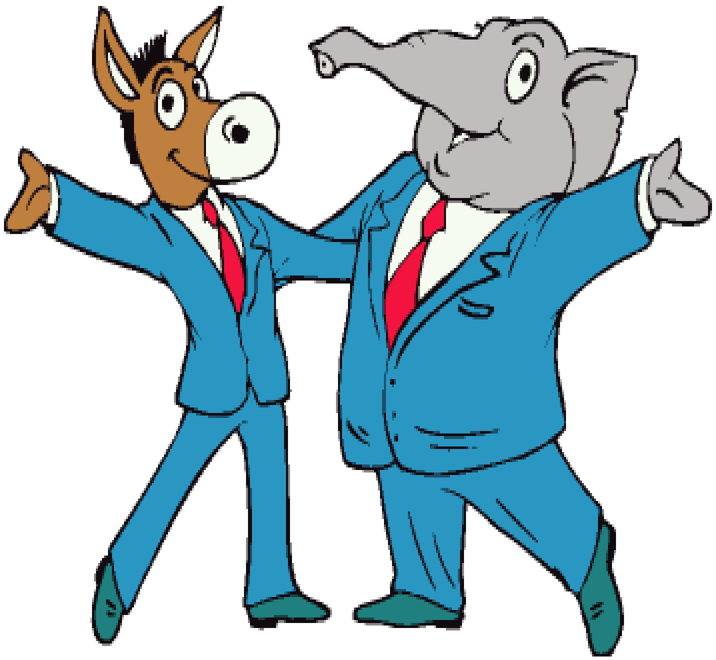
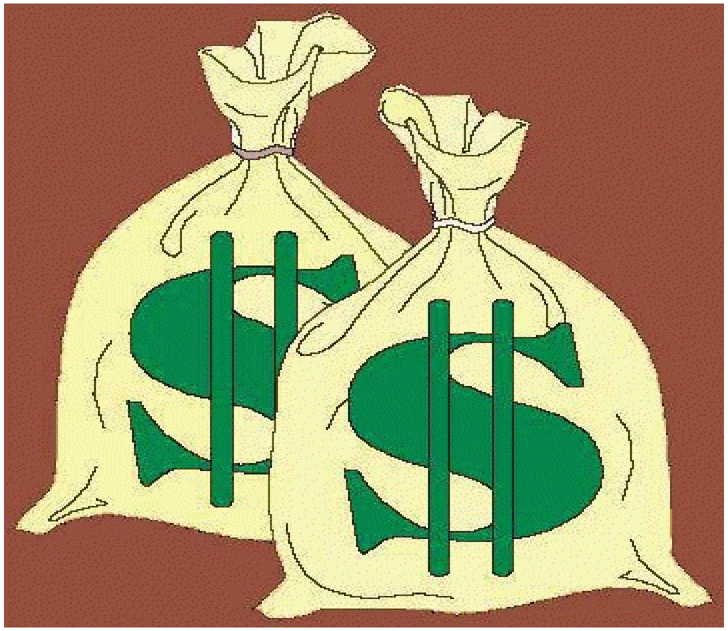
Campaign and Election Reform

Two types of criticism have emerged about U.S. campaigns and elections:

Local control of the voting process



Campaign spending



Agree or Disagree

1) We should regulate the overall costs of political campaigns.

2) We should regulate the overall amount of money that individuals or groups give to candidates by setting contribution limits.

3) We should insist on public disclosure, requiring that the names of donors be on the public record.

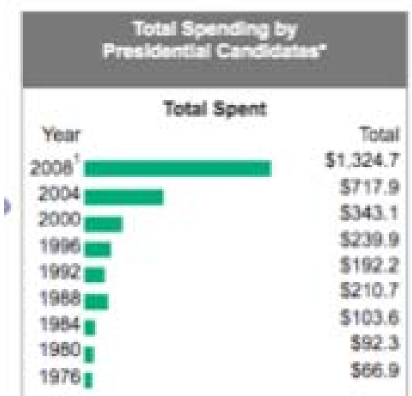
Modern campaign finance reform began in the 1970s as a result of the abuses exposed by the Watergate scandal.

Modern Attempts At Reform

- **Reform Act of 1974 (an amendment of the Federal Election Campaign Act of 1972).**

- The Federal Election Campaign Act of 1971 (FECA) and as amended in 1974,
  - Placed limits on certain political contributions and expenditures,
  - Required public disclosure of contributions and expenditures above certain levels
  - Created a system of public funding of Presidential campaign activities under the Internal Revenue Code.

- **Federal Election Commission–** "to disclose campaign finance information, to enforce the provisions of the law such as the limits and prohibitions on contributions, and to oversee the public funding of Presidential elections".
- The law also imposed limits on independent spending, spending by groups not under the control of candidates. These limits were immediately ruled unconstitutional and no longer apply.



PAC: Political Action Committee

- **Organized to <u>raise</u> money for political parties and <u>spend money</u> to elect and defeat candidates.**
- **Considered "political arms" of interest groups.**
- **<u>Congress of Industrial Organizations</u> (CIO) formed the first PAC in 1944 to raise money for the re-election of President FDR. Money came from contributions from union members.**
- **A PAC will collect money from a group's employees or members and make contributions in the name of the PAC to candidates and political parties.**

PAC: Political Action Committees

- Can give…
- $5,000 to a candidate committee per election (primary, general or special)
- $15,000 annually to any national political party committee.
- $5,000 annually to any other PAC
- May receive…
- $5,000 from any one individual, PAC or party committee per calendar year.
- Must register with FEC within 10 days of creation.

PAC: Political Action Committees

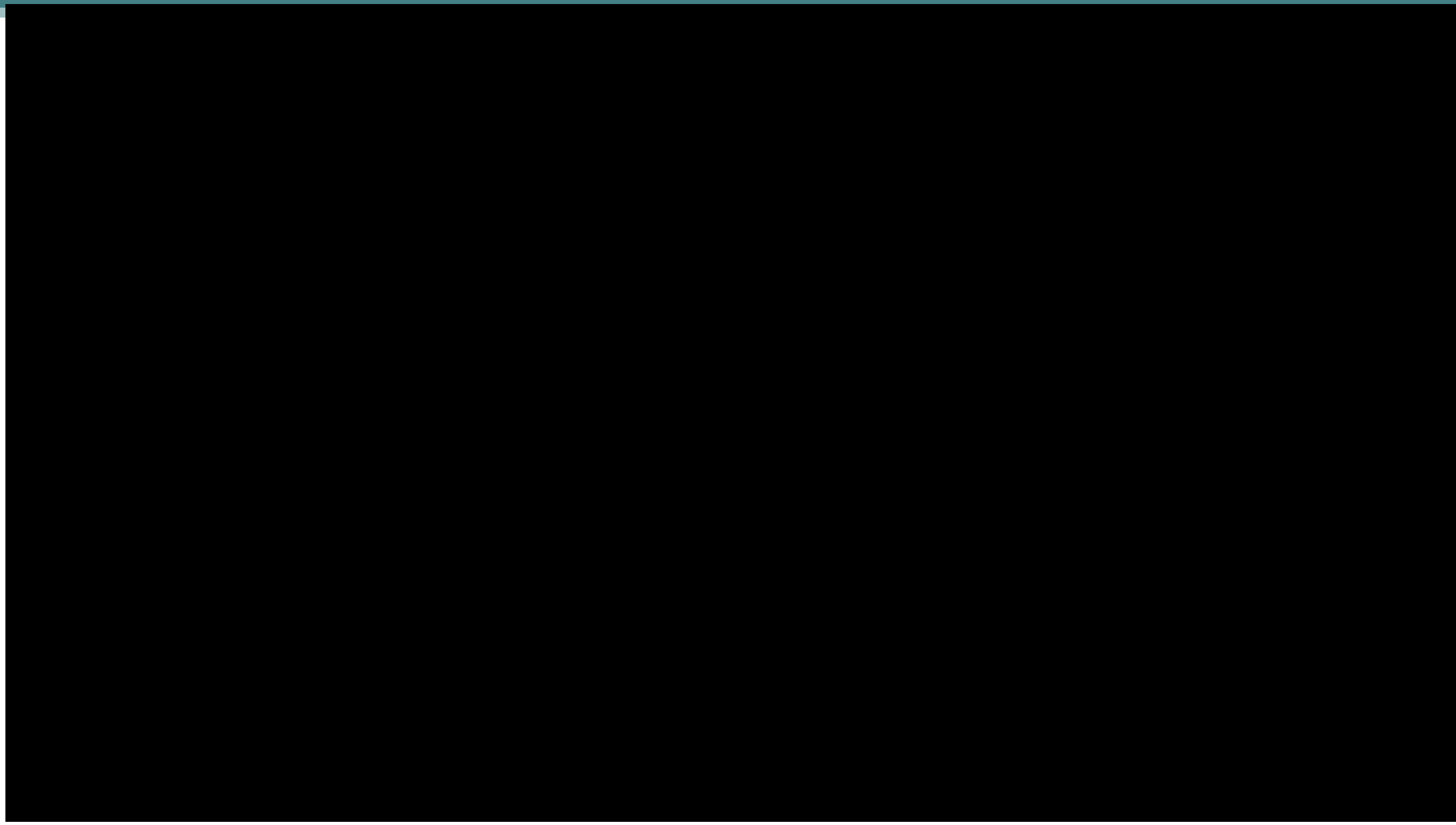
THREE TYPES:

- **1) Connected PACs: to corporations, labor groups, or recognized political parties:** Microsoft & Teamsters Union are examples. May solicit contributions from employees or members and make contributions in the PACs name to candidates or political parties.
- **2) Nonconnected or Ideological PACs:** raise and spend money to elect candidates -- from any party. Made up of individuals or groups not connected to a corporation, labor group or political party: National Rifle Association and Emily's List are examples. May solicit contributions from general public of U.S. citizens and permanent residents.
- **3) "Leadership" PACs:** formed by politicians to help fund campaigns of other politicians. Politicians often create such PACs to "prove" their party loyalty or further their goal of being elected to a higher office.
- http://www.opensecrets.org/pacs/industry.php?txt=q03&cycle=2010

SUPERPACS

- May raise unlimited sums of money from corporations, unions, associations and individuals, then spend unlimited sums to overtly advocate for or against political candidates.
- Super PACs must report their donors to the Federal Election Commission
- Prohibited from donating money directly to political candidates.
- As of September 27, 2011, 84 groups organized as Super PACs have reported total expenditures of $65,326,957 in the 2010 cycle.

- http://www.opensecrets.org/pacs/superpacs.php?cycle=2010



527s

- Tax-exempt group organized under section 527 of IRS tax code.

- Purpose: Raise money for political activities such as voter mobilization efforts and issue advocacy. Influence nomination, election, appointment, or defeat of candidates for public office.

- Not regulated by FEC and not subject to same campaign limits as PACs.
- Required by FEC to file regular disclosure reports if it is a political party or political action committee (PAC) that engages in activities expressly advocating the election or defeat of a federal candidate, or in electioneering communications.
- Many 527s run by special interest groups can raise unlimited "soft money," which can be use for voter mobilization and certain types of issue advocacy.
- http://www.opensecrets.org/527s/527cmtes.php?level=C

Public Financing

- Candidate receives federal government funds to pay for the valid expenses of their political campaigns
- To qualify for public funding, Need to meet various eligibility requirements, such as agreeing to limit campaign spending to a specified amount.
- Candidates also must agree to:
    - Limit campaign spending for all primary elections to $10 million plus a cost-of-living adjustment
    - Limit campaign spending in each state to $200,000
    - Limit spending from personal funds to $50,000.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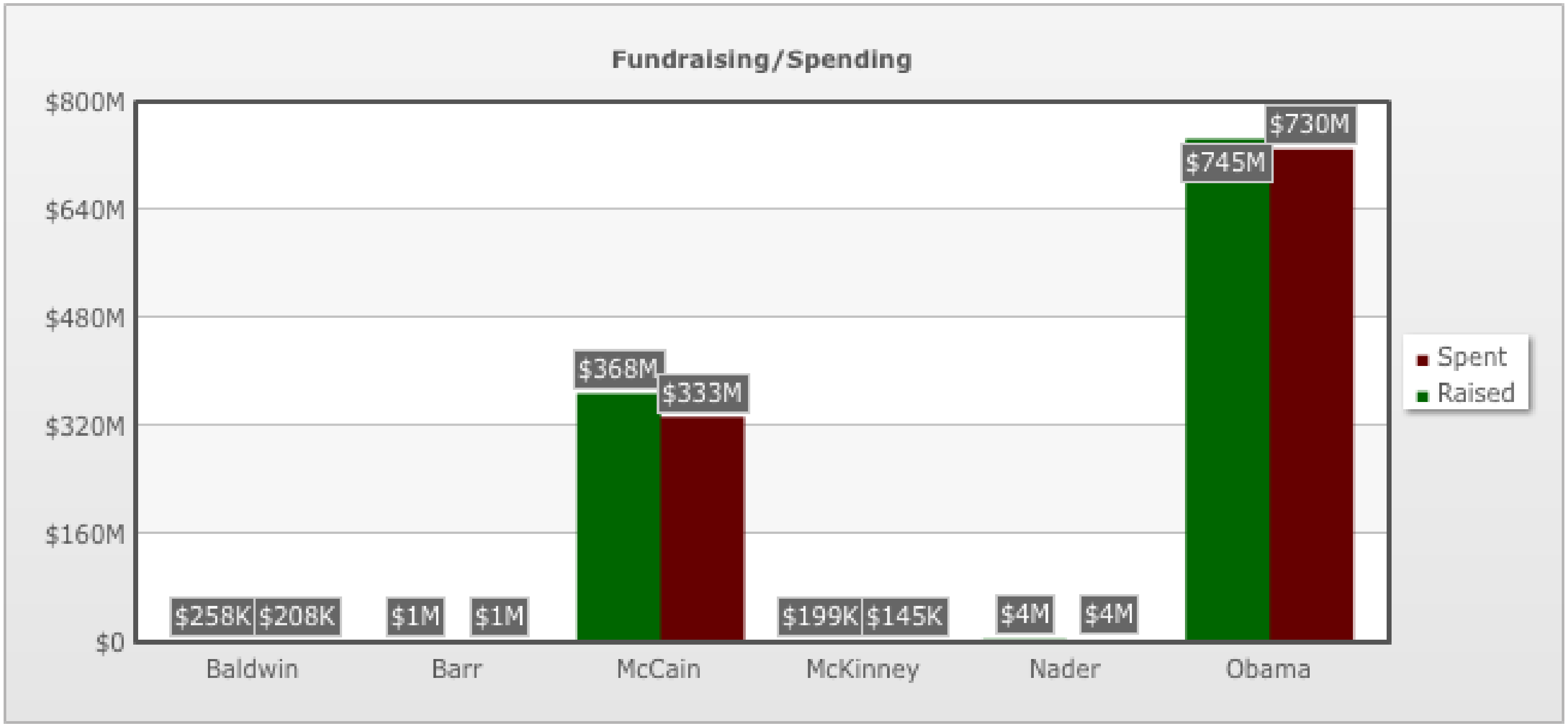
Fundraising/Spending
$800M
$640M
$480M
$320M
$160M
$0
$258K
$208K
$1M
$1M
$368M
$333M
$199K
$145K
$4M
$4M
$745M
$730M
Baldwin
Barr
McCain
McKinney
Nader
Obama
Spent
Raised

Buckley v. Valeo (1976)

- The Supreme Court interpreted and ruled on the constitutionality of the Federal Election Campaign Act of 1971 (FECA).

- The Court upheld FECA's campaign disclosure requirements and contribution limits, finding that the accompanying restriction on political free speech was justified ..

- Other provisions were struck down. The Court ruled that FECA's limits on independent expenditures, a candidate's personal expenditures, and overall campaign expenditures violated the First Amendment by placing "substantial and direct restrictions on the ability of candidates, citizens, and associations to engage in protected political expression."

Bipartisan Campaign Reform Act 2002 (McCain-Feingold Act)

- Named after Senators **John McCain** (R-AZ) and **Russ Feingold** (D-WI)
- The chief component is its ban on soft money -- the term for donations made to national political party committees in amounts and from sources (corporations and unions) not permitted in federal elections.
- Under previous law, parties could raise unlimited amounts of soft money, which they were using not only for "party-building activities" such as get-out-the-vote efforts, candidate recruitment, and administrative expenses, but also for candidate-specific broadcast advertising. Under BCRA, the parties can no longer raise soft money.