**MCCUTCHEON COULD LEAD TO NO LIMITS FOR POLITICAL PARTIES—WITH WHAT IMPLICATIONS FOR PARTIES AND INTEREST GROUPS?**

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INTRODUCTION

This Article explores some of the likely interplay between political parties and nonparty organizations after the Supreme Court’s decision in *McCutcheon v. Federal Election Commission.* It argues, first, that even though the holding in *McCutcheon* may have been about aggregate contribution limits, the reasoning directly challenges the rationale for base contribution limits. Assuming there is no change in the reasoning as the precedent is applied, politics in the future is likely to see the parties with few (if any) restrictions on the size of the contributions they may accept. This would bring the law more or less back to the days of unlimited soft money before the Bipartisan Campaign Reform Act (BCRA, otherwise known as McCain-Feingold).

Those who see McCain-Feingold as a major source of party decline, and who also see parties and nonparty organizations as engaged in a zero-sum power game, will see this turn of events as likely to strengthen the parties’ hands. This Article questions the assumptions on which this stylized expectation is based. First, with respect to McCain-Feingold allegedly making the parties weaker, this Article argues that even though the national parties face challenges, McCain-Feingold is not at the heart of their current problems. With respect to seeing parties and nonparty organizations in a zero-sum game, this Article argues that both the nature of parties and interest groups have been changing in ways that have made them in some ways more interdependent and in others more conflictual. The concept of party networks is promising in pointing to the interdependence side of the equation, but it is still too limited and undifferentiated to encapsulate all that has been happening. In this

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1 134 S. Ct. 1434 (2014).
new, more nationalized, and more polarized environment, political parties are not simply “weaker” or “stronger.” They are different. The article concludes by speculating on what this might mean for party and interest-group politics in the future.

I

THE MCCUTCHEON DECISION

We begin with Shaun McCutcheon’s challenge to the Federal Election Campaign Act (FECA). As amended by McCain-Feingold, FECA allowed Mr. McCutcheon, in the 2012 election cycle, to give an inflation-adjusted amount of $2500 per election to a candidate, $30,800 per year to a national political party committee, $10,000 per year to a state party committee, and $5000 to a multi-candidate political action committee (or PAC). In addition to these “base limits,” McCutcheon had to hold his total giving to federal committees within aggregates that were also adjusted for inflation. In 2011–2012, he could give no more than $46,200 to candidates and another $70,800 to party and nonparty political committees, for a total of $117,000. All of the $70,800 could go to national party committees or it could be divided between national parties, state parties, and PACs.

McCutcheon challenged all of the aggregate limits and sub-limits. (He did not challenge the base limits.) On April 2, 2014, the Supreme Court agreed that the aggregate limits were unconstitutional. As is often the case, the Court’s reasoning was potentially more significant than the holding itself.

The court’s reasoning began from the landmark case of Buckley v. Valeo. The Buckley Court had held contribution limits subject to a “rigorous standard of review.” Under this standard, “[e]ven a significant interference with protected rights of political association may be sustained if the State demonstrates a sufficiently important interest and employs means closely drawn to avoid unnecessary

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4 McCutcheon, 134 S. Ct. at 1442 (“This case does not involve any challenge to the base limits, which we have previously upheld as serving the permissible objective of combating corruption.”).
5 Id.
7 Buckley, 424 U.S. at 29.
abridgment of associational freedoms.”8 The Buckley Court found such a “sufficiently important interest” in “the prevention of corruption and the appearance of corruption spawned by the real or imagined coercive influence of large financial contributions on candidates’ positions and on their actions if elected to office.”9 In its clearest form, the government’s interest is to prevent large contributions from being used “to secure a political quid pro quo from current and potential office holders....”10 But “[o]f almost equal concern,” the Court said, is “the impact of the appearance of corruption stemming from public awareness of the opportunities for abuse inherent in a regime of large individual financial contributions.”11

In the decades since Buckley, there has been sharp debate over how to interpret the “appearance of corruption” that is “inherent in a regime” of large contributions. The Buckley Court specifically distinguished this concern from an interest in promoting greater equality among donors.12 Nevertheless, Buckley seemed also to say that the concern was not simply about selling decisions but also about the actuality or appearance of “real or imagined coercive influence” on a public official’s actions.13 Over the years, this writer14 (among others)15 has argued that undue “influence” can be broader than a quid-pro-quo exchange, and that a public official’s relevant actions run the full gamut from influencing agenda setting to implementation.

Whether or not corruption-related concepts should be understood this broadly in ordinary speech, a majority of the Justices in McCutcheon did not agree that broader definitions should be used to justify limits. Building on the majority opinion in Citizens United v. FEC,16 the Chief Justice’s opinion in McCutcheon articulated a clear and narrow understanding of the form of corruption that it saw as

8 Id. at 25 (internal quotations omitted).
9 Id. at 25–26.
10 Id. at 26.
11 Id. at 27.
12 See Buckley, 424 U.S. at 25–26 (describing the interest in “equaliz[ing] the relative ability of all citizens to affect the outcome of elections” as “ancillary” to the interest in “the actuality of corruption and the appearance of corruption”).
13 Id. at 25 (emphasis added).
15 See, e.g., Lynda W. Powell, The Influence of Campaign Contributions in State Legislatures: The Effects of Institutions and Politics (2012) (arguing that factors such as legislator compensation, chamber size, and term limits affect the degree of influence donors have over legislative outcomes).
sufficiently compelling to justify contribution limits:

[W]hile preventing corruption or its appearance is a legitimate objective, Congress may target only a specific type of corruption—"quid pro quo" corruption. . . . Spending large sums of money in connection with elections, but not in connection with an effort to control the exercise of an officeholder’s official duties, does not give rise to such quid pro quo corruption. Nor does the possibility that an individual who spends large sums may garner “influence over or access to” elected officials or political parties.17

An important implication for political parties followed one page later:

[T]here is not the same risk of quid pro quo corruption or its appearance when money flows through independent actors to a candidate, as when a donor contributes to a candidate directly. When an individual contributes to a candidate, a party committee, or a PAC, the individual must by law cede control over the funds. The Government admits that if the funds are subsequently re-routed to a particular candidate, such action occurs at the initial recipient’s discretion—not the donor’s. As a consequence, the chain of attribution grows longer, and any credit must be shared among the various actors along the way. For those reasons, the risk of quid pro quo corruption is generally applicable only to “the narrow category of money gifts that are directed, in some manner, to a candidate or officeholder.”18

It is important to notice what falls outside this understanding of corruption. The case for McCain-Feingold’s limits on all contributions to political parties rested in part on statements from current or former Members of Congress attesting to situations of the following kind: (1) party leaders (or their agents) raising money for the six national party committees by indicating to donors that their access to the leaders would be affected by contributions; and (2) party leaders telling other members that decisions to put items on the legislative agenda were based in part on donors’ preferences.19 Put together,


18 Id. at 1452 (quoting McConnell v. FEC, 540 U.S. 93, 310 (2003) (internal citations omitted)).

these actions look close to a quid pro quo, with the party leaders being the link connecting the donors’ money and their access to the actions of legislators. However, the leaders and their agents in these examples were raising money not for themselves but for a party committee over which they shared control. They were using the money not for their own campaigns but to help the party win a majority. Thus, the chain of actions fails to meet the Chief Justice’s definition of quid-pro-quo corruption in the quotation for two reasons, either one of which would be sufficient to doom the case: (1) The money does not go directly to the legislator whose behavior is at issue, and (2) the donor’s reason for giving is to influence the agenda rather than to purchase a specific decision.

But if these reasons are sufficient to overturn aggregate contribution limits for the parties, then it is hard to imagine that the constitutional challenges will stop there. A case has already been filed by the Republican National Committee to permit unlimited contributions into independent-expenditure Super PACs run by the national party committees.20 If successful, this, too, would be a midpoint. A challenge to the base limits would surely be next. The Court could always modify its reasoning in a future case, or the makeup of the Court at some point may change. But if the Chief Justice’s explanation is taken literally, it is hard to see how any contribution to a political party committee could meet the test for quid-pro-quo corruption unless it were raised by and earmarked for a specific candidate. In fact, all one would have to do to avoid a quid pro quo would be to collect money in a common pool before dispersing it. If that were the test, then the reasoning could even reach to nonparty intermediaries. It is worth noting that the quotation from the Chief Justice’s opinion referred to “independent actors” and not specifically to parties.21


21 McCutcheon, 134 S. Ct. at 1452.
II

THE INTERPLAY BETWEEN PARTIES AND INTEREST GROUPS

If these predictions about future court decisions come to pass, it would mean that parties in the future may be able to accept unlimited contributions as they could in the days of soft money before McCain-Feingold. Predicting the likely consequences of *McCutcheon* therefore turns in part on one’s assessment of McCain-Feingold. Many of the predictions so far have been based on one or both of the following assumptions: (1) McCain-Feingold has been responsible for a significant weakening of the political parties, and (2) campaign finance is a zero-sum game involving a tradeoff in political power between interest groups and political parties: When interest-group power goes up, party power goes down—and vice-versa. I question the first of these assumptions and will argue that the second is far too simple to explain the contemporary relationships among interest groups and party organizations.

A. Political Parties Between McCain-Feingold and McCutcheon

The notion that the parties suffered a “collapse due to McCain-Feingold” is not supported by the facts. Figures 1 and 2 show the receipts of the six national party committees for the election cycles of 1992–2012. All amounts in the tables are calculated in constant dollars, and midterm elections are separated from presidential cycles to allow for more meaningful comparisons. The three Democratic committees (gray) are separate from the Republicans (black). The Republicans’ solid black line represents receipts for the three major national party committees. However, the Republicans are also shown with a dotted line above the solid one for the years after 2002. This is because the Republican Governors Association and Republican State Leadership Committee were formally part of the Republican


23 This is expressed by both supporters and opponents of McCain-Feingold’s soft-money restrictions. For example, political scientist Lee Drutman of the Sunlight Foundation, a supporter of aggregate limits, wrote that the *McCutcheon* decision “will almost certainly make parties and party leaders more important and super PACs less important.” Lee Drutman, *What the McCutcheon Decision Means*, WASH. POST MONKEY CAGE (Apr. 2, 2014), http://www.washingtonpost.com/blogs/monkey-cage/wp/2014/04/02/what-the-mccutcheon-decision-means/.

National Committee through 2002, after which McCain-Feingold made it advantageous to separate the state committees. The two state committees’ receipts are included within the RNC’s in the solid line through 2002. The dotted lines add these two committees to the national ones for comparative purposes. There is no similar line shown for the Democrats because the Democratic Governors Association was separate before McCain-Feingold.25

25 The receipts for the six national party committees are available online. HARD AND
The figures show first that it is misleading to begin with 2000–2002. Because both parties’ receipts in those years were far above any historical precedent, it is wrong to present them as if they reflect the normal role of the parties in recent history. It is equally misleading to paper over the differences between the parties. Even starting from 2000–2002, the Democratic high point was two years after McCain-Feingold. The party has held its own since. Republicans tailed off slightly in presidential years after 2002, but the gap is made up if RGA and RSLC money is added back. The big drop for Republican committees was in midterm elections. Even here (and correcting for the RGA and RSLC) the drop was between 2006 and 2010 (after McCain-Feingold), not between 2002 and 2006. Moreover, a substantial part of the Republican decline was from a drop in receipts from small donors ($200 or less). Based on this evidence, it is simply not possible to say that McCain-Feingold caused a decline in the national parties’ income.

Critics of McCain-Feingold may have a stronger case with respect to the state parties. The Campaign Finance Institute analyzed the National Institute on Money in State Politics’s data for state parties’ receipts for 1999–2002 (the four years before McCain-Feingold) and 2009–2012 (the most recent four years for which data are available). State party receipts declined by more than one-third in constant dollars over the decade. This is not the place for a detailed analysis, but McCain-Feingold may be one reason for the decline.
Specifically, McCain-Feingold required state parties to adhere to federal contribution limits for any money raised for registration and get-out-the-vote activities for a substantial period during election years.\textsuperscript{29} A person interested in changing the law to help the parties while keeping the base contribution limits might consider freeing the state parties to be governed by state laws for these activities.

One way to help the national parties within the current framework is also worth mentioning. Several co-authors and I have recommended that parties be able to make unlimited coordinated expenditures in support of their candidates from money that comes from donors who give smaller amounts.\textsuperscript{30} However, both this and the state-party recommendation assume base limits. As noted earlier, such base limits themselves are likely to come under increasing pressure in future years.

\section*{B. The Relationships Among Parties and Groups}

The main complaint about political party power is less about cash balances than that the parties have lost ground relative to nonparty organizations. The complaint has some merit. Since the \textit{Citizens United}\textsuperscript{31} and \textit{SpeechNow}\textsuperscript{32} cases in 2010, nonparty organizations have been able to raise unlimited contributions for committees that make independent expenditures. The increase in nonparty expenditures has been well documented.\textsuperscript{33} But this does not tell us all we need to know about the interplay between party and nonparty organizations.

After \textit{McCutcheon}, some were predicting that removing the aggregate limits meant money would flow away from Super PACs

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\item \textsuperscript{29} 2 U.S.C. § 431(20)(A) (2012) (defining “federal election activity” subject to federal hard-money limits).
\item \textsuperscript{31} \textit{Citizens United v. FEC}, 558 U.S. 310 (2010).
\item \textsuperscript{32} \textit{SpeechNow.org v. FEC}, 599 F.3d 686 (D.C. Cir. 2010) (holding that base contribution limits are unconstitutional as applied to pure independent-expenditure organizations).
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Others went further to suggest that more money for the parties would help make members of Congress feel less threatened by polarizing factional groups and thus would help the government to function more smoothly.35

Having more money would help the parties but the assumptions about tradeoffs are being painted too broadly. In a recent article on independent spending in the 2006–2010 state elections several colleagues and I divided organizations into the following sectors: business, labor, issue/ideological, party allies, party affiliates, and formal party committees.36 The 2012 and 2014 federal election cycles tell us that we need to add single-candidate Super PACs to any future analysis, and that we need to subdivide the issue and ideological groups to give clearer focus to ideological factional organizations.37 Within this division, the groups we called “party allies” (such as American Crossroads) would be the ones most likely to lose money if the parties could accept unlimited contributions.

But the picture for umbrella business organizations, labor unions, and issue-based organizations is more complicated. Many of these had partisan leanings in the past but also supported candidates from each major party. As issues and voters have become “sorted” and the parties more polarized,38 the groups also became more partisan and more linked to each other within party networks.39 Increased activity by these groups in a polarized environment did not come at the expense of the parties. The organizations often acted together with party surrogates through independent-spending coalitions in a manner that has been more helpful to the parties than the groups’

34 See, e.g., Drutman, supra note 23 (making this prediction).
37 For a treatment of these factional groups in terms of functional differentiation, see ROBERT G. BOATRIGHT, GETTING PRIMARIED: THE CHANGING POLITICS OF CONGRESSIONAL PRIMARY CHALLENGES (2013).
38 For a review of the literature on sorting and polarization, see Michael Barber & Nolan McCarty, Causes and Consequences of Polarization, in AMERICAN POLITICAL SCIENCE ASSOCIATION, NEGOTIATING AGREEMENT IN POLITICS 19–46 (Jane Mansbridge & Cathie J. Martin eds., 2013).
direct contributions to candidates had ever been. These efforts will continue even if the parties’ contribution limits disappear; the groups need to maintain their own independent followings for group survival. Maintaining close operational ties makes sense for the groups as long as the conditions for polarized party politics remain as they are.

Ideological PACs are more complicated still. Some act like polarized issue groups in coalition with the parties. But others, such as MoveOn.org and the Club for Growth, operate as factional groups working to pull the parties toward the groups’ preferred policy directions. These groups’ donors cannot be expected to transfer their money to the parties if the law changes. Moreover, when one speculates about the future balance of power, there is little evidence so far that the formal party committees will become engaged against the groups in more than a handful of contested primaries. That they have not done so is not because the parties lack money. It is because it is rarely in the party leaders’ self-interest to take the risk.

CONCLUSION

U.S. political parties are often portrayed in stylized campaign finance debates as if they have become weak at the expense of interest groups. The portrayal makes little sense when considered in historical context. The parties within Congress have been stronger since 1995 than at any time in American history, except for the decades from about 1880 through 1910. It is true that state and local party organizations until fifty years ago played a more significant role in congressional elections, but the bonds between congressional districts and state parties have not been the same since the Supreme Court mandated “one person, one vote” in redistricting during the early 1960s and Congress declared that addressing racial discrimination during the redistricting process trumped traditional

40 Coalition groups that act as party allies and make independent expenditures are prominent in Hamm, Malbin, Kettler & Glavin, supra note 36. This Article also documents the increase in independent spending in the states. For the increase in independent spending in federal elections, see CTR. FOR RESPONSIVE POL., supra note 33.

41 See Mann & Corrado, supra note 28, at 6–10 (reviewing the impact of political and campaign-finance reform efforts since the early twentieth century).

42 Gray v. Sanders, 372 U.S. 368, 381 (1963) (establishing the principle of “one person, one vote” under the Equal Protection Clause); see also Reynolds v. Sims, 377 U.S. 533 (1964) (applying the equal-population rule to state legislative districts); Wesberry v. Sanders, 376 U.S. 1 (1964) (holding that the Equal Protection Clause requires equality of population across congressional districts in the redistricting process); Baker v. Carr, 369 U.S. 186 (1962) (holding that constitutional claims triggered by redistricting are justiciable).
geographic boundary lines in the Voting Rights Act of 1965. Interest group and congressional party politics have both become more nationalized for a variety of additional reasons in the half century since then. As politics became more polarized, the party and issue-group systems also became more intertwined. In this new environment, the formal parties were holding their own. In the congressional elections after McCain-Feingold but before Citizens United, the national party committees were spending more money in competitive states and districts during the campaigns’ closing weeks than anyone else—often including the candidates.

Citizens United and SpeechNow took the contribution limits off of independent spending by nonparty organizations. This changed the equation. Taking the limits off of the formal parties would likely move some current nonparty money in the parties’ direction. It would also be likely to increase what the McCutcheon Court’s plurality opinion seems to present as a constitutionally protected interplay: Party leaders (or their agents) may pressure donors to extract higher contributions, the donors will gain agenda-setting access and influence, and the leaders will turn around to pressure the members on policy. Contribution limits were not intended to insulate politics from all such pressure and influence. But the limits were meant to put some restraining boundaries around what is considered acceptable. The McCutcheon opinion questions whether these considerations may still be considered an appropriate basis for limits. If the Court’s membership and reasoning stay unchanged and the contribution limits are stricken, the result will likely increase both the amount of money in the parties’ treasuries and the not-quite quid-pro-quo connections between money and policy.

But even should this occur, there is one thing removing the limits will not do. It is not likely to produce a fundamental change in the relationships among the parties and the actors in the interest-group system. The groups that work in concert with the parties will continue

45 In fact, using campaign finance law to give party leaders additional leverage seems increasingly to be favored by some scholars (although they are not necessarily arguing for an end to the base limits). See Richard Pildes, How to Fix Our Polarized Politics? Strengthen Political Parties., WASH. POST MONKEY CAGE (Feb. 6, 2014), http://www.washingtonpost.com/blogs/monkey-cage/wp/2014/02/06/how-to-fix-our-polarized-politics-strengthen-political-parties/. For a contrary perspective, see generally Mann & Corrado, supra note 28.
to do so, while those whose goals are more factional will continue to frustrate the parties. Finally, the parties’ power and willingness to respond to the factional groups will depend on a lot more than the depth of their pocketbooks. The relationships among all of these organizations are being structured by nationalizing and polarizing forces larger than the campaign-finance laws.