The Committee Shuffle: Major Party Spending in Congressional Elections

Robin Kolodny and Diana Dwyre

While the major political parties have come to play a larger role in the financing of federal elections over the past two decades (Aldrich 1995; Herrnson 1988, 2000a; Dwyre and Kolodny 2002), they have not always spent their money in the same ways. In the 1996, 1998, and 2000 elections, the national party congressional campaign committees (CCCs) dramatically shifted their patterns of campaign spending. The CCCs spent much less hard money directly on candidates than in the past. Instead, CCCs transferred large amounts to the state parties or allowed the parties' national committees, the Republican National Committee (RNC) and the Democratic National Committee (DNC), to assume some critical spending. These changes accompanied an expansion of soft money and issue advocacy in congressional elections, enabling the parties to spend millions of dollars to run issue advocacy advertisements and conduct voter mobilization activities to promote their candidates (Dwyre and Kolodny 2002).

In this chapter, we explain how and why the CCCs changed their spending in the late 1990s, and what these patterns reveal about the strategic role of parties in congressional elections. First, we describe the hard money expenditures of the CCCs, the national party committees, and state party committees in the aggregate. Next, we look at how the rise of soft money influenced these spending patterns. Finally, we discuss how party spending may change again if the new Bipartisan Campaign Reform Act (BCRA) withstands litigation and takes effect in the 2004 election cycle.

Congressional Campaign Committees and Forms of Spending

The four CCCs are the only party committees charged solely with electing members of Congress. The two committees for the House of Representatives are the Democratic Congressional Campaign Committee (DCCC) and
the National Republican Congressional Committee (NRCC): their two counterparts in the Senate are the Democratic Senatorial Campaign Committee (DSCC) and the National Republican Senatorial Committee (NRSC).

In the late 1970s, the CCCs raised relatively little money, particularly the Democrats, and spent much of it on incumbents in safe seats, who generally had little trouble raising funds from other sources, such as political action committees (PACs). By the mid-1980s, this incumbent protection strategy was replaced with a greater focus on maximizing the number of seats won in Congress by targeting spending on the most competitive races, including challengers and open-seat races (Kolodny 1998; Dwyre 1994; Johnson 1985/86; Herrnson 2000a). This change in strategy was due in part to the entrepreneurial activities of House CCC chairs, Democrat Tony Coelho and Republican Guy Vander Jagt, who modernized their committees and enforced a good deal of discipline on the process of distributing resources (Kolodny 1998).

The spending patterns of these strategically oriented CCCs were influenced by three factors: the competitiveness of congressional elections (Kolodny and Dwyre 1998; Aldrich 1995; Schlesinger 1991), the legal and regulatory environment under the Federal Election Campaign Act (FECA) (Herrnson 1988), and financial resources derived from exploiting the FECA's hard and soft money systems (Glasgow 2000; Herrnson 2000a; Jacobson 1985/86).

In the late 1990s, changes in all three of these factors had an impact on the CCCs. After 1994, the struggle to control the House and Senate became intensely competitive. The new viability of the Republican Party at the congressional level not only encouraged stepped-up GOP electoral activity; it forced the Democrats to retool their methods and fundamental assumptions about electoral politics. Meanwhile, changes in the legal and regulatory environment offered the CCCs new avenues for spending money in congressional campaigns. For instance, Supreme Court decisions in the mid-1990s allowed CCCs to engage in new kinds of expenditures. And after 1996 the CCCs learned to use soft money, funds that are not subject to the same level of scrutiny as traditional electioneering funds, in ways that helped their candidates.

Thus, the CCCs had numerous avenues for spending money in congressional campaigns by the late 1990s. First, they could spend hard money, including direct contributions to candidates as well as coordinated and independent expenditures made on behalf of candidates. Second, they could transfer hard money to other party committees, especially state parties, which could spend it to benefit candidates. And third, they could spend soft money on nonelectoral expenses, such as operating costs, or transfer it to state parties. The combination of transferred hard and soft money helped pay for issue advocacy ads on behalf of candidates. It is worth explaining these
various kinds of spending in more detail before we consider the patterns of
CCC expenditures over time.

*Hard Money.* "Hard" or "federal" money is regulated under the FECA
(until November 6, 2002, when it will be regulated under the Bipartisan
Campaign Reform Act, or BCRA), which sets limits on the amounts that
can be raised by the CCCs and other national party committees: a maximum of
$20,000 per year from an individual or $15,000 per year from a PAC. In
addition, hard money cannot be raised directly from corporations, labor
unions, federal contractors, or foreign nationals.

The FECA also sets limits on the direct contributions the CCCs and
other party committees can make to congressional candidates: a national
party committee may contribute up to $5,000 per election (primary, general,
run-off, and special) to a House candidate and $17,500 to a Senate candidate
per election. State party organizations may give an additional $5,000 to a
House or Senate candidate per election. None of these limits included an
adjustment for inflation, so they have declined in real value since their enactment in 1974.

In addition to direct contributions, CCCs and other party committees
also may make coordinated expenditures on a candidate’s behalf, with the
candidate’s knowledge and consent. The FECA allowed national and state
party committees to make coordinate expenditures of $10,000 in House
races and a figure based on state population for Senate races, adjusted for
inflation each election cycle. By 2000, the coordinated expenditure limit was
a total of $67,560 ($33,780 each for the national committee and the relevant
state committee) in a House race and in a Senate race it ranged from a low
of $135,120 for the least populous state to a high of $3.3 million for Califor-
nia (Federal Election Commission 2000a).

One of us (Kolodny 1998, 137–143) has argued that the invention of
“agency agreements” between the national and state party committees was
the key to the financial invigoration of the CCCs in the past twenty years. An
agency agreement permitted a state party committee to cede its coordinated
expenditure limit to a CCC, thus allowing the latter to effectively double its
expenditures in individual U.S. House races. The Supreme Court sanctioned
agency agreements in *Federal Election Commission v. Democratic Senato-
rial Campaign Committee et al.* (454 U.S. 27 [1981]). Apart from agency
agreements, party committees have been permitted to make unlimited trans-
ers of hard money to other federal and state party committees. State parties
can use these funds in a variety of ways, and as we will see below, these hard
money transfers can be mixed with soft money to assist candidates.

As a result of the Supreme Court’s decision in *Colorado Republican
2309 [1996]), political party committees have been permitted to make “independent expenditures”—that is, hard money dollars spent to support or de-
feat a candidate, but without the candidate's knowledge or consent. Although the Court had long allowed independent expenditures for PACs and individuals on First Amendment grounds, most observers were surprised when this logic was applied to political parties. Indeed, the authors of the FECA did not believe that political parties were capable of true independence from their candidates. And party operatives have noted that they had great difficulty keeping their independent expenditure activities separate from their other spending activities. There is no limit on the size of independent expenditures, but there must be no coordination with the candidate—otherwise the expenditure would not be "independent."

Finally, all hard dollar receipts, contributions, and expenditures must be fully disclosed to the public through reporting to the Federal Election Commission (FEC), which posts the reports and summaries of party receipts and expenditures on its web site. Despite these many restrictions, hard money has one important advantage for parties and candidates: There are very few restrictions on what can be purchased with the funds. So the CCCs and other actors have a great deal of discretion over how they actually spend hard money in campaigns.

Soft Money. "Soft," or "nonfederal" money is money that can be raised by the national parties from virtually any source (including corporations and labor unions) in unlimited amounts. Soft money contributions to the national parties are reported to the FEC, but soft money spending is difficult to trace. It is allowed under the FECA (as amended in 1979) for the purposes of "party building," such as generic party advertising, get-out-the-vote drives, and routine administrative expenses borne by any party organization (e.g., the cost of office space, equipment, supplies, and employees).

After 1996, national party committees, including the CCCs, found ways to centralize and coordinate the raising of soft money (Biersack and Haskell 1999). One obvious advantage of soft money is that it can be raised more easily than hard money, due to the lack of limits on its size and sources. However, soft money is much more difficult to spend than hard money. Under the FECA, soft money cannot be used in any direct way to influence the outcome of an election for federal office. The national party committees, including the CCCs, spent some soft money for nonelectoral purposes such as routine operating expenses, but the bulk was transferred to state party committees to be spent under state law and FEC rules.

Under FEC rules, any state party activity that influences federal elections must be paid for with a combination of hard and soft money, according to ratios set by the FEC. The ratios generally reflect the proportion of federal races on a state's general election ballot. The CCCs' ratio is a minimum of 65 percent hard money and 35 percent soft money, though the percentage may be adjusted upward (to include more hard money) depending on actual disbursements. Typically a state party's ratio will allow for more soft money
spending than the national party’s ratio, so the national parties often transfer hard and soft money to a state party to take advantage of the more favorable state ratio (see chapter 9).  

Issue Advocacy. The FECA restrictions apply only to money involving “express advocacy” of the election or defeat of a candidate, and not to spending that involves “issue advocacy.” The distinction between “express” and “issue” advocacy ads originated in the Supreme Court decision Buckley v. Valeo (424 U.S. [1976]). In a now famous footnote, the Court indicated that the following terms satisfied their strict express advocacy test: “‘vote for,’ ‘elect,’ ‘support,’ ‘cast your ballot for,’ ‘Smith for Congress,’ vote against,’ ‘defeat,’ ‘reject’.‘ If an advertisement does not contain these “magic” words (and is not coordinated with a candidate), it is considered “issue advocacy,” and the FEC ruled that parties may use a mix of hard and soft money to pay for such advertisements. This distinction has been further refined in subsequent litigation (West 2000, 39–61).

National and state party committees can pay for issue advocacy ads that involve candidates if express advocacy words are avoided. However, the FEC requires that the parties use a mix of hard and soft money to pay for such ads. Sometimes the parties are able to spend more than the candidates—and sometimes against the candidates’ wishes (Dwyre and Kolodny 2002). Many observers regard the legal distinction between express advocacy and issue advocacy to be spurious, since issue ads differ very little from the advertising used by candidates (Hermson and Dwyre 1999).

Changes in Congressional Campaign Committee Spending

Table 7.1 lists the hard money expenditures of the CCCs, the national and all state/local committees for both major parties from the 1988 to 2000 election cycles. All amounts are expressed as a percentage of total hard money disbursements in this table.  

Hard Money: Contributions to Candidates. Table 7.1 shows that since 1988, all four CCCs have moved away from using direct contributions to candidates as a disbursement strategy. The two senatorial campaign committees have never had very high levels of their disbursements go to direct contributions: the NRSC has remained at around 1 percent, while the DSCC has declined from a high of 2.6 percent in the 1988 cycle to a low of 2000’s 0.7 percent. Still, both the NRSC and DSCC reduced their total contributions to about one-half of that allowed by law in the 1998 and 2000 cycles. The House committees behaved a little differently, giving around 5 percent of their disbursements as contributions in the late 1980s, a figure that fell to
Table 7.1  Direct Contributions, Coordinated Spending, and Independent Expenditures by Party Committees as a Percentage of Total Disbursements

<table>
<thead>
<tr>
<th></th>
<th>NRSC</th>
<th>NRCC</th>
<th>Republican State &amp; Local</th>
<th>RNC</th>
<th>DSQC</th>
<th>DCCC</th>
<th>Democratic State &amp; Local</th>
<th>DNC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Contributions</td>
<td>1987–88</td>
<td>1.2%</td>
<td>4.7%</td>
<td>1.1%</td>
<td>0.4%</td>
<td>2.6%</td>
<td>5.4%</td>
<td>1.7%</td>
</tr>
<tr>
<td></td>
<td>1989–90</td>
<td>1.0%</td>
<td>2.8%</td>
<td>2.4%</td>
<td>0.4%</td>
<td>2.5%</td>
<td>4.9%</td>
<td>1.7%</td>
</tr>
<tr>
<td></td>
<td>1991–92</td>
<td>1.0%</td>
<td>2.1%</td>
<td>1.2%</td>
<td>1.0%</td>
<td>2.3%</td>
<td>6.6%</td>
<td>1.2%</td>
</tr>
<tr>
<td></td>
<td>1993–94</td>
<td>1.0%</td>
<td>3.0%</td>
<td>1.5%</td>
<td>0.6%</td>
<td>2.0%</td>
<td>5.1%</td>
<td>1.7%</td>
</tr>
<tr>
<td></td>
<td>1995–96</td>
<td>1.1%</td>
<td>1.7%</td>
<td>1.1%</td>
<td>0.3%</td>
<td>1.8%</td>
<td>3.9%</td>
<td>1.0%</td>
</tr>
<tr>
<td></td>
<td>1997–98</td>
<td>0.5%</td>
<td>1.1%</td>
<td>1.4%</td>
<td>0.4%</td>
<td>0.8%</td>
<td>1.7%</td>
<td>0.8%</td>
</tr>
<tr>
<td></td>
<td>1999–2000</td>
<td>0.8%</td>
<td>0.7%</td>
<td>0.5%</td>
<td>0.2%</td>
<td>0.7%</td>
<td>1.2%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

|                  | Coordinated Expenditures | 1987–88 | 16.2% | 12.2% | 0.1% | 9.2% | 38.1% | 19.4% | 16.6% | 17.2% |
|                   |                       | 1989–90 | 11.4% | 8.2%  | 0.4% | 0.1% | 25.7% | 31.6% | 10.4% | 0.6%  |
|                   |                       | 1991–92 | 23.1% | 15.1% | 1.4% | 13.7% | 44.1% | 32.7% | 17.8% | 17.3% |
|                   |                       | 1993–94 | 16.7% | 15.0% | 1.6% | 5.5% | 46.5% | 39.9% | 16.2% | -0.8% |
|                   |                       | 1995–96 | 0.5%  | 10.0% | 0.5% | 11.8% | 27.3% | 21.5% | 10.5% | 6.3%  |
|                   |                       | 1997–98 | 0.1%  | 7.1%  | 8.4% | 3.7% | 0.0%  | 12.0% | 12.0% | 9.2%  |
|                   |                       | 1999–2000 | 0.0% | 3.9%  | 1.3% | 12.6% | 0.3%  | 5.3%  | 7.9%  | 11.1% |

|                  | Independent Expenditures | 1995–96 | 14.7% | 0.0%  | 0.2% | 0.0% | 4.5%  | 0.0%  | 0.7%  | 0.0%  |
|                   |                        | 1997–98 | 0.4%  | 0.0%  | 0.1% | 0.0% | 3.7%  | 0.0%  | 1.0%  | 0.0%  |
|                   |                        | 1999–2000 | 0.5% | 0.6%  | 0.4% | 0.0% | 0.3%  | 3.9%  | 0.9%  | 0.0%  |
around 1 percent in 2000. The change for the DCCC has been especially
dramatic: the high of 6.6 percent in 1992 declined steadily to 1.2 percent in
2000. Direct contributions were never very important for the DNC and RNC,
and they declined further over the period. This pattern held for both party's
state and local committees as well. Of course, since direct contributions to
candidates were limited to $5,000 for House candidates per election or
$17,500 for Senate candidates, and they are not adjusted to increase with
inflation, as the parties raise and then spend more hard money, the propor-
tion of that money that they spend on direct contributions would naturally
go down. Nevertheless, this decline in direct contributions indicates a
change in spending strategy by the CCCs.

Hard Money: Coordinated Expenditures. The coordinated expenditures
by CCCs in Table 7.1 show an even more dramatic shift than direct contribu-
tions to candidates. All four of the congressional campaign committees hit a
six-cycle low in the proportion of their disbursements made through coor-
dinated expenditures in 2000. This decline began in the 1996 election cycle
for all four committees, the first cycle in which the use of soft money became
widespread. Indeed, the NRSC essentially stopped making coordinated ex-
penditures in 1996, and by 1998, the DCCC had as well (showing the most
dramatic decline in coordinated expenditures from a 1994 high of 47 percent
of all disbursements). The DCCC and NRCC have continued with some co-
ordinated expenditures (around 5 percent of total disbursements), but this
figure represents a real drop for both organizations, especially the DCCC.
Since coordinated expenditures are indexed to inflation, there is no natural
inclination for them to decline as a proportion of overall spending, as was
the case with contributions. During this period, the CCCs also largely dis-
continued the use of agency agreements for coordinated expenditures made
with state and national committees as a primary means of assisting can-
didates.

The DNC and RNC also made coordinated expenditures, particularly in
presidential elections years, and although there has been a good bit of varia-
tion, they do not show the same pattern of decline. Democratic state and
local committees were more active in coordinated expenditures than their
Republican counterparts, but there was also a decline over the period, espe-
cially in 2000. The Republicans also showed a decline in 2000, from their
high point in 1998.

Hard Money: Independent Expenditures. As Table 7.1 shows, the NRSC
made a significant effort to spend independently in 1996, using 14.7 percent
of its total hard money disbursements for this purpose. Since that cycle,
however, none of the CCCs made significant use of this type of spending. In
the 2000 cycle, only the DCCC made an effort at independent spending,
using 3.9 percent of its total disbursements for this purpose. Given these
modest amounts, it is unlikely that the recent legality of independent expen-
ditures by parties accounts for the drop in contributions and coordinated expenditures. Neither the national committees nor the state and local committees were active in independent expenditures. It is surprising how little use the CCCs have made of this opportunity to make unlimited independent expenditures. Perhaps this result reflects the fact that independent expenditures must be made with hard money.

**Total Direct Hard Money Expenditures.** When we combine the CCCs’ three direct methods of hard money spending on congressional candidates, we find a significant decline, as can be seen in figure 7.1. All four CCCs were shifting away from direct, hard money expenditure strategies by the 1996 cycle, and the trend continued to 2000. If the congressional campaign committees in Washington were not spending hard money directly on candidates, then just where was this money going? Two possibilities come to mind: more hard dollars were spent on party operating expenses, or more hard money was transferred to the states.

**Party Operating Expenses.** Figure 7.2 shows the proportion of hard money disbursements spent on operating expenditures by the CCCs. The

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**Figure 7.1** Percentage of CCC Hard Money Spent on Contributions to Candidates, Coordinated Expenditures, and Independent Expenditures

![Graph showing percentage of CCC hard money spent on various expenditures from 1987-2000.](image-url)
data are only for the last three election cycles, but it is clear that after adjustments in 1998, all of the CCCs spent less of their hard money on operating expenditures. Why? Because they have been using more soft money instead of all hard money to pay for their administrative costs, such as salaries for permanent staff, rent, supplies, routine office expenses, and fundraising expenses. Of course, operating expenses for the purposes of party building, not issue ads, was the initial justification for increased soft money use by the national party committees.

Table 7.2 shows how soft money expenditures for operating expenses have increased along with hard money expenditures. Since the proportion of expenses paid for with soft dollars increased, the proportion of hard money needed for such expenses decreased, especially in 2000. Thus, soft money has allowed the CCCs to shift hard money away from operating expenses.

Transfers to States Parties. Until recently, transfers from the CCCs to state party committees appear to have been fairly limited. Indeed, figure 7.3

Figure 7.2  CCC Operating Expenditures as a Percentage of Total Disbursements (Hard Money)
Table 7.2 Operating Expenses for the CCCs

<table>
<thead>
<tr>
<th></th>
<th>Hard Money</th>
<th>Soft Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRSC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993-1994</td>
<td>$18,819,766</td>
<td>$69,879</td>
</tr>
<tr>
<td>1995-1996</td>
<td>37,992,630</td>
<td>8,106,748</td>
</tr>
<tr>
<td>1997-1998</td>
<td>41,111,183</td>
<td>11,227,390</td>
</tr>
<tr>
<td>1999-2000</td>
<td>26,666,696</td>
<td>9,901,006</td>
</tr>
<tr>
<td>DCCC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995-1996</td>
<td>5,022,164</td>
<td>2,301,920</td>
</tr>
<tr>
<td>1997-1998</td>
<td>6,844,887</td>
<td>4,273,660</td>
</tr>
<tr>
<td>1999-2000</td>
<td>8,181,948</td>
<td>7,448,921</td>
</tr>
<tr>
<td>NRCC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993-1994</td>
<td>10,308,085</td>
<td>583,802</td>
</tr>
<tr>
<td>1995-1996</td>
<td>58,992,129</td>
<td>9,176,416</td>
</tr>
<tr>
<td>1997-1998</td>
<td>48,173,593</td>
<td>7,584,607</td>
</tr>
<tr>
<td>1999-2000</td>
<td>67,114,364</td>
<td>24,293,925</td>
</tr>
<tr>
<td>DCCC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995-1996</td>
<td>7,171,423</td>
<td>3,305,725</td>
</tr>
<tr>
<td>1997-1998</td>
<td>11,580,702</td>
<td>5,583,796</td>
</tr>
<tr>
<td>1999-2000</td>
<td>16,554,840</td>
<td>14,008,257</td>
</tr>
</tbody>
</table>

shows that during the 1994 election cycle (the first cycle with reliable data for transfers), the CCCs transferred almost no money to the state and local parties. However, starting in 1996, the DSCC and the DCCC began to send more of their hard money to the states—just over 15 percent of total disbursements. By 1998, the NRSC and NRCC began to make such transfers. The DSCC then transferred a full 34 percent of its hard money disbursements to state parties in 1998, increasing that amount to over 58 percent by 2000. All of the CCCs increased their hard money transfers to the states to significant levels in 2000.

This dramatic increase in CCC hard money transfers to state and local parties helps explain the decrease in direct spending on congressional candidates—as more money went to the states, there was less to spend on candidates directly. Why did the CCCs begin to transfer significant sums to the state parties, and just what did the state parties do with all of this money?

The central reason that the national parties transferred so much hard money to state parties is that many states were a more hospitable environment for spending soft money. Figure 7.4 shows the dramatic increase in national party soft money transfers to state parties. Combined with the significant increase in hard money transfers shown in figure 7.3, it is clear that the national party committees did much of their spending through the state parties. Indeed, David Magleby reports "congressional party senior staff indicated . . . that national to state transfers represent well over 90 percent of
what they spend for congressional candidates" in the 2000 cycle (2001, 21). The DNC and RNC also made large transfers in the presidential election years for much the same reason.

These national committee transfers to state parties came under a great deal of criticism. Indeed, once national party soft money was transferred to a state party committee, it became extremely difficult to trace exactly how that money was eventually spent. The national committees disclose this money to the FEC as transfers to state parties, but each state has different reporting requirements and different rules regarding soft money use, making expenditures difficult to track (Dwyre 1996; Morehouse 2000).

The need to combine soft money with hard money in order to spend it on federal campaign activities has been a very significant factor behind the recent changes in national and state party spending patterns. The national parties spent less hard money, and the state parties increased their hard
money spending, in order to comply with the matching requirements that allow the parties to spend their abundant supplies of soft money on activities during elections such as voter mobilization efforts, mail campaigns, and issue advocacy ads.

The Committee Shuffle: State and National Committees Spend for the CCCs

Figure 7.5 shows how much hard money the CCCs transferred to all party committees: state parties, the national committee (RNC or DNC), or the party’s other CCC (i.e., House or Senate campaign committee). Although figure 7.5 is somewhat incomplete (because it reports only transfers out and does not deduct money that is transferred in to those committees from other committees), it still reveals something interesting: with one exception (the NRCC), transfers from the CCCs increased significantly, and by 2000 constituted a large portion of their disbursements. The NRCC spent more of its money directly, sponsoring a large number of issue ads for GOP House candidates nationwide, rather than transferring money to the state parties for this purpose.
Figure 7.5 CCC Hard Money Transfers to All Party Committees as a Percentage of Total Disbursements

Figure 7.6 shows that when all congressional direct spending is added together, the overall level of spending is remarkably stable, with the exception of Democratic coordinated expenditures in 2000, which is below the levels of the previous two cycles, and the Republican foray into independent expenditures in 1996. As the direct hard money expenditures of the CCCs declined, they were compensated for by expenditures from the national committee and state party committees. How and why did this "committee shuffle" happen?

According to interviews with several key party staff members who worked during the 2000 elections, the amount of money parties could devote to candidate campaigns in coordinated expenditures was smaller than the amount that could be spent through issue advocacy expenditures with a hard/soft money mix. Indeed, the CCCs all but abandoned the use of coordinated expenditures so that they could legitimately claim that they were not "coordinating activities" with their congressional candidates, a requirement for issue advocacy spending. Interviews with media consultants who worked during the 2000 election revealed that the national parties were careful not to hire the same media firm to make hard money campaign ads and soft money issue advocacy ads for the same congressional candidate (Oxman
2001). Indeed, some of the national party committees stipulate in their consultant contracts for issue advocacy campaigns that those consultants must not take on clients who are the beneficiaries of the same issue advocacy work. These precautions had some merit. During the 1996 presidential election campaign, the DNC was accused of improperly coordinating its issue advocacy ads with the Clinton campaign organization. Although the FEC dropped its case against the DNC for this coordination, the national parties operated under the assumption that such coordination is not permissible.

**Spending Patterns in the Future**

Since 1996, when the CCCs began engaging in issue advocacy in earnest, they have altered dramatically how they spend hard money. Where once they tried to maximize the hard money spent directly on candidate races, they decided to transfer hard money to the state committees, where it
could be mixed with soft money and spent on issue advocacy ads and voter mobilization. Once the CCCs figured out how best to make use of their soft money, their spending patterns changed to make the most efficient use of these resources.

By 2000, congressional campaign finance was highly centralized at the national level, allowing CCCs to raise the lion's share of both the hard and soft money spent in congressional races. Although much of this money was transferred to the state parties, the CCCs guided, if not dictated, how the state parties spent the money. Consequently, most of this money was spent strategically to serve the interest of the congressional party: It was concentrated on the most competitive races in each election cycle in an effort to maximize the number of seats won (Dwyre and Kolodny 2002).

The situation may change dramatically after the 2002 election if the Bipartisan Campaign Finance Act of 2002 (BCRA) withstands court challenges. Under the new law, the CCCs, the RNC, and the DNC cannot raise soft money, nor can they transfer hard money to be mixed with soft money to buy issue advocacy ads. This loss of soft money, and the restrictions placed on the state parties' use of it, will force the CCCs to find new ways to pursue their unique priorities.

One response would be for the CCCs to urge their big contributors to give to state parties in states with competitive candidates. However, the new law prohibits agents of the national parties from engaging in any soft-money fundraising, even at the state level. The new relationships the CCCs have established with the state parties might facilitate communications about how state and local parties might interpret the Levin Amendment, which allows for a very limited soft money role for state and local parties. However, there would be no assurance that this money would be used to help competitive congressional candidates, and no direct assistance from the national party organizations in raising soft money will be allowed.

The issue advocacy provision of the BCRA bars the use of soft money for issue ads that feature the name or likeness of a federal candidate in the weeks before an election. Even if this provision is struck down as unconstitutional, the CCCs will not have access to the soft money critical to running issue ads. But one could imagine the development of allied issue advocacy groups to take the place of party issue ads, perhaps with the encouragement of the CCCs. However, there is no guarantee that such groups will follow the parties' priorities.

Another approach would be for the parties or their fundraisers to bundle contributions from individuals (which have been increased from $1,000 to $2,000 per election under the BCRA) for targeted candidates. This approach would involve a much less direct role for the CCCs, for they would neither raise the money themselves nor decide how it is spent, only suggest which candidates would receive it. However, the CCCs may have a difficult time
convincing individual contributors and PACs to abandon their traditional contribution strategies in order to follow the parties’ goal of seat maximization.

Yet another alternative is to induce congressional party leaders and well-heeled incumbents to contribute to competitive candidates from their own campaign committees or their leadership PACs. We have known for some time that the CCCs have orchestrated the activities of individual members for the benefit of the common good of the party (Kolodny and Dwyre 1998), and that since 1994 the CCCs have expected members in a position of power to donate extra funds to the party coffers (Kolodny 1998, chapter 7). We can envision a proliferation of member PACs centrally orchestrated by the CCCs. Under all of these scenarios, the CCCs would no longer be the generator of funds, but the coordinator of them.

Under the BCRA, the parties may either make coordinated expenditures on behalf of a congressional candidate or make independent expenditures, but not both, overriding the 1996 Colorado decision. Parties may begin to make more extensive use of independent expenditures for their most competitive candidates in the post-reform era because independent expenditures will be the only means for the party to spend unlimited amounts in a congressional race. Candidates, of course, prefer coordinated expenditures, for they have some control over how the money is spent. Under the BCRA, the hard money receipts of the CCCs will increase because the limit for contributions to parties have been raised from $20,000 to $25,000, but these new resources are unlikely to replace the huge sums of soft money raised in recent elections.

Clearly, the BCRA will significantly alter the role of the CCCs, the only party committees whose primary task is to maximize seats in Congress. However, if the changing pattern of the CCCs’ spending in recent times is any guide, they will not take long to adapt to the new law and find the best way to efficiently pursue majority status in Congress.

Notes

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1. The issue of what “coordination” means has been problematic for the parties. In 1996, the NRSC moved a staff dedicated to independent expenditures out of their party headquarters to a separate office to prove the “independence” of the operation (Corrado 1997, Campaigns & Elections 1998).

2. In all states except Connecticut and Alaska, which ban soft money, party activities that affect both federal and state/local elections and party issue advocacy ads must be paid for with a combination of hard and soft money according to ratios set by the FEC.

3. Buckley v. Valeo 424 U.S. [1976] n. 52. While the Court did not indicate whether this list was exhaustive, most legal, political, and scholarly observers do not regard it as so.
4. The percentages represent the dollar amount of contributions made in a given election cycle divided by the dollar amount of total disbursements for that same election cycle.

5. The Senatorial committees may also make contributions to House campaigns of no more than $5000 per election. This sometimes happens at the suggestion of the head of the House CCC, usually in exchange for some other committee's assistance for Senate candidates.

6. If a party committee were to give its maximum contribution to each of the thirty-three to thirty-four senate candidates per election cycle, it would spend between $577,500 and $595,000. Likewise, there is an absolute limit of direct contributions for House committees of $5,000 per election (normally two per cycle—primary and general) and a maximum number of races at 435. If a party ran a candidate in each district, it could theoretically contribute $4.3 million in direct contributions. Neither parties' CCCs have come close to spending these amounts.

7. The DCCC spent this money solely on phone banks for GOTV (get-out-the-vote) calls in thirty-nine competitive House races one week or less before the elections.