

# Campaign Finance and Spending



# With a partner...

1. What are the positives and negatives of allowing organizations, corporations, and unions to contribute money to candidates and political parties?

# What needs to be funded in a campaign?

- Payroll for staff
- Equipment
- Putting on events
- Media
- Strategy and research
- Travel
- Technology

Where can the money come from?

- **CANNOT** come from foreign donations

# Where can the money come from?

- Candidate can qualify for PUBLIC FINANCING

--must agree to strict limits on overall spending and party must have received 5% of vote in previous election

--People donate \$ on their federal tax returns


Form **1040** Department of the Treasury—Internal Revenue Service (99) **2015** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2015, or other tax year beginning \_\_\_\_\_, 2015, ending \_\_\_\_\_, 20

Your first name and initial	Last name	See separate instructions.
		Your social security number
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions.		Apt. no.
		▲ Make sure the SSN(s) above and on line 6c are correct.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).		Presidential Election Campaign
Foreign country name	Foreign province/state/territory	Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse
Foreign postal code		

**Filing Status** Check only one box.

1 <input type="checkbox"/> Single	4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ _____
2 <input type="checkbox"/> Married filing jointly (even if only one had income)	5 <input type="checkbox"/> Qualifying widow(er) with dependent child
3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶ _____	



# Where else does the \$ come from?

## Four Main Sources

- 1) Small individual contributors (\$200 or less)
- 2) Large individual contributors (\$200 or more)
- 3) Self-financing (the candidate's own money)
- 4) PACs (Political Action Committees) and Super PACs



# Spending on 2010 Congressional Races

	Small Individual Contributors	Large Individual Contributors	Political Action Committees	Self-Financing	Other
House Democrats	9%	47%	38%	3%	3%
House Republicans	14%	48%	24%	12%	3%
Senate Democrats	11%	54%	15%	12%	8%
Senate Republicans	18%	42%	12%	20%	8%

In Bernie Sanders 2016 presidential campaign, 58% of his \$ came from small individual contributors

# What are PACs and SuperPACs?

- *Political Action Committees (PACs)* are organizations that pool campaign contributions from members and donate these funds to campaigns; there are limits on how much they can spend
- *SuperPACs* are “independent-expenditure only committees” that can spend unlimited amounts of money supporting a candidate as long as they are not “coordinating” with the candidate.



# Campaign-Finance Laws

- 1971 Congress passed the Federal Election Campaign Act (FECA) – first limits on campaign finance
  - Restricted amount spent in mass media
- FECA amended in 1974 - limited campaign finance
  - Can get public funding but candidates must agree to spending limit
  - Candidates must file reports with the newly elected Federal Elections Committee (FEC) that lists contributions and how money was spent

# Major Changes and Reforms

- McCain/Feingold Act (2002) - bipartisan - limited campaign finance
  - Limited contributions to political parties
  - No issue advocacy ads w/in 30 or 60 days of elections
  - “I approve this message”
- *Citizens United v FEC* (2010)- expanded campaign finance
  - Gave corporations the same First Amendment free speech rights as citizens; corporations and unions can donate unlimited amounts of money
  - PACs and Super PACS can air campaign ads directly against candidates
  - Donors are largely undisclosed

# PACs and Super PACs

[Colbert Decides to set up a PAC](#) 4:38

[What is a Super PAC](#) 2:00

[Colbert Super PAC Coordination](#) (7:36)

[Colbert Interview on PACs and SuperPACs](#) 6:19



OpenSecrets.org on PAC spending



SuperPAC spending

# Your Campaign Plan

Include a paragraph detailing how you will raise money for your campaign, considering the following:

- Will you accept public financing (requiring you to accept spending limits)?
- What will be your campaign's official position on SuperPACS campaigning on your behalf? Let's assume there is a SuperPAC that has a more extreme stance on one of your planks than you do and is advertising thusly. How will you handle this issue?
- Not including the above, specifically, what two other ways of funding your campaign will you most focus on?
- Rank from 1-5 the top five areas you will spend the money raised in your campaign and explain why