). These figures have continued to rise as members have become more attuned to the collective and individual returns such contributions provide.

The increasing amount of money that House members contribute to the CCCs and to other members and candidates is one of the most significant developments in congressional party politics since the late 1990s. As the CCCs' fundraising activities have become more important, congressional party leaders have moved from encouraging members to contribute money to the committees to requiring them to do so through dues systems and commitment contracts. While these party-orchestrated fundraising programs promote the collective goal of majority status, redistributing money can also help members promote themselves—a strategy that became more important in the postreform Congress.

This book is about how and why a system evolved that places a premium on members' ability and willingness to raise and redistribute money. It is also about the consequences of such a system. The career trajectory of ambitious members changed significantly following the 1970s House reforms. Under the seniority system, House members moved up the chamber's power ladder through extended service. Committee chairs were the majority party members who served on the committees the longest, and party leaders earned their posts by slowly progressing up through the ranks. The contemporary House operates under a dramatically different set of rules. Both parties permit all members to compete for leadership posts, chairmanships, and even committee seats. When the margins between parties are narrow and the political atmosphere is fiercely partisan, party loyalists are favored for higher positions in the chamber. Ambitious members can demonstrate their loyalty through party-line voting, but they can no longer distinguish themselves this way because congressional leaders push all members to vote with their parties. Members can, however, distinguish themselves by raising money for the party and its candidates. Those who raise money for the good of the whole demonstrate that they are loyal, and that they are team players—qualities that members want to see in their leaders.

Party leaders in the House are now expected to raise tremendous amounts of money for the CCCs and for party candidates. Because narrow margins mean that control of the House is at stake every two years, fundraising has become enormously important. Just before the 2006 elections, Nancy Pelosi's staff estimated that her constant travel and phone calls on behalf of the DCCC, individual candidates, and her leadership PAC generated about $50 million that election cycle. This money encouraged grateful House Democrats to support her bid to become Speaker (Epstein 2006). Leaders must be well connected to the outside interests that can provide campaign funds, and they must also be willing to build new financial connections. Because more money is raised at the ideological extremes, House members at the far ends of the liberal and conservative spectrum tend to attract more money than centrists. And the ability to raise large amounts of money propels these members to leadership posts that they otherwise might not have won (Heberlig, Hetherington, and Larson 2006). Selecting leaders who do not represent the median party member may advance policy agendas that are more extreme than many party members prefer. Leaders who raise large sums of money may also feel compelled to advance agendas that reflect the preferences of those who funded their leadership campaigns.

As money has become central to securing majority control, the CCCs have expanded their fundraising requirements to include all incumbent members. Unless they are facing close reelection campaigns, incumbents are assessed "fundraising goals" according to their clout in the chamber. Some members, however, find meeting the fundraising requirements more difficult than others. Representative Alcee Hastings (D-FL), for example, claimed he did not have the spare funds to pay his 2007 dues to the DCCC. "I only have $13,000 in my campaign account," he said, adding that he has two challengers in 2008. "My overall feeling is when I get to the point where I raise the money, I'll pay the dues" (Hearn 2007a). Members who represent poor constituencies or constituencies with expensive media markets may also find it difficult to raise money beyond what they need for their own campaigns. Other members lack wealthy connections, or simply find fundraising distasteful. But members' ability to raise money determines in part their ability to successfully compete for leadership posts, committee chairs, or committee seats. It may also determine their ability to get their bills heard in committee or scheduled for action on the House floor. The DCCC and the NRCC have become increasingly aggressive in the tactics they use to compel members to meet their fundraising requirements. In 2006, then–DCCC Chair Rahm Emanuel prevented delinquent members from using the DCCC offices to make their own fundraising calls until they had paid their committee dues.[2] House leaders have even adjusted the chamber's floor schedule to make more time for members to raise money.

All of this adds up to an almost constant focus on fundraising. House members must devote tremendous amounts of time to raising money for their own campaigns and for their party campaign committees. They must also devote time and energy to cultivating relationships with potential donors. As a result, members have less time to spend on policy. Most committee hearings are poorly attended and floor debates often feature just a handful of members. The link between members' ability and willingness to raise money for the party and their ability to obtain more power in the chamber also raises important questions about the criteria by which potential leaders are judged. If fundraising skills are deemed as important as policy expertise and institutional experience, what are the benefits in developing an expertise or in long-term service? Whose interests are prioritized in a system that requires policymakers to focus constantly on fundraising and that rewards those who raise the most? Assessing the institutional consequences of a system so focused on campaign money requires first understanding how and why this system evolved. In the next chapter, I present a broad, historical overview of member-to-member and member-to-party giving in the House. The themes in this chapter are further developed in the book's remaining chapters.

Chapter 2 presents a theory of the relationship between House members and the congressional party organizations. Congressional parties are hindered by being made up of self-interested actors who are interested in maximizing their own electoral security, and who pursue politics and policies that are consistent with this goal. The challenge for party leaders is to convince members that promoting the party agenda is just as important as promoting their own personal agendas. The ongoing tension between self-interested members and team-oriented parties affects how money is redistributed in the chamber. When partisan margins are small and power is centralized in the leadership, party leaders are better able to direct member contributions so as to satisfy party goals. But when the margins between parties are sizable and the party leaders are less assertive, members can redistribute money so as to satisfy their personal goals. As the political environment shifts, and as the structure of opportunities available to members changes, so do member contribution strategies.

Chapter 3 examines how the 1970s House reforms helped to create a political environment that fostered the growth of member-to-member giving. The reforms sought to democratize the chamber by redistributing power throughout the majority party membership. Before the 1970s, committee chairs—many of whom were southern conservatives—exercised almost total control over the House's legislative agenda. As the Democratic Party's progressive wing expanded, members began to push for changes that would remove some of the excessive power held by the committee chairs. The seniority rule was replaced with new rules that required secret ballot elections of chairs and leaders. These reforms, in addition to a number of others that were designed to open the legislative system and enhance member participation, created a more active and competitive political environment. Broader contextual changes in the sociopolitical environment also affected congressional and electoral politics. All of these changes encouraged ambitious members to find new ways to impress their colleagues, and by the late 1970s, members seeking higher posts within the chamber began to redistribute money as part of their leadership campaigns.

Chapter 4 focuses on the postreform House. The decade following the 1970s reform movement saw major changes in how parties compete for majority control. As the congressional parties became more ideologically polarized, party leadership was strengthened. The ascension of Representative Jim Wright (D-TX) to the Speakership marked the beginning of a new era of aggressive partisan politics, and the parties were further divided by the rise of Representative Newt Gingrich (R-GA) during the 1980s. As they helped their parties compete for majority control, the CCCs also became more aggressive; they greatly expanded their candidate-oriented services and focused increased attention on their fundraising operations. Seniority was no longer the sole criterion