

Another Look at the Price of Power

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By Mia Minkin, Michael Beckel, and Oliver Ni

Introduction

A new Issue One examination of federal campaign finance filings illuminates a slice of the relentless fundraising pressure faced by legislative leaders, focusing on the top Republicans and Democrats on four of the most powerful committees in the House of Representatives — the Appropriations, Energy and Commerce, Financial Services, and Ways and Means committees.

A little-known fact about members of Congress is that they must constantly raise money not just for their own reelection bids but to help their respective political parties accumulate power. Both the Democratic and Republican parties lean on their most powerful legislators to boost their political war chests, under something called the "party dues" system.

While the phrase "party dues" may sound innocuous, the reality is anything but. Today, members of Congress are expected to raise astonishing amounts of money to help their respective team by paying sizable dues that are akin to a tax imposed by the parties for serving on powerful congressional committees. In practice, this means the more influential the legislator, the more money they are expected to raise — with sums often exceeding \$1 million.

Pressured onto this fundraising treadmill, lawmakers spend numerous hours each week "dialing for dollars" and soliciting corporations, labor unions, and other special interests that have business before Congress in order to steer money to the Democratic Congressional Campaign Committee (DCCC) and National Republican Congressional Committee (NRCC).

With the final campaign finance reports of the 2023-2024 election cycle being recently filed with the Federal Election Commission (FEC), we now have a clearer picture of the fundraising done by legislators for the DCCC and NRCC during the 118th Congress between January 2023 and December 2024. These trends also offer a glimpse into the likely fundraising demands being faced by the lawmakers who now lead these committees during the current 119th Congress.



It should outrage all Americans that the current system distorts lawmakers' priorities and keeps legislative leaders from fully focusing on the important work they were elected to do."

- Issue One CEO Nick Penniman

"It's a betrayal of public trust for legislative leaders in Congress to be constantly worried about fundraising and regularly soliciting wealthy and well-connected donors who have business before their committees," said Issue One CEO Nick Penniman. "These fundraising demands lead to profound conflicts of interest. It should outrage all Americans that the current system distorts lawmakers' priorities and keeps legislative leaders from fully focusing on the important work they were elected to do — like crafting legislation to address critical public policy challenges, aiding constituents, and performing critical congressional oversight of executive branch overreach."

How Lawmakers Pay a "Committee Tax"

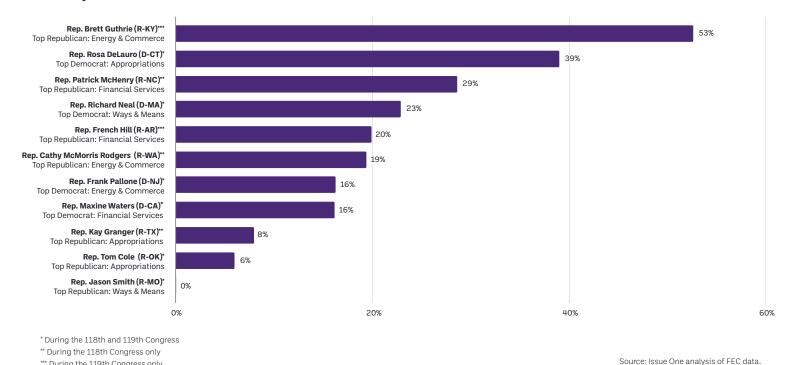
Issue One's analysis reveals that between January 2023 and December 2024, about \$1 of every \$6 spent by the typical campaign committee of top Democrats and Republicans on these four committees was transferred to the DCCC or NRCC. These party organizations can accept unlimited funds from lawmakers' campaign committees.

For some lawmakers, the percentage of transferred funds was even higher.

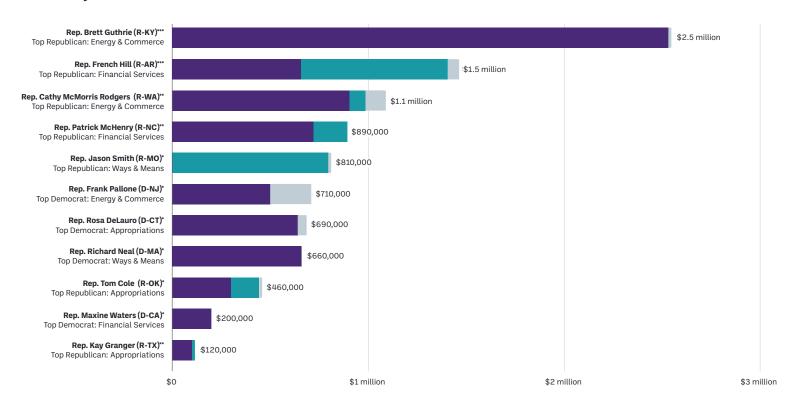
In the case of Rep. Rosa DeLauro (D-CT), the top Democrat on the House Appropriations Committee during both the 118th Congress and the current 119th Congress, the percentage of campaign spending that was simply transferring funds to the DCCC was 39% — nearly \$2 of every \$5 spent.

Paying the Committee Tax

Portion of lawmakers' campaign expenditures that were transfers to the DCCC or NRCC January 2023-December 2024



Funds transferred to the DCCC or NRCC from legislative leaders January 2023-December 2024



From Campaign Committee

From Joint Fundraising Committee

*** During the 119th Congress only

From Leadership PAC

* During the 118th and 119th Congress

** During the 118th Congress only

*** During the 119th Congress only

Note: While transfers from lawmakers' campaign committees, leadership PACs, and joint fundraising committees can be found in FEC filings, lawmakers may also raise money for the parties in ways that cannot be tracked through public records.

Source: Issue One analysis of FEC data.

This was the highest percentage among the four Democratic legislative leaders examined by Issue One.

And in the case of Rep. Brett Guthrie (R-KY), who became the top Republican on the House Energy and Commerce Committee earlier this year, that percentage was a striking 53% — more than \$1 of every \$2 spent. This was the highest percentage among the Republican legislative leaders examined by Issue One.

For the position of Energy and Commerce Committee chair in the 119th Congress, Guthrie beat out Rep. Bob Latta (R-OH). Fundraising prowess is one of the factors typically considered when parties make congressional leadership decisions.

In fact, Guthrie ranked as the legislative leader who helped steer the most money to the NRCC in terms of actual dollar amounts among the seven powerful Republican politicians included in Issue One's analysis — giving more than \$2.5 million to the party.

And the actual dollar amount Guthrie — and other lawmakers included in this analysis — raised for the parties may be even larger, as not all funds raised by members of Congress for the NRCC and DCCC can be easily tracked in public records. Because of this, the figures highlighted in this report should be considered a conservative estimate and just the tip of the iceberg of money raised for the parties by these legislators.

Tracking Party Dues Payments

Members of Congress typically have four avenues to pay the party dues that are imposed upon them by the parties, but only three of these activities can be easily tracked in campaign finance filings.

- 1. Transfers from their official campaign committee to the DCCC/NRCC (which have no contribution limits);
- 2. Transfers from their leadership PACs to the DCCC/NRCC (which have a limit of \$105,000 per year, meaning up to \$210,000 can be given during a two-year election cycle);
- 3. Directly raising money for the DCCC/NRCC through joint fundraising committees, which are frequently set up to benefit a lawmaker's own campaign, leadership PAC, and the national party committee focused on House races; and
- 4. Directly raising money for the DCCC/NRCC, often by "dialing for dollars," a practice in which lawmakers act like telemarketers through calling wealthy donors, and are given credit for the funds they raise — something that is not knowable from public records.

Members of Congress also curry favor with their parties by supporting vulnerable incumbents and candidates running in contested races, frequently directly donating to these politicians from their official campaign committees and/or leadership PACs.

Demonstrating how elusive and untraceable much of these party dues fundraising efforts can be, former Rep. Paul Mitchell (R-MI) once shared that over a two-and-a-half-year period, he raised nearly \$800,000 for the NRCC. Yet campaign finance filings from that period showed \$0 in contributions to the NRCC from Mitchell's official campaign committee and leadership PAC.

Notably, the use of joint fundraising committees — which offer high-dollar donors the convenience of writing a single check to an entity that then splits the contribution up to the participating beneficiaries — has become commonplace since the FEC first approved their use in the late 1970s. Issue One's new analysis shows that some lawmakers use this arrangement to steer significant sums to their party.

For instance, Rep. Jason Smith (R-MO), the top Republican on the Ways and Means Committee in both the 118th and 119th Congresses, raised nearly \$800,000 for the NRCC through a joint fundraising committee between January 2023 and December 2024, and during the same time, Rep. French Hill (R-AR), who now serves as the top Republican on the House Financial Services Committee, raised about \$750,000 for the NRCC through a joint fundraising committee.

In all, according to Issue One's review of FEC filings, Hill — who beat out several rivals to become chair of the House Financial Services Committee this year — steered approximately \$1.5 million to the NRCC between January 2023 and December 2024, ranking him second behind Guthrie among the seven Republican legislators examined in this report.

The powerful Republican leader who gave the least to the NRCC between January 2023 and December 2024, at least according to a review of publicly available campaign finance records, was Rep. Kay Granger (R-TX), who stepped down as the chair of the Appropriations Committee in March 2024 after developing serious health issues. In December, the Dallas Express reported that she was living in an assisted-living facility that specializes in memory care.

In previous years, Grangers' largess to her party was well-documented. As Issue One previously noted, during the 117th Congress, about 27% of her campaign spending was transferring funds to the NRCC — and during the 116th and 115th Congresses, that percentage was about 20%.

Shrouded in Secrecy

The exact amount of money members of Congress are expected to raise for their parties through party dues is shrouded in secrecy, though it has occasionally been revealed to the public.



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In his 2017 book "Drain the Swamp: How Washington Corruption is Worse Than You Think," then-Rep. Ken Buck (R-CO) wrote that the chairs of the most powerful House committees were each expected to raise \$1.2 million over a two-year period for the NRCC — and that the then-Republican House Speaker was expected to raise \$20 million.

Meanwhile, in 2022, Punchbowl News published internal Democratic Party documents that identified similar fundraising expectations. According to these materials, chairs of the most powerful House committees were each expected to raise \$1.8 million over a two-year period for the DCCC — and the then-Democratic Speaker of the House was expected to raise \$31 million.

New members of Congress may not expect this aggressive fundraising treadmill to support the party.

In October 2022, the Freedom Caucus warned Republican House candidates of this predicament, writing that new lawmakers should know that "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."

The Freedom Caucus admonishment continued: "If a Member neglects their 'dues,' or is perceived to be likely to neglect their dues, it will be reflected in your committee assignments."

A few years earlier, Rep. Thomas Massie (R-KY) lamented on Twitter: "I've described the pay-to-play system used by both parties. The beltway reporters say 'no big deal,' yet constituents are always shocked to hear how committee seats are sold for campaign cash."

Democrats have also bemoaned the fundraising grind.

"Unlimited money has turned all of us in some way into all OnlyFans models," Sen. John Fetterman (D-PA) recently told *The New Yorker*. "We're all just online hustling for money."

The immense fundraising demands on lawmakers have even caused leadership to reorient the congressional schedule around raising money, as Issue One and the R Street Institute noted in our 2018 "Why We Left Congress" report. Some changes made by congressional leadership to facilitate fundraising include shortening the congressional work week so members of Congress 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.

The Time for Change Is Now

The party dues system employed by the two major political parties remains a skeleton in Washington's closet, and the practice comes at a steep cost for both legislators and the American people.

The stress and strain of fundraising expectations diverts the time and attention of members of Congress away from their legislative, oversight, and constituent services responsibilities. Hours spent fundraising and trying to fulfill astronomical party dues demands are hours that members of Congress don't spend on the activities and responsibilities that come with being public servants.

All the while, polls regularly show that the American people are displeased with the state of Congress and the influence that money has over the legislative branch.

We need significant changes to the party dues system so that members of Congress can focus on their critical legislative work and oversight responsibilities.

Some lawmakers on both sides of the aisle have proposed creative reforms that would disrupt the current fundraising treadmill. For instance, in 2022, Reps. Mike Gallagher (R-WI) and Dean Phillips (D-MN) introduced a bipartisan bill that would have prohibited lawmakers from fundraising while Congress is in session. And a similar bill introduced in 2016 by a bipartisan cohort of legislators, led by Rep. David Jolly (R-FL), would have banned members of Congress from personally soliciting campaign contributions.

Issue One supports party dues fundraising expectations being publicly disclosed by the political parties. Party leaders should also consider voluntarily lowering the dues amounts expected from their members, and House rules should also be strengthened to unlink the influence of fundraising on committee assignments.

The current system relies too much on lawmakers raising money from special interests — especially those with business before Congress. Serving in Congress should not require lawmakers to routinely solicit special interests to gain and maintain their committee assignments.



Acknowledgments

This report was written by Mia Minkin, Michael Beckel, and Oliver Ni.

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About Issue One

Issue One is the leading crosspartisan political reform group in Washington, D.C. We unite Republicans, Democrats, and independents in the movement to fix our broken political system and build a democracy that works for everyone. We educate the public and work to pass legislation on Capitol Hill to bolster U.S. elections, build a healthier digital information environment for our democracy, improve the ability of Congress to solve problems, strengthen ethics and accountability, and limit the influence of big money over politics.

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- 2021 update: New Congress, Same "Committee Tax": How the parties pressured legislative leaders to raise huge sums of campaign cash during the 116th Congress and are poised to do so again this year
- 2023 update: <u>The Price of Power Revisited</u>: With control of the House of Representatives comes gavels and fundraising expectations

