I. How much money is spent on campaigns?

A. Campaign spending at all levels—where the money comes from: Figure 12.5, p. 236

1. **Hard money**: contributions from private individuals or organizations (PACs) to *candidates*—(limited since 1974)

2. **Soft money** loopholes:
   a. Contributions from private individuals or organizations (PACs) to *state and local political parties*—(banned by the Bipartisan Campaign Finance Act [BCRA] of 2002)
   b. **Section 527 groups**: non-profit groups registered with IRS that are free to collect unlimited soft-money contributions from corporations, unions, and individuals and spend it on *issue-advocacy ads*

3. **Independent money**: other money spent by individuals or organizations (PACs) mainly on media advertisements
   a. BCRA bans all *PAC-funded candidate-advocacy television or radio ads* during the last 30 days before a primary and the last 60 days before a general election that "expressly advocate" the election or defeat of a candidate.
   b. BCRA also bans all *PAC-funded issue-advocacy ads* that only attempt to raise and discuss issues without endorsing or attacking a particular candidate during the same “windows.”
   c. Not banned are any ads funded entirely by federally regulated hard money or by soft money contributed only by individuals.

4. **Personal money**: campaign contributions from the *candidate or members of their immediate family*
   a. Unlimited since 1976 by *Buckley v. Valeo*, because an individual cannot “bribe” him or herself, *Buckley* allows no restrictions on a candidate's spending personal money on their own behalf

B. Presidential general-election campaigns, 1960-2004 Figure 12.1, p. 218

1. Public-funding option added by FECA of 1974 for presidential (but not congressional) elections
2. Presidential candidates who have rejected public funding in *primaries* (since 1976, all major-party presidential nominees have used public funding in *general election*)
   a. 1980 primaries: John Connally [R]
   b. 2000 primaries: George W. Bush [R]
   c. 2004 primaries: George W. Bush [R], Howard Dean [D], John Kerry [D]
   d. 2008
      (1) *Primaries*: most major-party candidates have rejected
      (2) *General election*: both major-party nominees may reject for the first time

C. Congressional campaigns, 1971-2004 Figure 12.2, p. 221 & Figure 12.3, p. 222

1. Overall pattern: usually (but not always) up in House; greater variation over time in Senate
2. Biggest expenditures are in races for open seats
3. Incumbents usually out raise and outspend challengers

D. State and local campaigns

1. Big-state governors and big-city mayors spend several million
2. Big-state legislative races can cost half a million

II. Too much or too little? Box, p. 224

A. Cost per vote
B. Compared to commercial produce advertising

III. Where does the money come from? Table 12.2, p. 226

A. Individual contributors
B. Political action committees Table 12.3, p. 230
C. Parties
D. The candidates themselves
E. Public funding
   1. Presidential v. congressional
   2. Presidential nomination v. general election stages
   3. Check-off now $3

IV. Money in state and local campaigns

V. Reform of the campaign finance rules pp. 230-44
   A. Contribution limits (“hard or federal” money – presidential & congressional) Table 12.4, p. 231
   B. Spending limits (if public-funding accepted – presidential, only)
      1. Pre-nomination: $10 million (1974 dollars)
      3. $50,000 limit on personal/family money
   C. Public disclosure
   D. Public funding of presidential campaigns
      1. Eligibility criteria
         a. Pre-nomination
         b. General election
      2. Minor party/independent candidate disadvantages

VI. The loopholes that ate the reforms
   A. Independent spending
      1. Origin: Buckley v. Valeo
      2. Definition
   B. Soft (non-federal) money contributions Figure 12.4, p. 235
      1. Origin: 1979 FECA amendments
      2. Definition
      3. Banned by Bipartisan Campaign Reform Act of 2002 (BCRA)
   C. Issue-advocacy ads
      1. Origin: Buckley v. Valeo
      2. Definition
      3. Limited by Bipartisan Campaign Reform Act of 2002 (BCRA)
   D. “527” advocacy groups
      1. Origin
      2. Definition

VII. What did the 1970s reforms accomplish?
   A. Intended and unintended effects
      1. Campaign costs
      2. Grass-roots v. fat-cat or special-interest contributions
      3. Level playing field
   B. Effects on parties
   C. Another try: the Bipartisan Campaign Reform Act (BCRA) of 2002
   D. State regulation and financing: "laboratories of democracy"

VIII. Money in American politics Box, p. 244
   A. How much influence is being purchased?
   B. How much are parties being hurt?
   C. Which candidates/parties will be helped by which reforms?