

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*,
 - b. 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)
 - 2. General election: \$20 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?