

CONGRESSIONAL LEADERSHIP FUND



Memorandum

To: Interested Parties
From: Brian Walsh, Dan Conston
Date: November 5, 2014
Re: Outside Money & the 2014 Wave

The voters have now spoken and House Republicans surpassed every expectation. The Congressional Leadership Fund (CLF), along with our sister 501(c) (4), American Action Network (AAN), spent nearly \$20 million on independent expenditures in the U.S. House. We’re proud of our combined investments in at least 10 winning campaigns, making a difference in the critical month of October. Further, we once again represent the largest supporter of a solidly center-right House of Representatives—making the House better situated to advance a center-right agenda than at any time in recent history. The NRCC deserves a great deal of credit for recruiting outstanding candidates, making smart political decisions and paving the way for greater gains. Democrats say this was simply the function of a bad map, but victories from Maine to Iowa to California quickly disprove that. This was much more a tribute to the incredible unpopularity of President Obama’s policies, modernized conservative data and research operations, full outside group coordination, strong candidates, effective advertising, and an angry electorate. Those factors with NRCC and outside group spending expanded the House Majority to the largest since the 1920’s and in doing so elected the most diverse GOP freshman class in history. Here’s how we did it:

1. We Focused On October

House races are particularly susceptible to the national environment and almost always break late. Coming out of the summer with House Republicans facing a spending disadvantage, CLF & AAN made the decision to focus our independent expenditures on closing strong and making a serious impact in the critical month of October.

As noted in *Politico* on October 14, “Democrats say they are short-changed in part because they spent heavily early in hopes of defining Republican candidates before the heart of the political season, when the TV airwaves would become crowded with commercials. Some Republicans argue that was a mistake, giving them an opportunity to dominate during the final three weeks of the election when many voters are just starting to pay attention.”

Other outside groups did the same. According to the FEC, the ten largest conservative-side outside spenders from October on spent a combined \$33.3 million, after spending \$6.12 million in September.

Outside Conservative Group	House IE's	September	October - Election Day*
Congressional Leadership Fund	\$9,760,505.57		\$9,760,505.57
American Action Network	\$8,861,567.14	\$932,740.32	\$7,213,831.92
American Unity PAC Inc	\$4,362,733.33	\$473,549.82	\$2,832,495.72
American Crossroads	\$3,951,841.48	\$12,594.17	\$2,696,142.03
NRA Institute for Legislative Action	\$2,690,290.32	\$140,564.67	\$2,549,725.65
American Future Fund	\$2,048,741.15		\$1,862,209.15
Freedom Partners Action Fund Inc	\$3,114,681.03	\$1,355,803.00	\$1,758,878.03
US Chamber of Commerce	\$12,056,248.34	\$3,155,731.60	\$1,701,114.31
Crossroads Grassroots Policy Strategies	\$1,615,659.14		\$1,615,659.14
Club For Growth Action	\$3,430,618.35	\$50,542.54	\$1,320,354.21
Total		\$6,121,526.12	\$33,310,915.73

* From FEC.gov, as of 11/4

2. We Forced Democrats to Move Their Money And Abandon Key Races

For most of 2014, DCCC Chair Steve Israel sounded the alarm that outside spending would come to oppose Democrat Members in October, yet the DCCC and Nancy Pelosi's House Majority PAC seemed wholly unprepared when it happened – frantically shifting dollars from top offense opportunities to protect incumbents that they always knew would be targeted. As *Roll Call* reported on October 10th:

“Since Monday alone, conservative groups Congressional Leadership Fund and American Action Network laid down \$6.3 million in television reservations...In response to these and other moves, an increasingly defensive DCCC and the Democratic outside group House Majority PAC have executed the grim task of ending spending in mostly offensive races in order to shore up their Democratic incumbents.”

Democrats would pull money from offense seats with highly-touted recruits where they had been spending in CO-06, VA-10, NJ-03, IL-13, MI-01, NY-21, and nearly a dozen others where they had originally committed to spend but never did.

In the end, House Democrats made poor decisions with their many resources and abandoned nearly all of their most prized recruits – an ominous sign for future Democrat House aspirants.

3. We Spent in Races to Build a Structural Majority & to Elect More Diverse Candidates. Then We Expanded The Battlefield

We focused our initial investments on districts that our candidates could more viably hold in the future, making seven-figure investments in races including Arizona 1 (R+4) and 2 (R+3), Texas 23 (R+3), Virginia 10 (R+2), New York 1 (R+2), and New Hampshire 1 (R+1).

We also made it a priority to elect exciting, diverse candidates. Many won, and they are now poised to help re-shape the center-right movement. They include:

Group	Race	Candidate	PVI	Total	Result
AAN & CLF	AZ-02	McSally	R+3	\$1,800,000	TBD
AAN & CLF	TX-23	Hurd	R+3	\$1,600,000	Win
American Action Network	NY-01	Zeldin	R+2	\$1,500,000	Win
American Action Network	FL-26	Curbelo	R+1	\$1,300,000	Win
Congressional Leadership Fund	VA-10	Comstock	R+2	\$1,000,000	Win
Congressional Leadership Fund	CA-52	Peters	D+2	\$550,000	TBD
Congressional Leadership Fund	MA-06	Tisei	D+4	\$500,000	Loss

Then we turned our final efforts to expanding the battlefield, spending in a mix of sleeper races and deep Democrat-held districts. This not only demonstrates just how unpopular President Obama's policies are even in traditional Democratic strongholds, but also that center-right alternatives to the Obama-Pelosi agenda are attractive nationwide. The DCCC followed us in, further diluting its resources for offensive opportunities.

Outside Group	Race	PVI	Expenditure	Result
American Action Network	IA-01	D+5	\$500,000	Win
Crossroads GPS	NV-04	D+4	\$920,000	Win
American Action Network	HI-01	D+18	\$300,000	4-Point Loss
American Action Network	NY-18	R+2	\$600,000	2-Point Loss
Congressional Leadership Fund	CA-26	D+4	\$450,000	TBD
Congressional Leadership Fund	MA-06	D+4	\$500,000	Loss

4. The Result? The largest majority since 1929, the most diverse freshman class in House GOP history, and another winning record, paving the way for better center-right legislative prospects for the third cycle in a row.

AAN & CLF spent over \$100,000 in a total of 21 races. Those expenditures were:

Group	Race	Candidate	PVI	Total (Rounded)	Result
AAN & CLF	CA-07	Ose	Even	\$2,200,000	TBD – Likely Win
AAN & CLF	AZ-02	McSally	R+3	\$1,800,000	TBD
AAN & CLF	TX-23	Hurd	R+3	\$1,600,000	Win
Congressional Leadership Fund	NH-01	Guinta	R+1	\$1,600,000	Win
American Action Network	NY-01	Zeldin	R+2	\$1,500,000	Win
American Action Network	FL-26	Curbelo	R+1	\$1,300,000	Win
Congressional Leadership Fund	VA-10	Comstock	R+2	\$1,150,000	Win
Congressional Leadership Fund	IL-10	Dold	D+8	\$1,000,000	Win
American Action Network	AZ-01	Tobin	R+4	\$950,000	Loss
American Action Network	MN-08	Mills	D+1	\$750,000	Loss
American Action Network	NJ-03	MacArthur	R+1	\$650,000	Win
American Action Network	NY-18	Hayworth	Even	\$600,000	Loss
Congressional Leadership Fund	FL-02	Southerland	R+6	\$600,000	Loss
Congressional Leadership Fund	CA-52	Peters	D+2	\$550,000	TBD
Congressional Leadership Fund	MA-06	Tisei	D+4	\$525,000	Loss
Congressional Leadership Fund	MN-07	Westrom	R+6	\$500,000	Loss
Congressional Leadership Fund	IL-12	Bost	Even	\$500,000	Win
American Action Network	IA-01	Blum	D+5	\$500,000	Win
Congressional Leadership Fund	CA-26	Gorell	D+4	\$450,000	TBD
American Action Network	HI-01	Djou	D+18	\$300,000	Loss
Congressional Leadership Fund	KS-02	Jenkins	R+8	\$150,000	Win