

# Secrets to PAC Success

## “If You Build It, They Will Come”

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# Overview of PACs

- What are PACs?
- What is the history of the PAC?
- What has been the evolution of the PAC?
- What are the rules and regulations?
- What are procedures for organizing a PAC



# Political Action Committees

- First of all....are an important aspect of American politics and the American electoral system. Political Action Committees exist legally as a means for corporations, trade unions, etc. to make donations to candidates for Federal and state office.



# What is a PAC?

- **Political Action Committee** - This term denotes a group activity designed to influence government by shaping public opinion through the news media and advertising. The comprehensive campaign financing act of 1974 provided for the public financing of presidential campaigns, but it did not make the same provision for congressional campaigns. Business and labor organizations succeeded in having a provision inserted in the law allowing the formation of independent political action committees that could raise funds either to support or defeat particular candidates.



# Three types of PACs

- **Connected PACs (SSFs)** – are those connected to a specific corporation, labor group or recognized political party. For example – *Microsoft* or the *Teamsters Union*. These PACs may solicit contributions from their employees or members and make contributions in the PAC's name to candidates or political parties.
- **Nonconnected or ideological PACs** are made up of individuals or groups of citizens not connected to a corporation, labor party or political party. Examples: National Rifle Association, ASHA



## .....another type of PAC

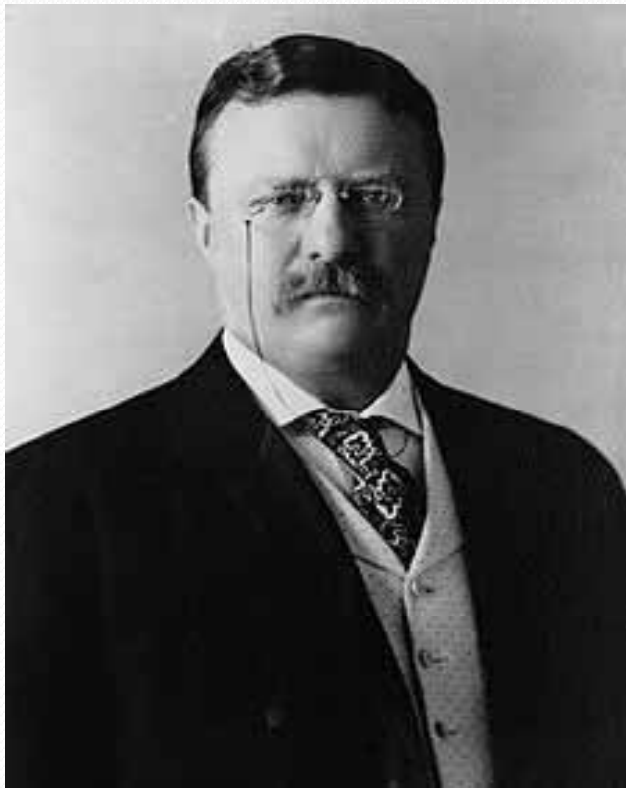
- **Leadership PAC** –these are formed by politicians to help fund the campaigns of other politicians. Politicians often create leadership PAC's in an effort to prove their party loyalty or to further their goal of being elected of a higher office. The funds cannot be spent to directly support the owner of the PAC's own campaign (such as mail or ads), but may fund travel and make contributions to other campaigns. During the 2006 election cycle, 256 leadership PAC's contributed over \$37 million to federal candidates. *Speaker Nancy Pelosi's leadership PAC, Team Majority was fined \$21,000 by federal election officials for improperly accepting donations over federal limits.*



# Predecessors to the PAC

- In **1867**, the Naval Appropriations Bill was the first federal attempt to regulate campaign finance. It prohibited officers and employees of the government from soliciting money from naval yard workers.
- In **1883**, the Civil Service Reform Act extended the rule to all federal civil service workers. Previously, government workers were expected to make campaign contributions in order to keep their jobs!

# In 1905, Teddy Roosevelt



.....proposed that all contributions by corporations to any political committee or for any political purpose should be forbidden by law. The proposal, however, included no restrictions on campaign contributions from the people who owned and ran corporations. Roosevelt also called for public financing of federal candidates by their political parties.



# A series of acts....

- 1907 – **Tillman Act** – prohibited corporations and banks from making contributions
- 1910 – **Federal Corrupt Practices Act** – established disclosure for U. S. House & Senate candidates and set limits to campaign funding
- 1940 - **Hatch Act Amendments** – set \$5000.00 as the limits
- 1943 - **Smith-Connally Act** – extended the prohibition of contributions from corporations and banks to unions
- ...but most of these had no “teeth” in them!



# The birth of a PAC

- In 1944, the Congress of Industrial Organizations, the CIO (today the AFL-CIO), wanted to help **President Franklin Roosevelt** get re-elected. Standing in their way was the *Smith Connally Act* of 1943 which made it illegal for labor unions to contribute funds to federal candidates. The CIO urged individuals to voluntarily contribute money directly to the Roosevelt Campaign. This worked well and PACs were born. US Labor Leader, Sidney Hillman was appointed by FDR to be chairman of the Political Action Committee in **1943-1946**.



# Evolution of PACs

- In **1974**, the comprehensive campaign financing act of 1974 provided for the public financing of presidential campaigns
- In **1974**, the Federal Election Committee reported that there were 608 Political Action Committees registered.
- By **1983**, more than 3500 PACs were in existence.
- By **1995**, there were 4000 PACs
- By 2008, there were 4234 PACs (1.2 billion dollars!)
- By 2009, there 4611 PACs
- There are more **corporate** PACs than any other type

# Success! PACs accomplish their goals!

- "It's achieved what we wanted to do," Milan Yager, an association executive director, said of the \$21,000 his group reported in contributions, a relatively tiny sum. "We've been able to go to some events" \_ fundraisers \_ "and meet members of Congress and their staff and have face time."
- Such access is precisely why many groups form the committees, says Paul Herrnson, a professor of government at the University of Maryland who has written about campaign finance.
- "The hope is that a member of Congress will consider them part of their policy team, in the sense that they'll take a phone call or meet with a representative of the group," Herrnson said.



# Rules and Regulations

- PACs are governed by the Federal Election Campaign.
- Contributions by individuals to federal PACs are limited to \$5000.
- Corporations and unions may not contribute directly to federal PACs though they may pay for the administrative costs of a PAC affiliated with the corporation or union.
- Corporate-affiliated PACs may only solicit contributions from executives, shareholders and their families while union-affiliated PACs may only solicit from members.



# Contribution limits

- \$5000.00 per candidate per election
- \$15,000 per political party per year (can contribute more to a state and local party!)
- \$5000.00 per PAC per year. PACs must report all of the financial activities, including direct donations and other expenses, to the Federal Election Commission which makes the report available to the public.



# Starting a federal PAC

- Nonconnected PACs must register by filing [FEC Form 1](#)
- Download the [Campaign Guide for nonconnected committees](#) for the applicable laws
- Make statement of Organization within 10 days after raising or spending in excess of \$1000 in connection with federal elections.
- Download the nonconnected PAC Registration toolkit



# Starting a State PAC

- Is it the right thing for your State Association?
  - Do you need a PAC?
  - Will your association members support a PAC?
  - How can the PAC be managed?



# Benefits of having a State PAC

- Provides support for your legislative champion(s)
- Gives members a way to participate in the political process
- Adds substance to our association
  - The power of 1 versus 100
- Raises the profile of the state association

# So You've Decided to Start a State PAC!

- Initial Steps
  - Develop a general knowledge of PACs
  - Visit your local secretary of state office or Web site.
  - Establish a timeline for implementation
- Laying a Secure Foundation
  - Organizational structure
    - Involve a significant portion of state association's members



# Building Blocks

- Key Organizational Functions

  - Mission Statement & Goals

    - Bylaws

      - PAC Board/Committee



# PAC Board/Committee

- PAC Officers
  - Treasurer, Assistant Treasurer, Chair, Secretary
- Operating Policies
- Restricted Class
- Candidate Contribution Guidelines
- Administration
- Activity Report Filings



# If You Build It, They Will Come

- Raising The Roof
  - Creating the Infrastructure
  - Communication to Members
    - Demonstrate the Need
    - Educate
    - What are the roles?
    - Political Activities
    - Questions?



# Communication

- Brochure
- Web Site
  - Password protection!
- E-mail
  - Are you drowning?
- Newsletters
- Special Meetings & Events



# A Strategic Plan

- Methods That Have Worked!
  - Peer-to-Peer Solicitations
  - Dues Check Off
  - E-mail Solicitations
  - Direct Mail
  - Annual Meetings
  - Fundraiser Events
  - Sweepstakes or Raffles
  - Recognition Gifts

# !Show Me The Money!





# Defining Operational Guidelines

- Sample guidelines used by ASHA's federal PAC:
  - Members of KEY jurisdictional committees
  - Members in LEADERSHIP positions
  - CHAMPIONS or potential champions of legislation
  - MEMBERS in competitive races



# ASHA PAC Guidelines

- Greater emphasis
  - Contributing the maximum amount in direct contributions allowed by law.
- Dedicated funds
  - Set aside to participate in open seat & challenger races.
- Fundraising events
  - Emphasis on smaller events (15 participants or less)



# ASHA PAC

➤ Working with State Association PACs?

➤ Why?

➤ How?



# Helpful Hints!


- Maintain separate bank accounts
- Develop a Strategic Plan
  - Multi-year with fundraising goals
- PAC Meetings
  - Open to members of the State Association
- Activities
  - Raffles, silent auctions, dinners
- Acknowledge your contributors!



# Consider member attitudes??

- Testing the water? Taking the temperature? What are the attitudes of your membership? It might be important to know what members think about Political Action Committees and the value of organizing this!
- Are attitudes of the membership something that you will need to improve before you begin soliciting funds?
- Do you need to market the value of PACs to the membership in order to encourage contributions?


# Can you change the image?




**YOUR PAC  
DOLLARS  
AT WORK!**

The advocacy of ASHA-PAC makes it possible for Brandon to protect his hearing by seeing a qualified audiologist.

<http://www.asha.org/about/legislation-advocacy/ASHA-PAC.htm>





# How do our contributions affect our practice? Our profession?



**YOUR PAC  
DOLLARS  
AT WORK!**

Cathy enjoys her job as a speech-language pathologist. The advocacy of ASHA-PAC makes it possible for her to work in a school setting and make a difference in the lives of her students.


<http://www.asha.org/about/legislative-advocacy/ASHA-PAC.htm>



**YOUR PAC  
DOLLARS  
AT WORK!**

After his stroke, no one knew how much Mr. Douglas would recover. The advocacy of ASHA-PAC made it possible for him to see a qualified speech-language pathologist.

<http://www.asha.org/about/legislative-advocacy/ASHA-PAC.htm>





# Questions?

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