

#### **The Price of Power Revisited**

With control of the House of Representatives comes gavels — and fundraising expectations

#### By Amisa Ratliff, Ariana Rojas, and Michael Beckel

With Republicans taking control of the U.S. House of Representatives last month for the first time in four years, there's been a shift in leadership in the legislative branch of government.

Republicans have picked Reps. Kay Granger (R-TX), Cathy McMorris Rodgers (R-WA), Patrick McHenry (R-NC), and Jason Smith (R-MO) to lead the four most powerful committees in the House — Appropriations, Energy and Commerce, Financial Services, and Ways and Means.

With the gavels come not only the power to set the agendas for their respective committees, but also something more insidious — astronomical fundraising demands that are akin to a tax that legislators are expected to pay for their committee slot. They often pay this "committee tax" by soliciting corporations, labor unions, and other special interests that have business before their committees.

As Issue One has <u>previously detailed</u>, both the Democratic and Republican parties <u>lean on all members</u> <u>of Congress</u> to raise funds for the party's political war chests. The more influential a legislator's role in Congress, the more money party leaders expect them to raise, with committee chairs being expected to raise more funds than members of their caucus who aren't in leadership roles.

"Political parties requiring members of Congress seeking prominent committee assignments to pay a hidden 'tax' for that institutional right is a shadowy practice that needs to end," said Issue One ReFormers Caucus Co-chair Amb. Tim Roemer (D-IN), who served in the House of Representatives for six terms and was co-chair of the New Democrat Coalition. "It's not healthy for members of Congress to be constantly worried about dialing for dollars. Ideally, decisions about committee assignments should be made based on legislators' professional talents and previous experience, not how much they contribute to party organizations."

Added Issue One ReFormers Caucus Co-chair Rep. Zach Wamp (R-TN), who was the top Republican member of two subcommittees on the House Appropriations Committee during his eight terms in Congress: "The current 'party dues' system is a recipe for corruption that disconnects members of Congress from their constituents. The current 'dues' system puts legislators under immense pressure to make appeals to special interests to gain and maintain their committee assignments. The factors that determine who serves on which congressional committees should include your expertise, passion, and experience — not just how dedicated you are to raising money."

The exact amount of money that members of Congress are expected to raise is secret, albeit a secret that occasionally leaks to the public.

In 2017, conservative Rep. Ken Buck (R-CO) <u>published a book</u> that said chairs of the most powerful House committees were expected to raise \$1.2 million apiece over two years for the National Republican Congressional Committee (NRCC) — and that the Republican House Speaker was expected to raise \$20 million.

Last year, *Punchbowl News* <u>published an internal</u> <u>Democratic Party document</u> that showed the chairs of the most powerful House committees were expected to raise \$1.8 million apiece over two years for the Democratic Congressional Campaign Committee (DCCC) — and that the Democratic Speaker of the House was expected to raise \$31 million.

# "

The current 'party dues' system is a recipe for corruption that disconnects members of Congress from their constituents."

- ReFormers Caucus Co-chair Rep. Zach Wamp (R-TN)

A new Issue One review of federal campaign finance filings reveals that both the Democrats who led the four most powerful House committees during the past two years and the Republicans who lead them now raised significant sums for their respective parties between January 2021 and December 2022.

These eight lawmakers collectively transferred more than \$5.2 million to the DCCC and NRCC during this two-year period, campaign finance filings show. Each of these lawmakers transferred six- or seven-figure sums to the NRCC or DCCC, with McMorris Rodgers and Smith each giving the NRCC more than \$1.1 million.

In practice, this meant that approximately \$1 of every \$5 any of these lawmakers spent during the 2021-2022 election cycle didn't go to their own reelection campaign efforts, TV ads, polling, or field organizers. Rather, the money was simply transferred from their campaigns to the national party committee focused on spending money in other House races.

House members typically have three ways to fulfill the fundraising demands imposed upon them by the parties.

- **1.** Transferring unlimited amounts of money from their own official campaign committees to the party's coffers;
- 2. Transferring up to \$105,000 per year from their leadership PACs to the arm of their party focused on House races;
- **3.** Raising money directly for the DCCC or NRCC, often by "dialing for dollars," a practice in which lawmakers act like telemarketers, call wealthy donors, and are given credit for the funds they raise.

#### Funds transferred to NRCC and DCCC from legislative leaders, January 2021-December 2022



### Portion of lawmakers' campaign expenditures that were transfers to DCCC or NRCC, January 2021-December 2022



Note: Smith is the top Republican on the Ways and Means Committee in the current 118th Congress. In the 117th Congress, Smith was the top Republican on the Budget Committee. All other lawmakers shown are the top member of their party on the listed committee in both the 117th and 118th Congresses.

Source: Issue One review of Federal Election Commission data.

Only the first two of these three activities can be easily tracked in campaign finance filings — meaning the figures highlighted in this report as just the tip of the fundraising iceberg.

One politician who has revealed the full amount of money he raised for his party was Rep. Paul Mitchell (R-MI), who retired from Congress at the end of his term in January 2021. He <u>told CNN in</u> <u>December 2020</u> that he raised nearly \$800,000 for the NRCC over 2.5 years.

Notably, campaign finance filings show \$0 in contributions to the NRCC from Mitchell's official campaign committee or leadership PAC during this time, illustrating just how much untraceable money lawmakers may be raising directly for the parties to fulfill their fundraising obligations.

In the past, the immense fundraising demands on lawmakers have caused leadership to reorient the congressional schedule around raising money, as Issue One and the R Street Institute noted in our <u>"Why We Left Congress"</u> report — including shortening the congressional work week so members have more time to raise money and using closed rules to make the floor schedule more predictable so that members can more efficiently plan time for fundraising.

New members of Congress may not be expecting this fundraising treadmill. In a 55-page booklet sent to Republican House candidates in October 2022, the <u>House Freedom Caucus warned</u> that while incoming lawmakers might think their previous life experiences would determine their committee assignments in Washington, they should know that "committee assignments are based on perceived loyalty to party leadership and whether you agree to meet a fundraising quota. Everything else is secondary."

The Freedom Caucus booklet continued: "Often masked with euphemisms such as 'being good on the other side of the street,' fundraising is all important. Every committee assignment comes with a specific fundraising quota attached, and each Member is expected to abide or else may find themselves serving on another (less sought after) committee altogether... If a Member neglects their 'dues,' or is perceived to be likely to neglect their dues, it will be reflected in your committee assignments."

This "party dues" system is one of the dirty little secrets of Washington. The current "party dues" system comes at a cost for individual legislators, the legislative branch as a whole, and the American people: Membership on prestigious legislative committees can be influenced by who can raise the most money rather than by who is the most qualified, and the near-constant fundraising takes significant time away from the urgent issues that lawmakers were elected to solve.

## "

Political parties requiring members of Congress seeking prominent committee assignments to pay a hidden 'tax' for that institutional right is a shadowy practice that needs to end."

- ReFormers Caucus Co-chair Amb. Tim Roemer (D-IN) As former Rep. Erik Paulsen (R-MN), who served in the House from January 2009 until January 2019, lamented in a <u>report by FixUS</u>, fulfilling the parties' fundraising demands "occupies too much time" for lawmakers and "reinforces the 'us' vs 'them' mentality at every level."

Issue One supports "party dues" fundraising expectations being publicly disclosed by the parties. Issue One also supports strengthening House rules to delink committee determinations from lawmakers' fundraising prowess. Furthermore, members of Congress should reevaluate the way elections are financed, and party leaders should consider voluntarily lowering the dues amounts expected from their members.

The current campaign finance system relies too much on politicians raising money from special interests — especially those with business before Congress. As long as that's the case, the pressures on lawmakers to raise campaign cash for the parties, and the problems associated with this system, are likely to continue.



issueone.org | f facebook.com/issueonereform | y @issueonereform

