

CHAPTER 1

Introduction

Over the last twenty-five years, a remarkable phenomenon has developed in the U.S. Congress. While individuals, interest groups, corporations, labor unions, and parties all contribute money to support congressional candidates, members of Congress are themselves increasingly active as *contributors* to candidates and to political parties. Members make these contributions from funds they have raised for their own reelection campaigns or from a political action committee (PAC) formed for the express purpose of raising and redistributing funds. Indeed, some of the ethics questions surrounding former Republican House Majority Leader Tom DeLay center on contributions from his Texas-based leadership PAC that were allegedly illegally channeled into the campaigns of several Texas candidates through the Texas Republican Party.

While many scholars have noted the rise of members as contributors (Baker 1989, Wilcox 1989, Wilcox and Genest 1991, Kolodny 1998, Bedlington and Malbin 2003, Heberlig and Larson 2005), much of their work focuses on describing the increase in the amount of contributions that members of Congress donate to their parties and to each other. While the increase in the amount of funds available through these channels may seem novel, it is ultimately unimportant unless the use of such funding has observable consequences. While the rise of members as contributors is well-documented, the political impact of these donations is not thoroughly explored. Could member contributions affect the way in which Congress works? Consider the following two illustrations:

Tom Latham (R) has represented Iowa's 4th District in the U.S. House since 1994. The 4th District is evenly divided between Republicans and Democrats, and is considered one of Iowa's most competitive districts. Furthermore, redistricting in the 2002 elections changed 50% of the district, making it ripe for a Democratic challenge. Because Latham's seat was targeted by Republican leaders so as to retain control of the House in 2004, PACs sponsored by incumbent Republicans donated about \$200,000 to Latham's campaign. This activism on the part of party members had one obvious effect—Latham carried the district 54–46. However, a less obvious effect is in Latham's voting. Indeed,

during the first session of the 109th Congress (2005), Latham voted with then House Majority Leader, Tom DeLay, on about 97% of all roll-call votes.

In addition to impacting members' voting behavior, member contributions might also affect congressional organization. Consider the appointment of committee chairs. At the outset of the 107th Congress, Jim Leach (R-IA) was forced to give up the chair of the House Banking and Financial Services Committee because of the six-year term limits Republicans placed on committee chairs in 1995. Marge Roukema, a moderate Republican from New Jersey, ranked second in seniority, having served on the committee for all of the twenty years she had spent in the House. By traditional standards, the gavel of the Banking Committee should have been hers.

However, the chairperson term limit was not the only committee reform made in the 104th Congress. The Republicans made it clear that seniority would be only one factor among others when choosing committee chairs. Roukema's party unity score (based on the standard *Congressional Quarterly* [CQ] score) in the 106th Congress was 78.5%, while her more junior opponents, Michael Oxley and Richard Baker, had scores of 92.5 and 92%, respectively. As an example of how money can demonstrate party loyalty, Oxley contributed \$170,700 to Republican Party committees and \$290,600 to Republican candidates in the 2000 election cycle; Baker had given \$152,000 to party committees and \$40,000 to fellow party candidates, while Roukema had made only \$40,000 in contributions to Republican Party committees. Republican leaders must have been impressed with Oxley—they transferred part of the jurisdiction of the Energy and Commerce Committee (where Oxley had been serving) to the Banking and Financial Services to justify appointing Oxley as its chair even though he never held a position on that committee in the 106th Congress!

This book contends that exchanges involving member contributions are changing the political landscape in two important ways. First, member contributions have a *behavioral* effect on legislators. Leaders in Congress make contributions to rank-and-file members to win their loyalty in roll-call voting. To what extent do legislators actually reciprocate by supporting party leaders? Second, member contributions have an *institutional* effect on Congress. Candidates for congressional leadership positions, from the Speaker down to committee and subcommittee chairs, make contributions to their party and to other party members to build support for their leadership bids. To what extent have these contributions become part of the criteria used for selecting congressional leaders?

Perhaps more important than either the behavioral or institutional effect alone, these examples together suggest that political party leaders have found clever ways to harness the power of member-to-member and member-to-party contributions by entering exchanges with party members that further the goals of the party. Latham's example suggests that leaders may be able to use these contributions to promote unity in voting. Oxley's selection as chair of the

Banking and Financial Services Committee suggests that party leaders may distribute leadership positions in a way that rewards party unity and encourages members to raise money for the party and party candidates, a necessity in today's age where each election brings a stiff battle for majority control of Congress. Naturally, though, before drawing generalizable conclusions about the effects of member contributions, more systematic evidence is required than can be given in these simple examples.

Chapter 2 describes the legal framework within which member-to-member and member-to-party contributions are made and acquaints readers with existing descriptions of the members-as-contributors phenomena. Chapter 2 also presents recent data on member-to-member and member-to-party contributions and an analysis of which members of Congress are most likely to give and receive member-to-member contributions. This chapter also engages in a discussion of the proliferation of leadership PACs and member contributions over time.

Chapter 3 develops the theoretical framework for the remainder of the study, explaining why members of Congress donate to their respective parties and why legislators and the entire legislature may be affected by these contributions. By uniting disparate literatures on campaign finance, elections, and Congress, the chapter builds an exchange theory of member-to-member and member-to-party contributions. I explain how a feature of the electoral process (member contributions) may have important ramifications for the behavior of members of Congress and for the overall operation of Congress as an institution. Individuals seeking to gain or maintain a seat in Congress will be willing to offer their voting loyalty to congressional leaders who assist with the provision of the funds necessary to run a campaign. Further, members of Congress seeking to increase their power within Congress will exchange contributions in order to gain and maintain the leadership or committee chair positions they seek.

With the theoretical framework established, the remainder of the book focuses on documenting some of the consequences of member contributions. Chapter 4 is an empirical study of the relationship between leadership contributions and membership voting behavior. Previous work has suggested that no relationship exists between party committee contributions and members' voting loyalty (Damore and Hansford 1999, Cantor and Herrnson 1997). However, these studies do not consider the effect of contributions directly from party leaders. This is a significant omission given the different incentives faced by party committees and by party leaders. While party committees simply work to maximize the seats held by members of Congress, party leaders are engaged in the day-to-day struggle for the 218 votes needed to pass a bill in the House of Representatives. Results show that party leaders effectively exchange campaign contributions for increases in voting loyalty among the party's rank-and-file members.

Chapter 5 examines contests for committee chairs. While seniority has traditionally dominated the committee chair selection process, in recent years, political parties have violated the seniority rule with increasing frequency. Given the power that is centered in committee chairs, parties have a vested interest in making sure that ideologically loyal partisans occupy committee chair positions. I contend that political parties have taken control of the committee chair appointment process and have abandoned the seniority system in favor of an exchange-based system where the party grants committee chair positions as a reward for party loyalists and for prolific fund-raisers. I demonstrate this using both basic qualitative and sophisticated quantitative techniques.

Chapter 6 focuses on the House Appropriations Committee. Given the substantial amount of power vested in this committee, party leaders have often struggled to control this committee as a means of controlling what may be Congress' greatest power—the power of the purse. Nevertheless, historical attempts to reform the Appropriations Committee have not been smashing successes. Building on Aldrich and Rohde's (2000) work on post-1994 attempts to bring the Appropriations Committee under the control of the majority party, I show that Republican leaders have made inroads on the nonpartisan culture of the Appropriations Committee by exercising control over appointments to subcommittee chair positions on that committee. Further, the chapter shows that party leaders use subcommittee chair positions on Appropriations as an incentive to encourage fundraising on behalf of the party and party candidates.

Chapter 7 takes a qualitative approach to studying the role of member contributions in party leadership selection. While the role of member contributions in appointments to positions in the lower ranks of party leadership has been well-studied (Heberlig, Hetherington, and Larson 2006; Heberlig and Larson 2007), this chapter focuses on selecting the core leadership of the two major political parties (Speaker, majority/minority leader, majority/minority whip, and conference/caucus chairs). I show how fund-raising has become a key consideration in party leadership selection. Looking qualitatively at leadership contests through the late 1990s and early 2000s, I find that the leadership candidates who demonstrate the greatest capacity as fund-raisers tend to win the position they seek.

The book concludes with chapter 8 with a discussion of the overall impact of member-to-member and member-to-party contributions, with a particular focus on the implications of the exchange theory for the strength of congressional parties. It also encourages the reader to begin considering the normative implications of member contributions. These contributions allow members of Congress to receive twice as much money from interest groups by soliciting donations to their personal campaign fund as well as to their leadership PACs. Further, contributors who donate in support of a particular candidate may find that their contributions have simply been rerouted to another

candidate who they did not want to support. This chapter discusses several possible legal reforms and their consequences. Finally, I argue that the importance of member contributions will only increase over time. With the disappearance of soft money in the wake of the Bipartisan Campaign Reform Act of 2002, parties are scrambling for new ways to raise more money. For cash-strapped parties, incumbent members of Congress have proven to be an excellent source for additional funds. This being the case, it seems that the importance of member-to-member and member-to-party contributions will only continue to increase with the passage of time.