Testimony of
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Hearing on
"Repealing the Limitation on Party Expenditures on Behalf of Candidates in General Elections"

Committee on Rules and Administration
United States Senate
SR-301, Russell Senate Office Building

April 18, 2007

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Madam Chairman, Senator Bennett, and other members of the Committee, thank you for inviting me to share my views on repealing the limitation on party expenditures on behalf of candidates in general elections. I last appeared before your committee on March 14 to urge you to move quickly to adopt a clean bill providing for electronic filing of Senate campaign finance reports. You acted expeditiously to do just that and I am delighted that it is on track to receive unanimous support in the Senate. I am pleased to return to discuss the bill introduced by Senator Bennett and Senator Corker to amend the Federal Election Campaign Act of 1971 to remove limits on party coordinated spending.

The 2004 and 2006 elections confirmed a new reality regarding party financing of federal elections: there is no limit on what parties can spend in hard dollars for their candidates in federal elections, only restrictions on the legal form of those expenditures. Parties can make limited contributions to candidates, limited coordinated expenditures spent with candidates, and unlimited independent expenditures. (We also saw a new form of "hybrid" expenditure emerge in the 2004 presidential election, which allowed presidential campaigns to control the use of party funds well beyond the limits on coordinated spending.) The idea of a political party spending independently of its own candidates, affirmed in *Colorado I*, strikes most political scientists, myself included, as preposterous, especially once the party's nominee is selected. What public good is served by forcing parties to set up entirely independent operations, which avoid any coordination with that candidate? It is a perversion of the whole purpose of political parties.

A decade ago I joined with colleagues Norman Ornstein, Paul Taylor, Michael Malbin and Anthony Corrado in proposing a set of campaign finance reforms, initially issued on December 17, 1996 as "Reforming Campaign Finance" and later presented as "5 Ideas for Practical Campaign Reform" by the League of Women Voters Education Fund. Most of our recommendations on soft money and candidate-centered issue advocacy became part of the Bipartisan Campaign Reform Act of 2002. After urging that nonfederal (soft money) contributions to national party committees be banned, we proposed the following:

> Give parties freedom to allocate the hard resources they are able to raise among their candidates for office as they choose and not subject to existing regulations, in order to provide a robust role for political parties even as they lose the soft money resources; this in turn will move the parties away from the subterfuge, encouraged by the *Colorado* decision, that they can operate independently of their own candidates.

The explicit trade was a limitation on the source and size of contributions to parties in exchange for the freedom to spend those revenues as they deemed most efficacious. This recommendation did not become part of BCRA and it is no surprise that party independent spending in presidential and congressional elections has exploded. In the two elections before BCRA, party independent spending totaled $3,866,977 in 2000 and $3,645,408 in 2002; after BCRA, the comparable figures were $264,524,078 in 2004 and $223,746,652 in 2006. What are the costs of maintaining this system of limited party coordinated spending and unlimited party independent spending? And what would be lost if it were replaced by a system of unlimited coordinated spending?

The costs of the present system are diminished efficiency and accountability. Having to set up a separate independent spending operation increases the administrative expenses born by parties. More importantly, it runs the risk of conflicting messages and less than optimal timing of ads run by candidates and their parties. Party independent spending also blurs the lines of responsibility and makes it more difficult for voters to hold candidates and parties accountable for their campaign ads. Some lack of accountability is an inevitable cost of independent spending by outside groups but it need not be borne by political parties. Amending federal campaign finance law to remove limits on party coordinated spending would increase the efficiency and accountability of party campaign activities on behalf of its candidates.

Moreover, it would do so without compromising any of the advantages attached to the existing system. BCRA's prohibition on corporate and union treasury contributions to parties and its limits on individual donations (to party committees and aggregate totals during an election cycle) would, under the new system, prevent (as it does now) candidates from using parties to launder unlimited contributions from special donors. Parties now routinely tally contributions directed by candidates to party committees and steer those resources to benefit those same candidates. Switching from unlimited independent to unlimited coordinated spending would not alter the nature of this transaction nor the amounts of money involved.

Indeed, I see no evidence that repealing the limit on party coordinated spending would undermine contribution limits now in place for candidate campaigns, increase the influence of large party donors, or advantage one political party over another. I know that Republicans have been supportive of this change in law while Democrats have been generally opposed to it. But I see no empirical basis for this party disagreement. Any fundraising and spending allocation behavior permitted under the new system is possible under the existing system. A new system of unlimited coordinated party spending would, however, strengthen ties between parties and their candidates, increase the accountability of candidates for party-financed campaign activities, and improve the efficiency of party operations. The latter might have the desirable side effect of encouraging the parties to target their resources in a less concentrated fashion, thereby expanding the number of seriously contested races.

THOMAS E. MANN

Thomas E. Mann is the W. Averell Harriman Chair and Senior Fellow in Governance Studies at The Brookings Institution. Between 1987 and 1999, he was Director of Governmental Studies at Brookings. Before that, Mann was executive director of the American Political Science Association.

Born on September 10, 1944, in Milwaukee, he earned his B.A. in political science at the University of Florida and his M.A. and Ph.D. at the University of Michigan. He first came to Washington in 1969 as a Congressional Fellow in the offices of Senator Philip A. Hart and Representative James G. O'Hara.

Mann has taught at Princeton University, Johns Hopkins University, Georgetown University, the University of Virginia and American University; conducted polls for congressional candidates; worked as a consultant to IBM and the Public Broadcasting Service; chaired the Board of Overseers of the National Election Studies; and served as an expert witness in the constitutional defense of the McCain-Feingold campaign finance law. He lectures frequently in the United States and abroad on American politics and public policy and is also a regular contributor to newspaper stories and television and radio programs on politics and governance.

Mann is a fellow of the American Academy of Arts and Sciences and a member of the Council on Foreign Relations. He is a recipient of the American Political Science Association's Frank J. Goodnow and Charles E. Merriam Awards.

Mann's published works include *Unsafe at Any Margin: Interpreting Congressional Elections*; *Vital Statistics on Congress*; *The New Congress*; *A Question of Balance: The President, the Congress and Foreign Policy*; *Media Polls in American Politics*; *Renewing Congress*; *Congress, the Press, and the Public*; *Intensive Care: How Congress Shapes Health Policy*; *Campaign Finance Reform: A Sourcebook*; *The Permanent Campaign and Its Future; Inside the Campaign Finance Battle: Court Testimony on the New Reforms*; *The New Campaign Finance Sourcebook*; and *Party Lines: Competition, Partisanship and Congressional Redistricting*. He has also written numerous scholarly articles and opinion pieces on various aspects of American politics, including elections, political parties, Congress, the presidency and public policymaking.

He is currently working on projects dealing with redistricting, election reform, campaign finance and congressional reform. He and Norman Ornstein recently published *The Broken Branch: How Congress is Failing America and How to Get It Back on Track* (Oxford University Press, 2006).

Mann resides in Bethesda, Maryland with his wife Sheilah, who is also a political scientist. They have two children, Ted, an assistant curator at the Guggenheim Museum in New York, and Stephanie, an MBA student in the Kellogg School at Northwestern University.