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R SHEET ON

LEADERSHIP PACS

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BACKGROUND

Leadership PACs are political action committees created to promote the politicians who establish them. Like other PACs, leadership PACs can accept donations of up to $5,000 per year, per source and can make contributions of up to $5,000 per candidate, per election. These committees can also contribute to local and national party organizations.

Leadership PACs are a product of the 1970s House reforms that attempted to create a more democratic institution by stripping long-serving committee chairs of some of the power they wielded over the legislative agenda. The reforms redistributed power to subcommittee chairs and party leaders and allowed junior members to more easily compete for influence in the chamber.

In 1978, Rep. Henry Waxman (D-Calif.) registered the first federal leadership PAC. When Waxman set up his PAC, he was seeking a subcommittee chairmanship on the House Energy and Commerce Committee. He used the PAC to distribute campaign contributions to his committee colleagues and won the post by a vote of 15 to 12. That a two-term member who was fourth in seniority on the subcommittee could win such a coveted position showed the power of leadership PACs.

Members of Congress—particularly leaders—had long given money to their colleagues in need but that money was contributed on an ad hoc basis and came out of their personal campaign accounts. Leadership PACs, on the other hand, allowed them raise and give in larger amounts, and made it easy for colleagues to keep tabs on their generosity.

In 1978, fewer than 10 leadership PACs were registered with the Federal Elections Commission (FEC); by 1988, 45 were, and in 1998, there were 120. As of October 2018, 97 sitting senators and roughly 90 percent of House members have leadership PACs.

SUMMARY

- Leadership PACs are political action committees created to promote the politicians who establish them.
- These committees used to be relegated to party leaders but today almost every member of Congress has a leadership PAC.
- Leadership PACs were originally a vehicle for members to raise money for colleagues. Today, less than 50 percent of leadership PAC funds go to support others.
- The FEC can extend personal use restrictions to leadership PACs and members can take action to deemphasize fundraising expectations in the chamber.

CURRENT DEBATE

Now that most members have leadership PACs, their use has shifted. In part, this is because the dynamics of the House have changed once again.

The 1994 Republican Revolution created a unified majority that voted to centralize power in the leadership. Under this new system, leaders reasserted firm control over the agenda and legislative process. Rising through the ranks required strict party discipline and a willingness to raise money for the party. Those who played along were rewarded with chairmanships and leadership posts.

The sheer amount of campaign money in today's system has altered the way members use leadership PACs. While historically, they were employed almost exclusively to raise money for colleagues, today, less than 50 percent of the money raised by these PACs goes to support other candidates. Most members now use their leadership PACs to pay for luxury travel, meals and club memberships—all in the name of raising even more money.

ACTION ITEMS

Although the law prohibits elected officials from using their campaign committee money for personal use, the FEC does not enforce similar restrictions on leadership PACs. As a result, members use them, rather than personal campaign committees, to cover questionable expenses because such expenditures are unlikely to attract FEC scrutiny.

The FEC is currently considering a fix for this loophole. If adopted, the new rule would require the commission to specify that the personal-use ban that applies to member campaign committees also applies to leadership PACs. Closing this loophole would cut off the legal means by which members spend lavishly on themselves and their donors.

The House and Senate Ethics Committees also could investigate cases of alleged misuse of leadership PAC funds just as they do with cases of member misuse of campaign committee funds.

House members who favor a system where fundraising does not play such a determinative role in what they can and cannot accomplish can act to change the chamber's incentive structure. For example, members can adopt internal House rules to change the current structure to one that rewards policy and institutional expertise over fundraising prowess. Such an approach would likely require removing some of the control that leaders have over internal political processes, like fundraising benchmarks for members and ties that bind member advancement to fundraising success. The 1974 Hansen Committee recommendations are instructive here, in terms of how this process might work.

The House or congressional party organizations might also choose to adopt internal rules prohibiting fundraising while the House is in session.

Congress could limit the use of leadership PACs to the top congressional leaders of both parties in both chambers. The Bipartisan Policy Center notes that leadership PACs "were originally intended to give a small number of party leaders a way to raise money for party candidates."

Put simply, however, the proliferation of leadership PACs, and shifts in the way they are used mean that members today spend an excess of time raising money for both their campaign committees and their leadership PACs. Such time devoted to fundraising cuts into time spent on policymaking and constituent representation, which are the core responsibilities of members of Congress.

CONTACT US

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