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TIMING OF CAMPAIGN CONTRIBUTIONS IN STATE LEGISLATURES: AN EXAMINATION OF THE MOTIVES AND STRATEGIES OF CONTRIBUTORS

David W. Prince

University of Kentucky

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ABSTRACT OF THE DISSERTATION

David W. Prince

The Graduate School
University of Kentucky
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ABSTRACT OF THE DISSERTATION

A dissertation submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy in the College of Arts and Sciences at the University of Kentucky

By
David W. Prince

Lexington, Kentucky

Director: Dr. Donald Gross, Professor of Political Science

Lexington, Kentucky

2006

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ABSTRACT OF DISSERTATION

TIMING OF CAMPAIGN CONTRIBUTIONS IN STATE LEGISLATURES: AN EXAMINATION OF THE MOTIVES AND STRATEGIES OF CONTRIBUTORS

There is a great deal of work on campaign finance at the national level, however, state level research is sparse. My dissertation fills this void in the literature by examining the motivations of contributors to state legislators. The literature discusses two major motivations of contributors – universalistic contributors, who hope to influence election outcomes, and particularistic contributors who hope to influence legislative votes. The primary hypothesis is that proximity to the general election is the primary factor in explaining contribution patterns in state legislatures; however, proximity to a legislative vote of interest to the contributor will also be significant in explaining contribution patterns. Additionally, the dissertation examines the impact of session limits on contribution patterns.

I use campaign contribution data collected by the National Institute on Money in State Politics and select twenty-five bills in nine states to test the primary hypothesis. I use a contributor fixed effects model to test for increased or decreased levels of contributions for each contributor, given the proximity to the election and legislative votes important to the contributor.

The results indicate that contributions increase across all states in the two months prior to the general and primary elections, and that proximity to the election is the most important factor in explaining campaign contributions in state legislatures. In 32% of all cases in the study, there was direct evidence of interest groups attempting to influence the
outcome of legislative votes. Additionally, an increase in contributions close to a major legislative vote occurred in 77% of the cases without session limits, indicating that interest groups are highly active in attempting to influence policy outcomes. An additional examination of contribution patterns indicates that PACs shift their contributions to the beginning of the legislative session when faced with session limits. My research contributes to our understanding of the motives of campaign contributors and their actions when faced with legal restrictions on their contributions. This research, therefore, allows campaign finance reformers to make better reform decisions.

KEYWORDS: Campaign Finance, State Legislatures, Campaign Contributions, Political Action Committees, Interest Groups
TIMING OF CAMPAIGN CONTRIBUTIONS IN STATE LEGISLATURES: AN EXAMINATION OF THE MOTIVES AND STRATEGIES OF CONTRIBUTORS

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DEDICATION

I dedicate this dissertation to my wife Kimberly Sykes-Prince.
ACKNOWLEDGEMENTS

The completion of a project such as this would be impossible without the assistance of many wonderful individuals along the way. First, I would like to thank my committee chair Dr. Donald Gross for his assistance and patience in completing this project. In particular, I want to think him for providing me a great deal of lead-way in the direction of this project, but always offering advice when I needed it to help get me back on track. Second, I want to thank Dr. Richard Fording who has not only provided me with important advice in the completion of this project as a committee member, but has also provided me with encouragement at times when I thought this project may never be completed. Third, I want to thank Dr. D. Stephen Voss who always challenges me to get more out of my abilities than I often believe are possible. This final product is much better due to his insightful comments. Forth, I want to thank Dr. Eugenia Toma for serving on my committee. Her enthusiasm for students and for teaching serves as an inspiration in my on teaching endeavors.

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I would like to thank the entire faculty at the University of Kentucky for their encouragement and support throughout my studies. Furthermore, I would like to thank all of the graduate students I have had the honor to study with for your support and encouragement and for challenging me to be my best.
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Chapter 1: Introduction

Campaign finance is a topic of contemporary importance to the American political system. Many citizens feel they have no voice in a political system controlled by special interests with deep pockets. In a CBS/New York Times opinion poll conducted in January of 2006 63% of respondents stated you could only trust government some of the time. Furthermore, in a Washington Post ABC News poll conducted in March of 2006 62% of respondents disapproved of the job of Congress. These polls indicate a public mistrust of government with many citizens feeling government is corrupt, and does not represent them. Campaign finance reform is one tool to return trust in government to the people, and thus have lasting implications for a democratic society. As will be discussed in Chapter 2 many efforts have been made to reform the campaign finance system, however, as the above polls indicate more than 60 percent of the public still do not trust government. The high level of mistrust of government among the public leads to the conclusion that previous reform efforts have done little to help the image of government among the public. If campaign finance is to be a tool to bring about higher levels of trust in government among the people then it is critical that we understand the impact of previous reform efforts. If previous reform efforts have been successful in removing the undue influence of money from politics then campaign finance reform is likely to be unsuccessful in bringing about higher levels of trust in government among the people. However, if we find that campaign finance reforms have not been successful in removing the undue influence of money in politics then we need to understand why these reforms have not been successful. It is important to understand the strategies that interest groups employ when faced with legal restrictions on their contribution
activities, and therefore offer proposals that may close some of the loopholes in the current law, and in turn bring about higher levels of trust among the public.

In a speech on September 27, 1999 in Nashua New Hampshire to announce his candidacy for President, Senator John McCain stated, “If we are to meet the challenges of our time, we must take the corrupting influence of special interest out of politics.” McCain has continued to serve as the primary spokesperson for campaign finance reform at the national level and has been the key actor in the recent passage of campaign finance reform with its centerpiece of banning soft money.

The McCain-Feingold campaign finance legislation attempts to fill in many of the existing loopholes that plague campaign finance laws passed in the 1970s. However, despite the bipartisan support the act received, it still has failed to achieve many of its goals, and has often left supporters with results that were not as successful in changing the undue influence of money in politics as supporters had hoped. For example, Senator Carl Levin of Michigan, a supporter of passage of the 2002 Bipartisan Campaign Finance Reform, spoke on the Senate floor in March 2002 and stated, “The political landscape will change when this bill takes effect.” Levin continued by stating, “It will be filled with more people and less influence; more contributors and smaller contributions; more democracy and less elitism.” Additionally, despite many challenges to the law, which resulted in a 298 page Supreme Court opinion, many issues remain unresolved.

Despite the many challenges to the Bipartisan Campaign Finance Reform Act of 2002, as well as previous reform efforts, the courts have consistently supported the constitutionality of contribution limits. In the landmark Supreme Court case *Buckley v.*

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1 See the 2003 Supreme Court Decision McConnell, United States Senator, Et Al. v. Federal Election Commission Et Al. [02-1674]
Valeo in 1976, the court upheld the constitutionality of limitations on contributions to candidates for federal office. In their ruling, the court stated, "These limitations, along with the disclosure provisions, constitute the Act's primary weapons against the reality or appearance of improper influence stemming from the dependence of candidates on large campaign contributions.” This decision was reconfirmed in Nixon v. Shrink Missouri Government PAC in 2000, in which the court upheld Missouri's contribution limits to state campaigns. Through their decisions, the courts have recognized the importance of removing the undue influence, or at least the appearance of undue influence, of money from the political system. The courts have found that the interest of society in controlling the influence of money in the political system is more important than an individual’s right to give unlimited money to a political candidate.

The debate over McCain-Feingold and the subsequent court battles show the importance of understanding the impact of campaign finance reforms. The courts have clearly supported the right, and importance of government attempts to control the undue influence, or the appearance of undue influence, of money in the political system. An understanding of the impact of reforms before they are enacted is important to prevent reforms that fail to remove the undue influence of money from politics. The states have implemented a variety of different reforms. The variation in reforms at the state level provides an opportunity to study a variety of reforms that have not been implemented at the national level.

The ramifications of campaign finance reforms are important to a democratic society. Reforms play an important role in government’s effectiveness in representing its citizens. Supporters of reforms, such as those behind the McCain-Feingold legislation,
predicted the legislation would reduce the role of money in politics, make elections more competitive, reduce corruption in politics, and increase voter turnout. However, opponents argued that the legislation did not make things better and in some cases even made things worse. For example, opponents argued that the ban on soft money, at the center of McCain-Feingold, merely resulted in the shift of contributions from political parties to 527 groups. Contributions from 527 groups have resulted in a controversy over the effectiveness of McCain-Feingold. Supporters argue that the legislation was not flawed, but that the FEC made an incorrect interpretation when it came to 527’s. On the other hand, opponents argue that no legislation will be able to close all campaign finance loopholes. These groups were named after a loophole in the tax code that allows them to receive tax-exempt contributions for any amount from any source. The actions of political action committees have the potential of resulting in policy outcomes not supported by a majority of citizens. If it is important for the will of majority to prevail over the will of a minority, then it is critical to understand the implications of campaign finance reforms as fully as possible.

There are many critical questions concerning campaign finance. One question of concern is: What are the motivations of contributors to campaigns? Are contributors giving money with the hope of influencing election outcomes or are they attempting to influence legislative outcomes? The answer to this question is critical as it plays an important role in how campaign finance is structured. Reform efforts to reduce the role, and influence of money are different from reform efforts to reduce the influence of money in the legislative process. For example, reform efforts that limit television ads close to the election attempt to reduce the impact of money from the electoral process. On the other hand, reforms limiting contributions during a legislative session are an attempt to remove the influence of money
from the legislative process. Additionally, some reform efforts, such as contribution limits, are an attempt to limit the effect of money in both the electoral and legislative arenas. An understanding of the motivation, and behavior of contributors will allow us to better target reform efforts to achieve intended consequences.

An additional question of concern surrounding campaign finance is how effective campaign contributions are at removing the undue influence of money from the legislative process. It is extremely important to understand the impact of money on legislative votes in order to make more informed reform proposals. If money is not influential in deciding how a legislator should vote, then reform efforts are less important since contributions do not make a difference. On the other hand, if money is influential in the decision-making process then I can examine solutions to remove the influence of money from the process.

In this dissertation, I focus on two primary questions. First, what are the motivations of campaign contributors? Second, what is the impact of legal restrictions on contribution patterns? More specifically, this dissertation examines the patterns of contributions in nine state legislatures, to see if increases in contributions occur close to major legislative votes as well as close to the election. This analysis will provide a better understanding of the motives of contributors. Gaining a better understanding of the motives of contributors is essential in understanding the impact of interest group activity on representation in a democratic society.

The pattern of campaign contributions under legal restrictions is a second focus of this dissertation. I primarily focus on the impact of laws, which prohibit or limit contributions during legislative sessions, on the strategies employed by interest groups. When faced with session limits, do interest groups simply withdraw from the legislative process or do they employ alternative strategies that still allow them to influence policy
outcomes? When a limit is placed on contributions during the legislative session, the PAC has several alternative strategies they may follow. First, they may decide not to give a contribution to the legislator. The session limit will increase the time difference between legal contributions and legislative votes. The increase distance between the legislative vote and the contribution may make it more difficult to influence the outcome of the legislation and therefore the interest group elects not to contribute. Second, a PAC may shift their contributions to the election season. Third, they may shift their contributions to immediately before the legislative session begins in the hope of influencing legislative outcomes during the session. Finally, the PAC may choose to give a contribution to the legislator at the completion of the legislative session as a reward for support during that time.

An examination of campaign finance reforms at the state level offers an opportunity to understand the impact of reform efforts not possible at the national level. The states have enacted a variety of different reforms. The states, therefore, serve as laboratories to understand the effectiveness of different reforms. For example, some states place limits on contributions during the legislative session while others do not, thus providing an opportunity to use the differences across states to study the impact of session limits on the strategies of interest groups.

Some states such as Illinois place few restrictions on who can give contributions, the amount of those contributions, and when those contributions can be given. On the other hand, states such as Georgia placed a variety of restrictions on contributions such as contribution limits, who can give money, and when contributions can be given. An examination of contribution patterns at the state level provides us the opportunity to examine
what occurs in states with and without certain restrictions during the same period, thereby serving as a control group.

Despite all the advantages of examining contribution patterns at the state level, the majority of research has focused on the national level with little attention paid to the states. This dissertation addresses the gap in the campaign finance literature at the state level, and uses the analytical advantages of the states to help better understand the impact of campaign finance reforms.

There are several additional compelling reasons to study campaign finance at the state level. First, a state-level examination will help provide a greater understanding of how legislative structure affects campaign contributions. For example, the United States Congress is a professional legislative body occupied by career politicians. On the other hand, many states have amateur legislatures that have little in common with the national government. A state level examination will allow us to gain some purchase on how these structural differences impact contribution decisions. Additionally, the variety of policy and political contexts within the states allows us to gain more empirical leverage on questions of campaign finance than possible at the congressional level (Mooney 2001). Replicating national level findings at the state level provides more support for theories at the national level (Hamm and Squire 2001). Finally, state legislative sessions and elections, have a much lower profile than national elections. It is possible, given this low profile among the public, money could play a greater role influencing voting behavior since legislators do not have to be as concerned with public opinion and the cost of a decision at election time. Mayhew (1974) identified re-election as the primary motivation for members of Congress; hence, members of Congress are attempting to maximize the probability of their re-election. Money
and votes are two of the most important factors in re-election; therefore, candidates attempt to maximize both the amount of money received as well as the number of votes. A legislator has to weigh the cost of voting for the position of the contributor against the loss of votes during the election. Since state legislators receive less coverage than their national counterparts it is possible that state legislative contributions are more successful than contributions at the national level.

The purpose of this dissertation is to explore the motivations of contributors giving campaign contributions, and to determine the strategies employed by PACs when faced with legal restrictions. Within the discipline, it has been suggested that there are two main motivations for campaign contributions. Particularistic contributors give in the hope of influencing legislation (Austen-Smith 1995, 1998; Ben-Zion and Eytan 1974; Box-Steffensmeier and Dow 1992; Cox and Munger 1999; Chappell 1982; Jones and Hopkins 1985; Hendrie, Salant and Makinson 2000; McAdams and Green 2000; Morton and Cameron 1992; Snyder 1990; Strattmann 1998; Welch 1977 and 1980). Universalistic contributors, on the other hand, give in the hope of affecting electoral outcomes (Fuchs, Adler and Mitchell 2000; Magee, Brock and Young 1989; Morton and Cameron 1992; Mueller 1989; Mutz 1995; McAdams and Green 2000; Poole and Romer 1985; Sabato 1985; Snyder 1990; Welch 1974 and 1980). Given the analytical advantages of the states in understanding the impact of campaign contributions in a variety of legal and political contexts, this research will provide greater knowledge of the motivations of contributors and the relevance of each of these two approaches through an analysis of contributions in nine states. Furthermore, understanding interest group behavior is critical to understanding the

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2 Particularistic contributors can be further classified into quid pro quo contributors who give with the hope of influencing legislative outcomes or renters who give contributions as insurance to keep legislators in office that will be more likely to support the contributor when future legislation is considered.
impact of money on policy outcomes in the states. While it is beyond the scope of this research to understand if money given to a legislator is successful in achieving its intended goal, the appearance of undue influence has the potential of resulting in a mistrust of government and increase feeling of the illegitimacy of decisions in a democratic society. Reforms such as session limits may remove the appearance of interest groups attempting to exercising undue influence on policy outcomes, however, it is critical to understand the true impact of these laws if we are to understand if appearance equals true reform and reality.

Additionally, the dissertation offers suggestions on what reforms are most likely to be successful so future reforms will be more successful. In Chapter 2, I provide an overview of the history of campaign finance reforms in the United States. This overview of past reform efforts provides a better understanding of previous attempts, thus enabling us to place current reform efforts into a proper historical context. Furthermore, this overview points out the importance of understanding how past reform efforts have not always achieved their intended outcomes, and that further research needs to attempt to understand the strategies employed by contributors when faced with legal restrictions placed on their actions.

In Chapter 3, I outline the existing research on campaign finance. First, I examine the literature addressing the linkage between spending and election outcomes. Second, I outline the existing studies on the motivations of contributors. This literature tends to focus on the distinction between particularistic contributors, who give money with the hope of influencing legislative outcomes, and universalistic contributors who give money with the hope of influencing election outcomes. Finally, I provide an overview of the literature that addresses questions of the link between contributions and legislator behavior.
In Chapter 4, I introduce my research question and hypotheses for the dissertation. This dissertation first attempts to answer the question of why contributors give money to state legislators. It is expected that the number of contributions to state legislators, will be greater in the two months prior to the election when compared to the proximity to a major legislative vote. However, the proximity to a major legislative vote is also expected to be significant in explaining contribution patterns. A second question of interest is the impact of session limits on contribution patterns. It is expected that PACs in states with session limits on contributions will engage in a strategy where they provide contributions immediately prior to the beginning of the legislative session in the hope of influencing legislative votes during the session.

In Chapter 5, I introduce and test a model to explain campaign contributions in state legislatures. This model is tested across twenty-five bills in nine states. It is based on the work of Thomas Stratmann (1992, 1998, 2000) who finds at the national level that contributions increase before important legislative votes. This dissertation builds on the work of Stratmann by expanding the study to the state level, and to a larger variety of legislation. The model introduced in Chapter 5 allows a determination of the motives of contributors. It also allows us to determine how PACs respond when faced with session limits on contributions. Understanding the response of PACs to obstacles placed in front of them is important in providing an understanding of the link between policy outcomes and interest group activities, and the impact of those outcomes on public perceptions of the political system.

In Chapter 6, I present the results of my analysis. These findings provide evidence of the pattern of contributions surrounding both the general and primary election and under
what context we would expect the greatest increase in contributions surrounding the general
election and under what circumstances we would expect to see the greatest increase in
contributions surrounding the primary election. Additionally, these findings provide an
understanding of the role of legislative votes on contribution patterns, and address the
question of if the greatest number of contributions comes close to those major legislative
votes. The findings presented in Chapter 6 also provide us with a better understanding of the
action of PACs when faced with session limits and if those limits are successful in keeping
money out of the political system.

In Chapter 7, I discuss the implications of the findings from this dissertation. I
provide evidence of whether PACs are universalistic or particularistic contributors to state
legislators and the reforms most successful in removing the influence of money from
politics. Finally, I offer suggestions for future research that will advance our understanding
of the impact of campaign finance reforms.
Chapter 2: The History of Campaign Finance Reforms

Throughout the history of the United States, many efforts have been put forth in an attempt to remove the influence of money from politics\(^3\). These efforts have, in many cases, been ineffective in completely achieving their intended goals. For example, Congress placed contribution limits on the amount of money an individual or PAC may give to a federal candidate. However, contributors were often able to circumvent these limits through bundling and loopholes allowing for unlimited soft money to political parties. Many of these reform efforts have resulted in disappointment for their supporters. Reforms implemented without a complete as possible understanding of their effects may result in unintended consequences not successful in removing the undue influence of money from politics. While it is not possible to fully understand all of the ramifications of any reform proposal, or how the courts will respond to the law, we should strive to understand the ramifications of any proposal as thoroughly as possible prior to implementation to minimize the number of unintended consequences brought about by an reform. A historical overview of campaign finance shows problems that plagued previous reform efforts, and reiterates the importance of understanding the ramifications of previous reform efforts before enacting additional reforms. Additionally, the overview provided in this chapter illustrates the extent contributors will go to in order to circumvent the intent of the law, and illustrates that despite the many efforts to reform the system many citizens still do not trust their government. This lack of trust in government illustrates that previous reform efforts have been unsuccessful in restoring trust in government or that additional steps aside from the

\(^3\) For an additional overview of the history of campaign finance reform see Goidel, Gross and Shields (1999); Thayer (1973); Overracker (1932); Heard (1960); and Dwyre and Farrar-Myers (2001). For a summary of important events in the history of campaign finance please see Table 2.5. at the end of this chapter.
campaign finance system are necessary to remove the perceived notion of corruption in
government among the people.

In this chapter, I first examine national level reforms. These reform efforts began in the 19th century and continue until today. Second, I examine state level reforms. While reform efforts at the national level are extremely important, the majority of elections in the United States are state and local elections; therefore, an understanding of state level reforms is critical to understand all efforts to remove the influence of money from politics. Finally, I examine specific campaign finance laws in nine states that are part of this study. An understanding of the campaign finance laws in these states is critical to understanding the pattern of campaign contributions in them. In order to understand where we should head in the future, it is critical that we understand what occurred in the past. An examination of past campaign finance reforms efforts places us in a better position to provide policy recommendations for future legislation to help restore trust in government.

1. Campaign Finance at the Federal Level

Campaign finance has received a great deal of attention in the media recently. However, the issue has been a permanent part of the political landscape for several centuries. Money has played a role in politics since the time of George Washington. In a controversial move, Washington used his own money to buy alcoholic drinks for voters in Virginia. Washington’s attempt to influence the voters was a source of controversy and early in the history of the United States pointed to the need for campaign finance reforms. However, reform efforts would not come until the middle of the nineteenth century.
Initial efforts at campaign reform focused on the solicitation of money from government workers. Such solicitation had become a way of life because of the introduction of the “spoils system” under President Jackson. Thus, the first effort to regulate campaign finance came in 1868 with passage of the Naval Appropriations Bill. This legislation prohibited officers and employees of the government from soliciting money from naval yard workers. However, parties continued to receive money from other federal employees and political appointees.

The Pendleton Civil Service Reform Act of 1883 extended the provisions of the Naval Bill that prohibited solicitations by applying them to all federal civil service workers. These bills were a major step forward in the regulation of campaign finance because prior to the legislation, workers often had to give to political parties in order to keep their jobs. The necessity to provide a contribution in order to keep one’s job only served to increase public sentiment that the system was corrupt, and not responsive to the people. While resulting in a reduction of party reliance on government employees, the act again failed to remove money from the system, and merely shifted the financing burden of campaigns from individuals to businesses with a stake in federal policy outcomes. The importance of business interest in the financing of campaigns would continue to increase through the 1880s and 1890s.

The next major step in advancing campaign finance reform came in 1907 with passage of the Tillman Act. The act attempted to prohibit corporations and national chartered banks from contributing directly to federal candidates. The Tillman Act was an additional effort at attempting to remove corruption or at least the appearance of corruption from the political system. However, the legislation proved largely ineffective due to weak enforcement methods set forth in the legislation. The Federal Corrupt Practices Act of 1910
was another in a series of largely ineffective attempts to regulate campaign finance. The act attempted to establish disclosure requirements for U.S. House candidates. In 1911, the act was extended to included Senate candidates and expanded to include expenditure limits for congressional candidates. This legislation once again proved largely ineffective due to the lack of mechanisms for verification and enforcement. Hence, little advancement occurred to reduce corruption and the perception of corruption in the political system.

In 1925, the Federal Corrupt Practices Act was revised, but once again, legislation would be routinely ignored. The act attempted to revise previous campaign reform legislation concerning spending limits and disclosure. Since the power of enforcement resided in Congress, the Act was ignored. It was not until 1967 that Clerk of the House, former Congressman W. Pat Jennings, collected campaign finance reports for the first time. However, his list of violators was ignored by the Justice Department. The lack of enforcement of the Corrupt Practices Act served to further entrench corruption as part of the political culture, and therefore resulting in more disillusionment among the public.

In 1940, the Hatch Amendments were passed to extend previous legislation. The amendments established a limit of $5000 per year on individual contributions to a federal candidate or political committee. An individual could, however, give $5000 to multiple committees working for the same candidate. This loophole resulted in legislation that was ineffective in limiting the influence of interest groups, and corruption in the political process. Additionally, the Hatch amendments extended campaign finance law to cover primary as well as general elections and prohibited contributions to federal candidates from individuals and businesses working for the federal government. In 1943, the Smith-Connally Act extended the prohibition on contributions to federal candidates that already
existed for corporations and interstate banks to include unions. The extension of the act to cover unions was an effort to even the playing field across different types of contributors, however, contributors were able to find loopholes in a law that was not actively enforced thus allowing corruption to continue.

In 1944, the first political action committee was formed by the Congress of Industrial Organizations to raise money for the re-election of President Roosevelt. The PAC money came from voluntary contributions from union members, and therefore was legal under the Smith-Connally Act that prohibited money going to candidates from union dues. The formation of the first PAC provides an illustration of how loopholes in the campaign finance law has allowed interest groups to circumvent the law, and therefore resulting in a growing concern about the public that the political system is corrupt, and is not representative of the view of the majority but only of a select minority. The Taft-Hartley Act of 1947 made permanent the ban on contributions to federal candidates from unions, corporations, and interstate banks and extended the prohibitions to include primary elections.

Until 1971, the Corrupt Practices Act served as the basis for campaign finance law; however, with passage of the Federal Election Campaign Act in 1971 a new framework for the regulation of campaign financing was established. This act required full and timely disclosure of contributions, set limits on media advertising, established limits on contributions from candidates and their families, allowed unions and corporations to solicit voluntary contributions, and allowed union and corporate treasury money to be used for overhead in operating political action committees.

The 1971 Revenue Act created a public campaign fund for eligible presidential candidates through a voluntary one-dollar check off on federal income tax. Additionally, the
act provided for a $50 tax deduction or a $12.50 credit, later raised to $50, for contributions to state, local or federal candidate. However, this provision has since been eliminated. The revenue act of 1971 was an important attempt in trying to remove the undue influence of money from the political system through providing public funds for campaigns. However, the public has not been very receptive about the ideal of public money going to fund campaigns, and therefore the majority of taxpayers have not participated in the one-dollar check off on the federal income tax form. Citizens, therefore while decrying corruption within the system are in general reluctant to pay for campaigns. This reluctance on the part of taxpayers creates a dilemma for reformers who have to try alternative forms of reforming the system such as limitations on contributions during legislative sessions.

The most significant campaign reforms came in the aftermath of the Watergate scandal. This legislation serves as the basis for most of our federal campaign finance law today. The Federal Campaign Act Amendment of 1974 provided matching funds for presidential primaries, public funds for presidential nominating conventions, set spending limits for presidential and congressional primaries and elections, and created a $1000 individual per election contribution limit and a $5000 PAC limit. Additionally, the legislation abolished limits on media advertising and created the Federal Election Commission.

Provisions of the Federal Campaign Act of 1974 were challenged in the courts as being an unconstitutional violation of free speech. The 1976 decision *Buckley v. Valeo* upheld disclosure requirements, limits on individual contributions, voluntary public financing, and the President’s authority to appoint commissioners to the Federal Election Commission as constitutional. However, the court ruled that limits on candidate
expenditures are unconstitutional unless the candidate accepts public financing and that it was unconstitutional to place limits on personal and “independent” expenditures.

In 1976, in the wake of the Buckley decision, Congress reconsidered the 1974 Federal Campaign Act and sought to bring the law in line with the Supreme Court decision. Amendments to the 1974 act limited individual contributions to national parties to $20,000 per year, and individual contributions to PAC’s to $5000 per year. In 1979, additional amendments increased the in-kind contributions from $500 to $1000, raised the threshold for reporting contributions from $100 to $200, prohibited the FEC from performing random audits, and allowed state and local parties to spend unlimited amounts on campaign materials used by volunteers and on voter registration and get-out-the-vote campaigns. The soft money loophole continued a line of failed efforts to remove corruption from the political system, and thus led to the need for future legislation designed to close this loophole within the existing campaign finance law.

The most recent effort to reform campaign finance is the 2002 Bipartisan Campaign Reform Act, otherwise known as McCain-Feingold. The act attempted to fill in loopholes that existed in campaign finance laws passed in the 1970s. The law restricts the amount of money parties can give to candidates and the amount that individuals can give to parties. The act increases individual contribution amounts to $2,000 per election and to the national party committees to $25,000. However, these limits are adjusted by a formula that penalizes wealthy candidates for spending their own money. Additionally, the act attempts to control the timing of ads from independent groups for federal office. The efforts under the 2002 Bipartisan Campaign Reform Act were successful in curtailing unregulated soft money to political parties, however, the political party in many cases has been replaced by 527 groups
as recipients of soft money. These groups are tax-exempt under section 527 of the Internal Revenue code and they are often engaged in voter mobilization efforts, issue advocacy, and so forth with the use of soft money in many cases.

Despite the claims of supporters that the Bipartisan Campaign Act would decrease the role of money in elections and make elections more competitive, it may have in fact made things worse, as we have seen in previous efforts to decrease the role of money in politics. For example, prior to the first implementation of contribution limits in 1976, the 1974 election saw 12% of House members lose their reelection attempts compared to 4% in 1976 and 6% in 1978. Additionally, in 2004 only 2% of House incumbents lost their re-election attempts, which is similar to incumbent reelection rates prior to the implementation of the 2002 Bipartisan Campaign Act. An overview of incumbent re-election rates since 1964\(^4\) reveal that incumbents are consistently re-elected at very high rates, and in fact incumbents may be becoming even more secure in recent elections (see Table 2.0). Additionally, states legislatures faced with similar restrictions as outlined in McCain-Feingold have seen an increase in the percentage of votes received by the incumbent (Lott 2004).

**TABLE 2.0. ABOUT HERE**

There are many possible explanations of why campaign finance reforms have not been as successful as its authors may have wished. First, incumbents have built-in advantages such as better name recognition and the ability to use governmental resources at their disposal to enhance electoral success. Second, incumbents have more connections and

\(^4\) There is a great deal of debate over whether elections have become more or less competitive. Incumbent reelection rates are only one component in that debate. While incumbents are being elected at higher rates than ever to Congress many state legislatures have become much more competitive with Republicans gaining numbers in many state legislatures.
are in a better position to be successful in raising a lot of money through small donations.
Conversely, the incumbent may be in a position that makes it necessary to place more reliance on larger contributions from fewer donors.

Despite the possible explanations for the failure of reform, the long history of campaign finance reforms reveals the importance of evaluating reforms before they are implemented on a large scale to see any possible unforeseen ramifications. Furthermore, an overview of previous campaign finance efforts reveals a constant effort to remove corruption and the perception of corruption from the political system. These efforts, however, for the most part have been unsuccessful with the majority of the public still cynical when it comes to trusting in government. In addition to reforms at the national level, the states have implemented many different campaign finance reforms. These reform efforts provide excellent opportunities to understand the impact of policy changes and to offer more effective policy recommendations.

2. State Campaign Finance Reform

Campaign reform has not been restricted to the national level. By 1980, most states required some sort of candidate disclosure, with half of the states having limits on contributions and 16 states had some type of public financing.\(^5\) Since 1990, the majority of states have reformed their campaign finance laws in response to rising campaign costs, under-funded challengers, the increased influence of large donors, and the growing influence of independent expenditures (see Tables 2.1 to 2.3). The innovative approaches taken by the states, such as strict contribution limits, spending ceilings, and public financing of

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campaigns serve as models for national reform. However, as is the case with federal law, many of the laws enacted by the states have undergone scrutiny by the courts and declared unconstitutional in many cases. The response by the courts has often led to more unique innovations such as providing free broadcast time to candidates. These new innovations broadened the campaign finance debate to include a completely new way of thinking about campaign financing.

TABLES 2.1. to 2.3 ABOUT HERE

In 1991, ten states passed laws establishing or reducing contribution limits. Additionally, from 1992 to 1996 twenty-three states and the District of Columbia revised their campaign finance laws, including some states that made major changes in their existing systems. In 1980, twenty-three states had limits on individual contributions while sixteen states had limits on PAC contributions. The number of states with individual contributions limits increased to thirty-four states by 1996. Additionally, by 1996 thirty-two states imposed limits on PAC contributions. The increased attention to campaign reform legislation by legislators has been accompanied by an interest of scholars to determine the impact of enacted legislation. The elapse of time since the passage of many reform laws has allowed scholars to begin to assess the impact of campaign reform. In the next chapter, I examine research that attempts to understand the consequences of reform efforts. Finally, in this section I provide a broad overview of campaign reforms in the states. This overview reveals a variety of different approaches toward campaign finance reform in the states. In the next section, I focus more specifically on the laws of the nine states included in this study.

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6 Between 1992 and 1996 California, Colorado and Kentucky passed comprehensive reform packages. Maine and Nebraska established public financing for state elections and Minnesota and Hawaii revised their public financing programs.
The differences in their regulations provide an opportunity to understand the impact campaign regulations in a variety of different legal contexts.

3. Campaign Finance Laws in the Nine States Sample

There are a variety of different campaign finance laws across these states\(^7\). Some states have very open systems with few restrictions placed on the actions of contributors. On the other hand, in some states numerous restrictions on contributions exist in the hope of removing the undue influence of money from the political system. These restrictions include limitations on the amount of contributions given, when contributions can be given and received, and who can give contributions. The states in this study include the entire spectrum of campaign finance laws. Some states, such as Illinois, have laws that allow nearly unlimited contributions, while others such as Wisconsin place many restrictions on the actions of contributors.

In table 2.4, I identify campaign finance restrictions across six common types of restrictions placed on campaign contributions in the states in this study. Each state is given a ranking of 1, 2 or 3 with 1 indicating that type of contribution is prohibited, 2 indicating restrictions placed on that type of contribution and 3 indicating no restrictions placed on that type of contribution. If we weigh each of these types of contributions the same, Illinois is clearly the least restrictive when it comes to campaign contributions with Wisconsin the most restrictive state in the sample. This chart clearly illustrates the diversity of laws in the sample in this study. This diversity allows us to study the impact of a variety of different

\(^7\)For additional information on campaign finance laws in the states see the National Conference of State Legislatures web site at http://www.ncsl.org/programs/legman/about/campfin.htm
campaign finance laws, and their success at removing undue influence and the corruption of money from the political system.

**TABLE 2.4. ABOUT HERE**

3.1. Illinois

As indicated in table 2.4, Illinois places few restrictions on campaign contribution in comparison to other states. Illinois does not place limits on contribution amounts, as is the case with California and Georgia. However, Illinois does prohibit anonymous contributions and places limitations on fundraising during a legislative session. Candidates for the General Assembly may not conduct a fundraiser within 50 miles of Springfield during the session unless his or her district is within 50 miles of Springfield, however, contributors allowed to take contributions during the legislative session. Additionally, Illinois allows for the direct contribution of campaign donations by corporations, thus making it unnecessary for political committees to be established to donate to a candidate.

3.2. New Mexico

New Mexico has very few restrictions on contribution limits. Individuals, corporations, and PACs are able to give unlimited amounts of money to candidates. The only restrictions placed on the amount of contributions are that anonymous contributions in excess of $100 may not be accepted. Furthermore, the aggregate amount of anonymous contributions that may be accepted by a candidate cannot exceed $2,000 in statewide races or $500 in all other races. However, New Mexico does prohibit contributions from being
given during a legislative session. This is the only restriction on campaign contributions in New Mexico across the six contribution restrictions listed in table 2.4.

3.3. Utah

The campaign finance laws in Utah mirror what is seen in New Mexico. Individuals, corporations, and PACs can give an unlimited amount to candidates. Additionally, in New Mexico all contributions during the legislative session are prohibited, thus making the laws in Utah slightly more restrictive than in Illinois.

3.4. California

In comparison to other states such as Georgia and Wisconsin, California has fewer legal restrictions on campaign contributions. However, California places more restrictions on contributions than Illinois, New Mexico, and Utah. California places restrictions on all types of contributions listed in table 2.4 with the exception of contributions during the legislative session. Contributions over one hundred dollars may not be made in cash. Additionally, anonymous contributions must be less than one hundred dollars, and contributions may not be accepted or solicited from a foreign government.

Contributions from any person or political party, other than small contributor committees, are limited to $20,000 per election for governor, $5,000 for other statewide offices, and $3,000 for non-statewide offices. Additionally, these limits also apply to contributions given by one candidate to another candidate. For small contributor committees the limits are $20,000 for governor, $10,000 for statewide, office and $6,000 for non-statewide offices.
Additionally, limits are placed on contributions to committees given for contributing to candidates for state office. Contributors, however, are not limited to the amount they may give to committees for non-election purposes. Contributions are limited to $5,000 to non-party committees and to $25,000 for political party committees when the purpose of the contributions is to support the election of candidates for office.

3.5. New York

The campaign finance laws in New York mirror those in California in that New York allows all of the types of contributions indicated in table 2.4. In New York there is a formula based on the number of enrolled voters in a candidate’s party that determines the limit on the amount of a contribution that an individual can give to a gubernatorial candidate. However, the amount cannot be less than $5,400 or more than $16,200 in a primary election or $33,900 in a general election.

In state legislative races, an individual can give a senate candidate $5,400 in the primary and $8,500 in the general election. A house candidate can be given $3,400 in both the primary and general elections. These same limits applied to individuals also apply to corporations and PACs. However, corporations are limited to a maximum total of $5,000 per year which makes some of the spending limits set forth previously a moot point. Individuals are limited to a total of $150,000 per year, while there are no limits placed on PACs. Finally, New York does not place restrictions on contributions given during the course of the legislative session.
3.6. South Carolina

South Carolina allows all types of contributions listed in table 2.4, however, the state places restrictions on those. The contribution limits in South Carolina are lower than is the case in New York and California. This difference may be the product of the fact that a legislative race is less costly in South Carolina than in New York and California. South Carolina limits corporations, PACs, and individuals to $3,500 per candidate per election for statewide offices. The limit for legislative candidates is only $1,000 per candidate per election. Political parties in South Carolina may not contribute more than $50,000 per election cycle to any candidate for a statewide office or more than $5,000 for any other candidate. Additionally, South Carolina prohibits lobbyists from giving contributions during a legislative session.

3.7. Kentucky

In contrast to Illinois, New Mexico, and Utah, which allow unlimited contributions, Kentucky prohibits the direct contribution of campaign donations by corporations, thus resulting in the necessity of the formation of a political committee in order to contribute to a campaign. Kentucky places a $1,000 per election limit on individual contributions. Additionally, a person may give no more than $1,500 to all permanent committees and contributing organizations in a given year.

Restrictions are also made on the amount of contributions that can be given by political committees. Committees are limited to the greater of $10,000 per election cycle or 50% of the total contributions received by the candidate. Furthermore, a slate of candidates may not accept a contribution during the 28 days immediately preceding or following a
primary or general election. Finally, no restrictions are placed on contributions given during legislative sessions.

3.8. Georgia

Georgia has more restrictive campaign laws than all the other states in the sample with the exception of Wisconsin. Individuals, corporations, political committees, and political parties are limited to a $5,000 contribution in the primary and another $5,000 in the general election in races for statewide office. The limit drops to $2,000 in non-statewide races. Political parties are not subject to contributions or expenditures made by a party in support of the party ticket or a group of named candidates.

Georgia also places limits on contributions during legislative sessions. Members of the legislature are not allowed to accept contributions during the legislative session. They may accept funds received from a fundraising event during a legislative session, if the fundraiser took place prior to the legislative session. Additionally, contribution restrictions are placed on certain regulated industries and public agencies. Any individual that acts on behalf of a public utility corporation regulated by the public service commission cannot contribute to a political campaign.

3.9. Wisconsin

Wisconsin has the most restrictive campaign finance laws of any state in the sample. Wisconsin is the only state in the sample to prohibit contributions from unions as well as being one of only two states to prohibit contributions from corporations. Corporations are prohibited from giving directly to a candidate and may only give contributions through a
PAC. Wisconsin limits individuals to $10,000 per candidate per election in statewide races, $1,000 in state senate races and $500 in state house races. Additionally, individuals cannot give more than $10,000 per year to all candidates and PACs combined. The limits for PACs are the same as those for individuals in state senate and house races, however, the limit for gubernatorial candidates is $43,128 for PACs. Gubernatorial candidates may only accept $485,190 from all committees during an election campaign. Senate candidates are limited to accepting $15,525 from committees during an election campaign while the limit is $7,763 for house candidates. Corporations are prohibited from giving directly to a candidate and may only give contributions through a PAC. Finally, lobbyists are prohibited from giving contributions during a legislative session.

3.10. Summary of the Nine State Sample

The nine states examined in this study cover a variety of different campaign finance laws (see Appendix A). Three states in the sample allow unlimited donations by political action committees, individuals, and corporations. At the other end of the spectrum, two states prohibit contributions by corporations. Additionally, there is a wide range placed on contributions, with PAC’s limited to $1000 per election in Kentucky to unlimited contributions in Illinois, New Mexico, and Utah. In addition to differences in contribution limits across the states, four states allow contributions during a legislative session, three states prohibit contributions during the session, and two states prohibit contributions by lobbyists. The differences in limits during legislative sessions across the sample provide the opportunity to understand the strategies employed by political action committees faced with legal restrictions on contributions. For the purpose of this dissertation, I pay particular
attention to the impact of session limits on contribution patterns in state legislatures. A central focus of this dissertation is the reaction of PACs when faced with legal restrictions that prohibit when they can give money to legislators, and thus the success of session limits at removing corruption and the perception of corruption from the political system.

4. Summary of Campaign Finance Laws

The nine states examined in this study provide a diversity of campaign finance laws in addition to a diversity of legislative professionalism and geographical diversity. Four states in the sample allow unlimited contributions during legislative sessions, while the other five states prohibit or limit contributions during the legislative session. Additionally, three states in the sample allow unlimited contributions by corporations, labor unions, individuals, and political action committees.

This chapter has provided an overview of the history of campaign finance reforms in the United States at both the federal and the state level. Additionally, this chapter has introduced the campaign laws in the states examined in this study. Particular attention has been paid to contribution limits and session limits, which are significant for this dissertation. The overview of the history of campaign finance reveals a history of failed attempts with unintended consequences. This failed history points to the importance of fully examining reform efforts. An examination of state reform efforts in general, as well as the differences in the states considered in this study, reveals a variety of different reforms efforts and laws which can provide us with an opportunity to understand a variety of different reform efforts in different contexts.

TABLE 2.5. ABOUT HERE

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Table 2.0. US House Reelection Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Reelection Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>87%</td>
</tr>
<tr>
<td>1966</td>
<td>88%</td>
</tr>
<tr>
<td>1968</td>
<td>97%</td>
</tr>
<tr>
<td>1970</td>
<td>85%</td>
</tr>
<tr>
<td>1972</td>
<td>94%</td>
</tr>
<tr>
<td>1974</td>
<td>88%</td>
</tr>
<tr>
<td>1976</td>
<td>96%</td>
</tr>
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<td>1978</td>
<td>94%</td>
</tr>
<tr>
<td>1980</td>
<td>91%</td>
</tr>
<tr>
<td>1982</td>
<td>90%</td>
</tr>
<tr>
<td>1984</td>
<td>95%</td>
</tr>
<tr>
<td>1986</td>
<td>98%</td>
</tr>
<tr>
<td>1988</td>
<td>98%</td>
</tr>
<tr>
<td>1990</td>
<td>96%</td>
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<tr>
<td>1992</td>
<td>88%</td>
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<tr>
<td>1994</td>
<td>90%</td>
</tr>
<tr>
<td>1996</td>
<td>94%</td>
</tr>
<tr>
<td>1998</td>
<td>98%</td>
</tr>
<tr>
<td>2000</td>
<td>98%</td>
</tr>
<tr>
<td>2002</td>
<td>96%</td>
</tr>
<tr>
<td>2004</td>
<td>98%</td>
</tr>
</tbody>
</table>

Note: The above numbers are derived from House election results provided in various editions of America Votes: A Handbook of Contemporary American Election Statistics; the World Almanac and Book of Facts and www.house.gov.
Table 2.1. Campaign Finance Reforms in the States

<table>
<thead>
<tr>
<th>Campaign Finance Reform</th>
<th>Number of States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure</td>
<td>50 States</td>
</tr>
<tr>
<td>Contributions Limits on Individuals</td>
<td>37 States</td>
</tr>
<tr>
<td>Contribution Limits on PACs</td>
<td>36 States</td>
</tr>
<tr>
<td>Limits on money given to political parties</td>
<td>35 States</td>
</tr>
<tr>
<td>Limits on Union Contributions</td>
<td>28 States</td>
</tr>
<tr>
<td>Limits on Corporate Contributions</td>
<td>23 States</td>
</tr>
<tr>
<td>Prohibition on Corporate Contributions</td>
<td>22 States</td>
</tr>
<tr>
<td>Prohibition on Union Contribution</td>
<td>14 States</td>
</tr>
<tr>
<td>Session Limits on all Contributions</td>
<td>14 States</td>
</tr>
<tr>
<td>Session Limits on Lobbyist Contributions</td>
<td>11 States</td>
</tr>
<tr>
<td>Public Financing of Campaigns (Optional)</td>
<td>11 States</td>
</tr>
<tr>
<td>Spending Limits</td>
<td>0 States</td>
</tr>
</tbody>
</table>

Notes: The Supreme Court ruled in the 1976 case *Buckley v. Valeo* that spending limits were unconstitutional unless they are optional.

Taken from the Conference of State Legislatures www.ncsl.org
Table 2.2. States without limits on contributions

<table>
<thead>
<tr>
<th>States with no limit on individual contributions</th>
<th>States with no limit on PAC contributions</th>
<th>States with no limits on corporation contributions</th>
<th>States with no limits on union contributions</th>
<th>States with no limits on contributions to political parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>Alabama</td>
<td>Illinois</td>
<td>Alabama</td>
<td>Arkansas</td>
</tr>
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<td>Illinois</td>
<td>New Mexico</td>
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<td>Indiana</td>
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<td>Iowa</td>
<td>Georgia</td>
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<td>Idaho</td>
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<td>Mississippi</td>
<td>Virginia</td>
<td>New Mexico</td>
<td>Illinois</td>
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<td>Nebraska</td>
<td>New Mexico</td>
<td>Oregon</td>
<td>Maine</td>
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<td>Oregon</td>
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<td>Nebraska</td>
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<td>Nevada</td>
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<td>New Mexico</td>
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<td>Oregon</td>
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<td>Virginia</td>
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<td>Pennsylvania</td>
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<tr>
<td></td>
<td>Wyoming</td>
<td></td>
<td>Utah</td>
<td>Virginia</td>
</tr>
</tbody>
</table>

Note: Taken from the Conference of State Legislatures: www.ncsl.org
Table 2.3. Session limits on contributions

<table>
<thead>
<tr>
<th>States with session limits on all contributions</th>
<th>States with limits on lobbyist contributions during the legislative session</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>Arizona</td>
</tr>
<tr>
<td>Alaska</td>
<td>Colorado</td>
</tr>
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<td>Florida</td>
<td>Connecticut</td>
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<td>Georgia</td>
<td>Iowa</td>
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<tr>
<td>Indiana</td>
<td>Kansas</td>
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<td>Maine</td>
<td>Louisiana</td>
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<tr>
<td>Maryland</td>
<td>Minnesota</td>
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<tr>
<td>Nevada</td>
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<tr>
<td>Virginia</td>
<td></td>
</tr>
<tr>
<td>Washington</td>
<td></td>
</tr>
</tbody>
</table>

Note: Taken from the Conference of State Legislatures: [www.ncsl.org](http://www.ncsl.org)
<table>
<thead>
<tr>
<th>State</th>
<th>Individual Contributions to Political Parties</th>
<th>Union Contributions</th>
<th>Corporate Contributions</th>
<th>PAC Contributions</th>
<th>Session Contributions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>New Mexico</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td>California</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td>Utah</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td>New York</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Georgia</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>South Carolina</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Kentucky</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>10</td>
</tr>
</tbody>
</table>

Note: 1=Prohibited, 2=Restrictions, 3=Unlimited
Source: [http://www.ncsl.org](http://www.ncsl.org)
Table 2.5. Important Events in the History of Campaign Finance

<table>
<thead>
<tr>
<th>Important Events</th>
<th>Year</th>
<th>Importance</th>
<th>Loopholes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naval Appropriations Bill</td>
<td>1868</td>
<td>Prevented officers and employees of the government from soliciting money from naval yard workers</td>
<td></td>
</tr>
<tr>
<td>Pendleton Civil Service Reform Act</td>
<td>1883</td>
<td>Extended Naval Appropriations Bill to all federal civil service workers</td>
<td></td>
</tr>
<tr>
<td>President Theodore Roosevelt</td>
<td>1905</td>
<td>Argued for a ban on all political contributions by corporations</td>
<td></td>
</tr>
<tr>
<td>President Theodore Roosevelt</td>
<td>1907</td>
<td>Called for public financing of federal candidates via candidates' political parties</td>
<td></td>
</tr>
<tr>
<td>Tillman Act</td>
<td>1907</td>
<td>Prohibited corporations and national chartered banks from making contributions directly to federal candidates</td>
<td>Contained no provision for public financing Ban on corporate giving was easily evaded or ignored</td>
</tr>
<tr>
<td>Extension of the Federal Corrupt Practices Act of 1910</td>
<td>1911</td>
<td>Extended to included Senate candidates and expanded to include expenditure limits for congressional candidates</td>
<td>Lack of Enforcement</td>
</tr>
<tr>
<td>Important Events</td>
<td>Year</td>
<td>Importance</td>
<td>Loopholes</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>National Democratic Party Platform</td>
<td>1924</td>
<td>Included a plank, proposed by William Jennings Bryan, calling for federal candidates to be furnished &quot;reasonable means of publicity at public expense.&quot;</td>
<td></td>
</tr>
<tr>
<td>Revision of Federal Corrupt Practices Act</td>
<td>1925</td>
<td>Revised previous campaign reform legislation concerning spending limits and disclosure</td>
<td>Lack of Enforcement Procedures</td>
</tr>
<tr>
<td>Hatch Amendments</td>
<td>1940</td>
<td>Established a limit of $5000 per year on individual contributions to a federal candidate or political committee</td>
<td>Individual could give $5000 to multiple committees working for the same candidate</td>
</tr>
<tr>
<td>Hatch Amendments</td>
<td>1940</td>
<td>Extended campaign finance law to cover primary as well as general elections</td>
<td></td>
</tr>
<tr>
<td>Hatch Amendments</td>
<td>1940</td>
<td>Prohibited contributions to federal candidates from individuals and businesses working for the federal government</td>
<td>Unions not prohibited from giving contributions to federal candidates but businesses and corporations were prohibited</td>
</tr>
<tr>
<td>Smith-Connally Act</td>
<td>1943</td>
<td>Extended the prohibition on contributions to federal candidates that already existed for corporations and interstate banks to include unions.</td>
<td></td>
</tr>
</tbody>
</table>
Table 2.5. Important Events in the History of Campaign Finance (Continued)

<table>
<thead>
<tr>
<th>Important Events</th>
<th>Year</th>
<th>Importance</th>
<th>Loopholes</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Political Action Committee Formed</td>
<td>1944</td>
<td>Congress of Industrial Organizations formed to raise money for the re-election of President Roosevelt.</td>
<td>PAC money came from voluntary contributions from union members, and therefore was not illegal under the Smith-Connally Act that prohibited money going to candidates from union dues.</td>
</tr>
<tr>
<td>Taft-Hartley Act</td>
<td>1947</td>
<td>Made permanent the ban on contributions to federal candidates from unions, corporations, and interstate banks and extended the prohibitions to include primary elections.</td>
<td></td>
</tr>
<tr>
<td>Collection of Campaign Finance Reports for first time</td>
<td>1967</td>
<td>Clerk of the House, former Congressman W. Pat Jennings, collected campaign finance reports.</td>
<td>Violations of law not enforced by the Justice Department</td>
</tr>
<tr>
<td>Important Events</td>
<td>Year</td>
<td>Importance</td>
<td>Loopholes</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Federal Election Campaign Act</td>
<td>1971</td>
<td>Required full and timely disclosure of contributions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Set limits on media advertising</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Established limits on contributions from candidates and their families</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Allowed unions and corporations to solicit voluntary contributions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Allowed union and corporate treasury money to be used for overhead in</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>operating political action committees.</td>
<td></td>
</tr>
<tr>
<td>Revenue Act</td>
<td>1971</td>
<td>Created a public campaign fund for eligible presidential candidates</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>through a voluntary one-dollar check off on federal income tax.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provided for a $50 tax deduction or a $12.50 credit, later</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>raised to $50, for contributions to state, local or federal candidate.</td>
<td>(Later Eliminated)</td>
</tr>
<tr>
<td>Important Events</td>
<td>Year</td>
<td>Importance</td>
<td>Loopholes</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>The Federal Campaign Act Amendment</td>
<td>1974</td>
<td>Provided matching funds for presidential primaries, public funds for presidential primaries and conventions.</td>
<td>Major Provisions were declared to be unconstitutional by the Supreme Court.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Set spending limits for presidential and congressional primaries and elections.</td>
<td>Money rerouted from the same sources into PACs resulting in an explosion of the number of PACs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Created a $1000 individual per election contribution limit and a $5000 PAC limit.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Abolished limits on media advertising.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Created the Federal Election Commission.</td>
<td></td>
</tr>
<tr>
<td>Important Events</td>
<td>Year</td>
<td>Importance</td>
<td>Loopholes</td>
</tr>
<tr>
<td>------------------</td>
<td>------</td>
<td>------------</td>
<td>-----------</td>
</tr>
</tbody>
</table>
| *Buckley v. Valeo*  
Supreme Court Decision | 1976 | Upheld disclosure requirements, limits on individual contributions, voluntary public financing, and the President’s authority to appoint commissioners to the Federal Election Commission as constitutional.  
Ruled that limits on candidate expenditures are unconstitutional unless the candidate accepts public financing  
Unconstitutional to place limits on personal and “independent” expenditures. | |
| Amendments to the 1974  
Federal Campaign | 1976 | Brought the law in line with the Supreme Court decision.  
Limited individual contributions to national parties to $20,000 per year, and individual contributions to PACs to $5000 per year. | |
<table>
<thead>
<tr>
<th>Important Events</th>
<th>Year</th>
<th>Importance</th>
<th>Loopholes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amendments to the 1974 Federal Campaign</td>
<td>1979</td>
<td>Increased the in-kind contributions from $500 to $1000</td>
<td>Soft Money Loophole</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Raised the threshold for reporting contributions from $100 to $200</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prohibited the FEC from performing random audits</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Allowed state and local parties to spend unlimited amounts on campaign materials used by volunteers and on voter registration and get-out-the-vote campaigns.</td>
<td></td>
</tr>
<tr>
<td>Bipartisan Campaign Finance Reform Act</td>
<td>2002</td>
<td>Ban on Soft Money</td>
<td>527 Loophole</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increases individual contribution amounts to $2,000 per election and to the national party committees to $25,000.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attempts to control the timing of ads from independent groups for federal office.</td>
<td></td>
</tr>
<tr>
<td>McConnell, United States Senator, Et Al. v.</td>
<td>2003</td>
<td>Upheld Most Provisions of the 2002 Bipartisan Campaign Finance Reform Act</td>
<td></td>
</tr>
<tr>
<td>Federal Election Commission Et Al. (Supreme</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Court Case)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Chapter 3: Literature Review

In this dissertation, I attempt to address three important questions that are derived out of gaps in the existing literature. First, what motivates contributors to give campaign contributions to state legislators? Second, what is the impact of legal restrictions on the pattern of campaign contributions, and, in particular, what is the impact of session limits on the strategies employed by political action committees? Finally, I provide some suggestions on reforms that may provide the best opportunity to remove the undue influence of money and corruption from the political system.

The campaign finance literature is vast and examines a number of important issues. However, the impact of campaign finance laws is a common thread that bounds all the literature together. Campaign finance laws are at the center of all decisions made by contributors and recipients of contributions and have to be considered no matter what the specific question under consideration may be. Spending limits are an important factor to consider when examining the affects of spending on electoral outcomes. Additionally, limits on the amount and timing of contribution have to be considered when attempting to understand not only electoral outcomes but legislative outcomes as well.

The key focus of this dissertation is to understand the motivations and actions of contributors, however, it is also important to understand the impact of those motivations in order to provide insight into the direction of future campaign finance reforms. As indicated in chapter two there have been many efforts to implement the campaign finance system, however, most of these efforts have been unsuccessful at increasing public trust of government. In addition to an overview of the literature on the motivations of contributors,
this chapter also examines the literature on the impact of universalistic and particularistic contributions.

The first two sections in this chapter provide an overview of the factors that explain campaign spending and the effects of spending on electoral outcomes. The first section examines the effects of institutional and legal differences on campaign spending patterns. The second section examines the effect of spending on electoral outcomes. The first two sections show if a link exists between spending and electoral outcomes. If there is no link between spending and electoral outcomes then we would expect most contributors would be particularistic contributors, who are attempting to influence the outcome of a legislative vote, instead of universalistic contributors, whose contribution is a waste of resources since it has no bearing on the election outcome. It is extremely important to have an understanding of the effects of spending on electoral outcomes if we want to understand the motives of contributors. In the third section, I examine the literature on why contributors give money and to whom it is given. This section is closely related to the first two sections in that patterns of campaign contributions may influence election outcomes. An understanding of the literature in both sections is critical to understanding what motivates contributors. If spending has no affect on electoral outcomes, it is very unlikely interest groups would be giving contributions in hopes of affecting an election outcome unless they miscalculate the importance of their contribution. However, interest groups are unlikely to miscalculate the importance of a contribution as they become very skilled at how the system works to achieve the desired outcome. Nevertheless, if spending does affect election outcomes then interest groups may be motivated by election outcomes and/or legislative outcomes.
The final question in this chapter examines the literature that addresses questions concerned with the impact of campaign contributions on the behavior of legislators. This final set of literature represents the last and perhaps the most important stage in understanding the impact of campaign contributions. If campaign contributions do not affect the action of recipients, then reform efforts are much less important. Consistent with the previous questions, the importance of campaign finance laws is critical in understanding the behavior of legislators. Legislators are keenly aware of restrictions placed on their actions, and how well those restrictions are enforced. The primary goal of most legislators is their desire to be re-elected, which drives many of their decisions. Legislators need money for their re-election campaigns, but also have to consider the ramifications of failing to follow legal restrictions on campaign contributions.

1. Factors that affect spending

Many different factors have been identified to explain candidate-spending levels. The states provide an excellent opportunity to study the effects of different institutional structural patterns on candidate spending, however, the lack of available data has limited the amount of state level research conducted. Hogan and Hamm (1998) found the population size of a district was the most important factor in predicting a candidate’s spending level. Additionally, they found spending was higher in states with restrictive campaign finance laws, more professional legislatures, and where party control of the legislature was in doubt. Moncrief and Patton (1993) and Stonecash (1990) also found spending was higher when partisan control of the legislature was not certain. Likewise, Moncrief and Thompson (1998) found spending was higher in Idaho and Stonecash (1990) found it was higher in New York.
when control of the legislature is uncertain. These findings indicate higher spending is consistent across legislatures of different professional levels when control of the legislature is uncertain.

State legislative research has not been confined to general elections; it has also examined spending in primary elections. Breaux and Gierzynski (1998) found incumbents spend more than challengers and open-seat candidates in primary elections. Additionally, primary expenditures were found to be higher in professional states. Hogan (1999) extended the previous research and found the district population size and the number of primary opponents affects spending. Hogan’s results were in conflict with previous findings that indicate greater spending levels occur in states that are more professional. He found that in these states the majority of money from interest groups and political parties was saved for the general election and not used during the primaries.

The findings of Hogan and Hamm (1998) are opposite of what we expect to find and provide some evidence that legal restrictions have not been successful at decreasing spending in elections. However, the relationship between spending and legal restrictions is still not fully understood (Gross and Goidel 2004). Moreover, as noted by Gross and Goidel (2004), the impact of campaign finance regulations is dependent upon the nature of the regulation in place. Campaign finance regulations tend to exert their biggest effect on incumbent spending, however, this does not translate into a greater share of the vote for the incumbent and therefore has little impact on the outcome of the election (Gross and Goidel 2004). Additional research needs to examine how spending patterns change when faced with various legal restrictions. Furthermore, the increased level of spending in campaigns
has only served to further dissolution the public and their perceptions of interest groups possessing to much influence on a corrupt political system.

2. Effects of spending upon electoral developments

The literature on electoral developments addresses reform efforts to make elections more competitive. Making elections more competitive is one of the primary motivations of campaign finance reform, thus making the United States more democratic by giving the voters more choices and increasing involvement by citizens in the political process. Additionally, competitive elections result in citizens that believe that their vote matters and they can have a voice in a political system perceived as non-responsive to the average citizen. In the United States, most elections are non-competitive with the incumbent easily winning re-election. Non-competitive elections pose a potential problem for a democratic society since voters have no real choice. One motivation for the implementation of campaign finance laws and reforms to existing campaign finance laws is to increase electoral competition that in turn results in a system seen as more legitimate by citizens.

2.1. Outcomes

A number of scholars have examined the affects of spending on electoral developments. More specifically, the relationship between spending, electoral competition, and whether spending results in more competitive elections is a key question addressed in the literature. Additionally, the link between money spent and the knowledge of the electorate is an important question. Finally, it is important to understand if spending translates into higher turnout at the polls. Spending may make elections more competitive and the electorate more
informed, however, that does not necessarily mean that more voters will show up at the polls. Turnout is one factor that serves an indicator of public trust of the political system. If voters see the system as corrupt and responsive only to the special interest then they may see their vote as useless in affecting policy outcomes, therefore increased voter turnout is a sign of a system the people believe they can change and that their vote can make a difference.

Many explanations attempt to explain why incumbents are so successful in winning reelection. Central to this literature are the effects of campaign finance law and reform efforts on the outcome of an election. If we hope to offer policy recommendations concerning future campaign finance reforms, it is important that we understand the impact of reforms on electoral outcomes.

While the key focus of this paper is the impact of campaign finance laws on the actions of interest groups in trying to influence policy outcomes, it is important to recognize that campaign finance laws do not operate in isolation. Laws that may affect electoral outcomes in a positive way may have an adverse affect in the policy arena. In offering policy recommendations, it is critical that we understand the full ramifications of any policy we are choosing to implement so we are not surprised by the outcomes. While fully understanding the impact of every reform is not always possible, we should strive for the best understanding of the potential ramifications of every reform before it is enacted. Furthermore, ineffective reform efforts not only fail to solve the problem they were intended to solve, but may also serve to further solidified the belief among the public that corruption is a part of the political system, and that is unlikely to change any time in the future.

Jacobson has conducted the seminal works in campaign finance of the effects of spending on election outcomes. Jacobson (1978, 1980, 1985, 1990) and Abramowitz (1988,
1991) argue that incumbents receive little benefit from campaign expenditures since they are already well known by the voters. This evidence suggests that campaign contribution limits would hurt challengers with little name recognition. Glantz, Abramowitz, and Burkart (1976) found similar findings for the California State Assembly, and the differences in the effects of incumbent and challenger spending were confirmed by Olson (1983) in Texas state legislative elections and Giles and Pritchard (1985) in Florida as well as other scholars such as Caldeira and Patterson (1982), Tucker and Weber (1987) and multiple state studies by Gierzynski and Breaux (1991) and Cassie and Breaux (1998). These findings are generally explained by the suggestion that incumbents are most likely to spend money when they are most threatened in their re-election bids, thus providing an explanation for the difference in the impact of incumbent and challenger spending. Additionally, with the incumbent usually enjoying a huge advantage when it comes to name recognition, the challenger often needs a lot more money than the incumbent does in order to be successful in winning the election. However, other scholars have not found the same differences in the impact of incumbent and challenger spending (Green and Kranso 1988; Goidel and Gross 1994). However, even if campaign contributions limits are unsuccessful at causing more incumbents to be defeated, they may have a different affect on legislative decisions and these differing affects need to be weighed against one another in offering reform proposals.

2.1. Competition

Increasing competition in elections have been at the center of many campaign finance reform proposals. However, legal restrictions have not always been successful at achieving their intended objectives and in some cases may have resulted in elections that
were even less competitive. The lack of competitiveness of elections in turn results in some citizens feeling they have little say in government, as the outcome of most elections seems to be predetermined. In turn, citizens that feel they have little say in who is elected also feel that their voice is not heard in the legislative process.

Evidence of the importance of spending on the vote share in federal elections is clearly mixed. These findings are also consistent with studies of state level elections. Jacobson’s (1978) argument that incumbent spending did not affect the vote was supported at the state level by Welch (1976). Additionally, Tucker and Weber (1987) conclude that party strength is more important than candidate spending in determining vote share. However, Owens and Olson (1977), in their study of California legislative elections, conclude that spending is the best predictor of the vote, and incumbency and party strength were only of secondary importance. Caldeira and Patterson (1982) confirmed these findings in California and Iowa, thus providing evidence that the previous findings were not exclusive to California. However, these studies still suffer from a lack of generalizability which Gierzynski and Breaux (1993) attempt to address through an examination of twelve states. They conclude that partisan influences on a candidate’s vote share were stronger in some states than in others and that contributions were more important in those states with weak partisan influences.

Adamany (1969) was among the first to address the question of spending levels in state elections through his examination of elections in Wisconsin. While he found that spending levels in dollar terms was not very high, his primary concern was spending inequality among candidates. He found that many potential candidates could not raise the money to be able to compete effectively. The lack of competitiveness in elections results in
citizens feeling they have little say in government controlled by candidates with money from special interest. Other scholars such as Neal (1992), Hogan (1999), and Breaux and Gierzynski (1998) also suggest these concerns. The difference between incumbent and challenger spending has been the catalyst for many calls for campaign finance reform to level the playing field between incumbents and challengers. This inequality in spending among candidates has been the incentive for caps on the amount of money that candidates can spend in elections. However, soft money and other loopholes often allow candidates to get around these requirements. These loopholes serve to increase the perception of corruption among the political and thus provide evidence of the need to refine existing law to remove corruption and the perception of corruption from the political system.

Other scholars argue that incumbent expenditures are important when the quality of the challenger is considered in the equation (Green and Kranso 1988, 1990; Goidel, Gross and Shield 1999; Goidel and Gross 1994; Thomas 1989; Erikson and Palfrey 1998, 2000; Gerber 1998). As such, these scholars argue that contribution limits may actually increase competition and that equal spending levels may increase challenger success. Campaign spending by challengers has a positive effect on challenger vote share, and incumbent spending has a positive, although smaller, impact on incumbent vote shares (Grier 1989; Green and Krasno 1988; Levitt 1984). Finally, contribution limits do not affect just electoral competition but also impact voter turnout, the number of candidates, and partisan competition (Box-Steffensmeier and Dow 1992; Dow 1994; Hogan 2000; Gross, Shields and Goidel 2002; Stratmann and Aparicio-Castilli 2001).

The affects of spending on electoral competition are not fully established in the literature. These findings have interesting implications for the study of the motivations of
interest groups. If spending has an impact on electoral competition, then political action committees may be motivated by trying to influence the outcome of the election. On the other hand, if spending does not affect competition then there is little incentive for contributors to give with the hope of influencing the outcome of the election, and they are likely providing contributions for other motivations such as influencing legislative outcomes.

The impact of contribution limits on spending is not understood completely in the literature. Campaign contribution limits are often enacted with the hope of decreasing spending in elections. However, limits often do not achieve their intended effect. A decrease in contribution limits may be offset by an increase in the number of contributors giving to the campaign. Changes in contribution limits do not necessarily result in less spending, but in the acquisition of donations from a broader spectrum of sources. However, while spending in elections may not decrease as the result of contribution limits increasing the number of contributors necessary to raise the money necessary to run a campaign is important as it decreases corruption and the perception of corruption by involving more contributors in the process. The more contributors that are involved in the process the lower the perception of one individual contributor being able to gain undue influence over the policy making process.

Campaign contributions limits have been enacted to increase electoral competitiveness (Box-Steffensmeier and Dow 1992; Dow 1994; Hogan 2000; Gross, Shields and Goidel 2002; Stratmann and Aparicio-Castilli 2001). However, they have not always achieved their desired goals. Some scholars have found a positive relationship between limits and competition (Krasno and Green 1993; Green and Krasno 1988, 1990) while others
have found a negative relationship (Jacobson 1980; Sorauf 1992; Alexander 1992; Teixeira 1996).

Additionally, even if contribution limits exist, spending in campaigns will increase if a highly qualified challenger enters the race, thus making the election more competitive (Box-Steffensmeier and Dow 1992; Dow 1994; Hogan 2000; Gross, Shields, and Goidel 2002). Hogan (2000), through an examination of a variety of context for various candidate and state-level factors, concludes that campaign contribution limits have been effective in reducing spending. However, he notes that limits would have been more successful if interest groups had not found alternative ways of funneling money to candidates. These findings are in contrast to other scholars that have noted contribution limits do not necessarily reduce overall spending. Gross, Shield and Goidel (2002) find contributions limits do not limit total spending and actually increase spending among incumbents and Democrats in states with more restrictive limits.

The impact of contribution limits is varied and the affects are not always completely understood. First, contribution limits negatively affect the incumbent’s future share of the vote. However, incumbents responsible for passage of contribution limits do not suffer at the polls (Stratmann). Second, campaign contribution limits lessen the difference in candidate spending (Hogan 2000). Third, limits affect the distribution of contributions among candidates and the frequency of contributions, however, this relationship is not completely understood (Aranson and Hinich 1979; Box-Steffensmeier and Dow 1992; Dow 1994; Hinich 1977; Welch 1974). The impact of campaign finance laws is not always clear and may result in unintended consequences, and therefore caution must be exercise before passing any legislation. For example, contribution limits may restructure how donations are
collected, but do not necessarily result in less spending. The passage of a contribution limit may result in a greater number of contributors to the candidate, but placing limits on contributors does not necessarily result in less spending by the candidate during the election. Furthermore, the enactment of unsuccessful legislation has been ineffective in restoring public trust in political leaders.

2.3. Knowledge and Interest

Campaign spending is an issue of importance, as it influences the quality of democracy of the United States. A key aspect of an effective democracy is an informed electorate. As with the previous questions we examined, an understanding of campaign finance laws is central to understanding how citizens receive their information and is at the center of how the electorate is informed. An effort to limit the role of independent expenditures and issue advocacy ads and when these can be used affects the way the electorate is informed. Coleman and Manna (2000) examine U.S. House elections from 1994 to 1996 and conclude that spending results in better-informed citizens and does not damage public trust or involvement one-third of the time. They conclude that spending has positive affects on democracy through increased public understanding of the candidates and the issues. These findings are in contrast, however, to other scholars who find that spending does not necessarily result in a better-informed electorate (Goidel, Gross, Shields 1999). Additionally, Franklin (1991) concludes it may be more in the interest of the challenger than the incumbent to confuse voters about the incumbent. This finding reveals that greater spending results in a less accurate portrayal of the incumbent and therefore this is not good
for democracy. Confusion among voters often results in an electorate that feels unrepresentative in government and in turn often chooses not to vote.

2.4. Turnout

Voter turnout tends to be low in the United States. The lack of participation by has resulted in efforts to get out the vote and encourage citizens to vote. Low voter turnout is especially evident in primary, midterm and local races. In most cases, less money is spent on these elections making them lower profile. Combined with the lower levels of candidate spending, and less media coverage these races result in lower levels of voter turnout. The literature on the link between spending and voter turnout generally finds a positive relationship. Jacobson (1978, 1980), and Caldeira and Patterson (1982) find that increases in spending result in higher levels of voter turnout. Furthermore, Dawson and Zinser (1976) find that turnout in congressional races increases 1 to 2 percent for every $1000 increase in expenditures, and Conway (1981) finds a significant relationship between turnout and the spending level of congressional Democratic candidates in midterm elections in the 1970s. Conversely, Kenney and Rice (1985) argue that under the current presidential primary system spending is not likely to have a significant impact on voter turnout during primaries. However, spending may affect turnout under a different primary structure. The link between spending and turnout results in a dilemma for reformers. Voter participation is touted as a positive, however, high-spending levels may be a negative for a democracy since challengers can rarely match the spending of incumbents. Furthermore, high-spending levels increase the need for contributions, and the influence of PACs in the political process. The increase in the influence of PACs in the political system creates cynicism among the public
and raises the question of the need to reform the existing system to diminish the undue influence of contributors in the political system.

3. Literature on Contributors

Campaign contributions are provided to candidates running for office by a variety of different sources. Individuals, interest groups, political action committees, businesses, corporations, and political parties all provide contributions to candidates running for office. The motivation and strategies employed by contributors are key questions addressed within the literature as well as in this dissertation. As with all the literature, an understanding of legal environment in which contributors operate is critical to fully understanding the strategies employed by contributors.

3.1. Why do contributors give money?

One of the most important questions addressed in the literature is why campaign contributions are given to certain candidates. Some interest groups employ an electoral strategy while others give contributions in order to gain access to elective officials (Jacobson and Kernell 1982; Eismeier and Pollock 1985; Langbein 1986; Wright 1989). Additionally, research reveals two major reasons for campaign donations: influencing policy and affecting electoral outcomes. One set of research findings suggests that contributions are given with the hope of influencing public policy (Ben-Zion and Eyton 1974; Bental and Ben-Zion 1975; Kau, Keenan, and Rubin 1982; Kau and Rubin 1982). Additional research has progressed beyond prediction toward a quantitative assessment of the relationship between contributions and votes.
Particularistic contributors attempt to influence policy for their personal benefit (Austen-Smith 1995, 1998; Ben-Zion and Eytan 1974; Box-Steffensmeier and Dow 1992; Cox and Munger 1999; Chappell 1982; Jones and Hopkins 1985; Hendrie, Salant and Makinson 2000; McAdams and Green 2000; Morton and Cameron 1992; Snyder 1990; Strattmann 1998; Welch 1977 and 1980). On the other hand, universalistic contributors donate money with the hope of affecting election outcomes (Fuchs, Adler and Mitchell 2000; Magee, Brock and Young 1989; Morton and Cameron 1992; Mueller 1989; Mutz 1995; McAdams and Green 2000; Poole and Romer 1985; Sabato 1985; Snyder 1990; Welch 1974 and 1980). Universalistic contributors’ efforts benefit a much broader segment of the population since all supporters of the candidate benefit through their efforts to elect them to office.

Particularistic contributors can further be divided into two subsets. Quid pro quo contributors give with the hope of receiving a positive legislative vote in return for their contribution. On the other hand, some particularistic contributors provide contributions as insurance to keep legislators in office who support their position. Quid pro quo contributors are of a greater concern to reformers desiring to limit the undue influence of money in politics, since they are attempting change a legislator’s vote in exchange for a campaign contribution. One set of research has argued that contributors are not trying to “buy votes,” but instead want to increase the probability that unfavorable legislation will not be enacted by giving to those that are already likely to support their position (Aranson and Hinich 1979; Hinich 1977). Conversely, other studies have found that contributions are an attempt to influence legislation outcomes (Austen-Smith 1995, 1998; Ben-Zion and Eytan 1974; Box-Steffensmeier and Dow 1992; Cox and Munger 1999; Jones and Hopkins 1985; Hendrie,
Salant and Makinson 2000; McAdams and Green 2000; Morton and Cameron 1992; Snyder 1990; Strattmann 1998; Welch 1977 and 1980). As discussed previously, the bulk of campaign contributions are given to incumbent candidates who have high re-election rates; therefore, it is reasonable to assume that contributors are hoping to achieve something beyond just the election of a particular candidate. Understanding the strategies and motives of contributors allows us to better reform the system to remove corruption from the system.

3.2. Who gets money and whom does it benefit?

A basic question addressed in the literature on interest group contributions is who receives contributions. Jones and Borris (1985) were the first to conclude that in state legislative elections PACs tend to give money to gain influence with legislators instead of attempting to target close legislative races. The literature discusses six factors in explaining who receives interest group contributions—incumbent status (Malbin and Gais 1998; Cassie and Thompson 1998), constituency interests (Kau, Keenan, and Rubin 1982; Denzau and Munger 1985; Stratmann 1992), committee membership (Denzau and Munger 1986; Grier and Munger 1991; Welch 1974), leadership position (Thielemann and Dixon 1994), candidate gender (Thompson, Moncrief, and Hamm (1998) and closeness of the election (Kau, Keenan, and Rubin 1982).

The literature on campaign contributions has found that contributors tend to give more money to incumbent candidates (Malbin and Gais 1998; Cassie and Thompson 1998). Interest groups desiring to influence policy outcomes target their contributions to those most likely to hold office and be in a position to impact legislative outputs, therefore with high incumbent re-election rates it reasons that incumbents would receive the majority of contributions in a system driven by particularistic contributors. On the other hand,
universalistic contributors would target their resources to vulnerable incumbents and
candidates in competitive races. What may seem like a contribution to influence an election
outcome may in fact be an attempt to gain undue influence of an elective official in office.

In contrast to interest groups, parties give more money to challengers (Jones and
Borris 1985; Stonecash 1998, 1990; Thompson and Cassie 1992; Gierzynski and Breaux
1994, 1998; Malbin and Gais 1998; Thompson, Cassie, and Jewell 1994; Cassie and
Thompson 1998). Schecter and Hedge (2001) found that in Florida political parties are
especially more likely to give money to challengers in competitive races. The difference in
the targeting of contributions by interest groups and parties indicates that political parties are
more interested in maximizing the number of seats in the legislature while interest groups
are interested in gaining influence with office holders.

The interests of the constituency (Kau, Keenan, and Rubin 1982; Denzau and
Munger 1985; Stratmann 1992) play a role in campaign donations. Denzau and Munger
(1985) use a constrained maximization model in which three agents have preferences over
policy outcomes. Interest groups contribute in order to improve their own wealth, voters
provide votes to obtain outcomes closer to their desired position, and legislators seek both
campaign contributions and votes in order to obtain re-election. In this model, legislators are
constantly weighing their options between the concerns of the constituents and the money
provided by interest group contributions. The difficult decision on casting a legislative vote
arises when the preferences of the contributor are not in agreement with the preferences of
the constituents.

Additionally, money is most likely to be contributed to candidates in close races
(Kau, Keenan, and Rubin 1982) and those that serve on committees of importance to the
concerns of the contributor (Denzau and Munger 1986; Grier and Munger 1991; Welch 1974). When the outcome of an election is close, contributors often sense the opportunity to affect their position in the legislature by defeating an unfavorable incumbent or they fear the defeat of a member supportive of their position. Furthermore, in a close election the winner may feel an increased sense of obligation to contributors who may help pull him or her over the top to win the election. Campaign contributions are a limited resource. Contributors have to exercise care in maximizing the benefits received from their donations. It is very difficult for challengers to overcome the advantages held by incumbents, therefore it is often a poor allocation of resources to pour money into a challenger’s campaign that is likely to be defeated. Hence, in states with strong committee systems, committees are often able to kill legislation independent of the desires of the full chamber, hence an interest group has the possibility of killing legislation prior to consideration by the committee of the whole. Other members of the legislature that are not as knowledgeable in an area often defer to the committee, accordingly the committee is in the best position to shape legislation in favor of the interest groups position.

Thielemann and Dixon (1994) found that contributors are motivated by a candidate’s place in the legislative leadership. Those in position of leadership receive more contributions than rank and file members. Additionally, women were found to receive fewer contributions in highly professional legislatures than men (Thompson, Moncrief, and Hamm 1998). This may be the product of the dominance of parties, PACs, and interest groups in these states, resulting in women still seen as outsiders and not as viable candidates. Hogan and Thompson (1998) found that minority candidates did not receive as much money as white
candidates, but differences in the gender and racial gaps in fundraising were not that great and the gaps may further diminish as more minorities and women gain leadership status.

In addition to examining the direct effects of spending on vote shares, a few studies have addressed the question of how laws affect a candidate’s ability to raise money. For the most part, these studies have been confined to the effects of spending (Abramowitz 1991; Goidel and Gross 1994, 1996; Goidel, Gross and Shield 1999; Green and Krasno 1988; Gross, Goidel, and Shields 1997; Jacobson 1980) and the sources of fundraising (Sorauf 1988, 1992) at the national level. Sorauf (1992) finds that incumbents learn to exploit the PAC system to raise large sums of money that far exceed challengers. Incumbents therefore are able to build “war chests” to deter challengers from running against them (Box-Steffensmeier 1996). The large amounts of money at the disposal of incumbents in turn serve to alienate the public from the political system. Additionally, Abramowitz (1991) concludes that the decrease in electoral competition can be contributed to a decrease in a challenger’s ability to raise money. The enactment of campaign finance laws to reduce spending in elections has resulted in the unintended consequence of inhibiting challengers’ ability to raise money, thereby decreasing their success since challengers have a greater need for money than incumbents to get their message out to the public.

Studies of state campaign contributions provide an opportunity to study a broader array of regulatory context. Many studies, have been limited to one or only a few states (Donnay and Ramsden 1995; Mayer and Wood 1995; Redfield 1996) or even single state studies (Kettl et al, 1997; Redfield 1995, 2000). However, some scholars have attempted comprehensive studies of campaign finance systems (Malbin and Gais 1998; Mayer 1997; Thompson and Moncrief 1998). The few studies conducted at the state level have found that
PAC money goes mostly to incumbents (Malbin and Gais 1998; Cassie and Thompson 1998) and that parties give more to challengers than other types of contributors (Malbin and Gais 1998; Gierynski and Breaux 1998).

4. Contributions and legislative behavior.

The timing of campaign contributions is an important question in the campaign finance literature, as this research provides not only insight into the motivation of contributors, but also the action of recipients in response to receiving a donation. An important question debated in this literature is the impact of campaign contributions on legislators’ issue positions. The key question addressed in this literature is how often a contribution results in a change in the vote that would have been cast if the contribution had not been received. Many scholars have found a strong correlation between contributions and votes on legislation (Silberman and Durden 1976; Chappell 1981, 1982; Kau Keenan and Rubin 1982; Welch 1982, Fendreis and Waterman 1985; Grier and Munger 1986; Hall and Wayman 1990; Endersby and Munger 1992; Stratmann 1991, 1995; Kroszner and Strahan 2000). However, many of these studies suffer from a simultaneous equation bias, in that if interest groups contribute to legislators who support them anyway, the impact of contributions on vote decisions would be overestimated. It is extremely difficult to isolate the impact of campaign contributions on legislative votes, since often a legislator would have voted the same without the contribution.

Stratmann (2000) attempts to overcome the simultaneous equation bias problem, that exists in examining the relationship between contributions and legislative votes, by examining the behavior of legislators at different points in time. Stratmann (1992, 2000)
provides only a couple of studies that quantitatively examine the behavior of recipients of campaign contributions. He examines roll call votes on price supports and quotas for various farm commodities in 1981 and 1985 (Stratmann 1992). The results show that without campaign contributions, farm interest would have lost seven out of ten votes. Additionally, campaign contributions given at the time of a vote had a greater impact on voting behavior than those given one or two years prior to a vote. Stratmann (2000) examines financial services legislation and finds results similar to his previous work. Changes in contribution levels determine changes in roll call voting behavior. Additionally, contributions from competing groups are partially offsetting and senior members are less responsive to changes in contribution levels than junior legislators.

Stratmann (1998) studies the timing of campaign contributions to determine the objective of PACs. He includes three variables in his model to explain weekly contributions. The vote event is the first variable included in his study. The variable is coded as one for the two weeks during which votes on the farm bill occurred as well as one for the three weeks before, and after the vote weeks with all other weeks coded as zero. The second variable included in the model is the general election that equals one for each week in the months of September and October and zero for all other weeks. The third variable included in the model is the primary variable that equals one for each week from the end of February to mid May. He estimates his model of campaign contributions using a Poisson regression, and his results reveal that PACs are attempting to influencing congressional votes as well as elections. Contributions increase in the weeks surrounding important legislative votes as well as the election. In 1985 the number and amount of contributions surrounding the Farm Bill vote was significantly higher than the primary but was not as great as the general
election. He concludes by stating that PACs use contributions as a mechanism to keep
legislators from reneging on quid pro quo agreements.

It is extremely difficult to access the impact of contributions on the behavior of
legislators and whether those contributions result in undue influence of the contributor.
Stratmann’s (1998) model serves as the basis for this research. While the model does not
allow us to determine the impact of contributions, it does serve the important purpose of
providing insight into the behavior of contributors. Our knowledge of interest group
influence in the legislative process is limited almost exclusively to the federal level, and
even that literature is not fully developed to the point where we can make broad
generalizations of the influence of contributions on the behavior of legislators. Expanding
the current literature to the state level will allow us to make some inroads to understanding
the impact of contributions across various legal and institutional differences.

5. Conclusion

In this chapter, I have attempted to provide an overview of the campaign finance
literature. Throughout this entire literature we see a common theme. Many different efforts
have been put forth in order to remove the undue influence of money from the political
system. However, despite all of these efforts public mistrust of government survives. These
reform efforts have often failed because interest groups recognize loopholes within those
laws and change their strategies to reflect the new environment in which they operate.

In the first section, I examined factors that affect spending, which is structured by a
variety of factors including electoral conditions, institutional structures and legal
restrictions. In the second section, I examined the affects of spending on electoral outcomes.
In the third section, I examined the motivations of contributors and whom they target in providing contributions. Finally, I examined the impact of contributions on legislative behavior. Three key points emerge from an examination of the literature. First, campaign finance regulations have to be placed at the center of our research in order to understand what the impact of money is on electoral or legislative outcomes. Political action committees operate in a maze of laws and regulations that dictate their behavior, and failure to include these factors will result in an incomplete understanding of the role of money in the political process. Second, the majority of the existing literature is at the federal level with our knowledge of campaign finance at the state level much more limited. The states provide us with many potential opportunities for research since they operate under a variety of different legal systems. This variation is not present at the national level, thus conducting more state level research is critical to understanding the impact of campaign finance laws. The state level examination places us in a position to provide more sound policy recommendations as to the direction reform should take to remove undue influence from the legislative process and to make elections more competitive. Finally, while many questions have been answered in the literature, many questions remain. Whom the recipients of campaign contributions are is well established in the literature. Incumbents and those in the best position to influence policy outcomes are the most likely to receive campaign contributions, however, the impact of money on legislative and electoral outcomes is mixed. There have been many advances in our understanding of the role of money in the political process, however, much is still unclear. This dissertation will bridge some of these gaps in the existing literature by providing a greater understanding of why contributors give money
in state legislative elections and how they respond when confronted with legal restrictions on their actions.
Chapter 4: Theory and Hypotheses

In chapter three, I discussed two main motivations for campaign contributors. First, universalistic contributions are given with the hope of influencing election outcomes (Fuchs, Adler and Mitchell 2000; Magee, Brock and Young 1989; Morton and Cameron 1992; Mueller 1989; Mutz 1995; McAdams and Green 2000; Poole and Romer 1985; Sabato 1985; Snyder 1990; Welch 1974 and 1980). Second, particularistic contributions are given with the desire to influence legislative votes (Austen-Smith 1995, 1998; Ben-Zion and Eytan 1974; Box-Steffensmeier and Dow 1992; Cox and Munger 1999; Chappell 1982; Jones and Hopkins 1985; Hendrie, Salant and Makinson 2000; McAdams and Green 2000; Morton and Cameron 1992; Snyder 1990; Strattmann 1998; Welch 1977 and 1980). This dissertation attempts to determine if PACs are attempting to influence the outcome of legislative votes. Additionally, this dissertation attempts to determine what strategies PACs employed when faced with prohibitions on contributions during the legislative session. It is expected that the election will be the main factor in explaining campaign contributions. It is also expected that a portion of contributors given two months prior to the election are particularistic contributors attempting to ensure the election of a candidate most sympathetic to their cause. Furthermore, some particularistic contributors appear to be universalistic contributors due to legal restrictions, such as session limits, that force them to provide contributions at a time different from the legislative session.

Particularistic contributions are theorized to be more effective at the state level than at the national level for several reasons. First, state legislation tends to be less salient with citizens than national legislation. Most news coverage is focused at the national level with less attention paid to state legislation, thereby limiting the information the public receives
concerning state politics. This lack of attention to state issues by the media results in a less informed public. Because of the lack of news coverage, the public is less aware of what is going on in their state governments, which allows the recipients of contributions to change their position without fear of electoral consequences. Additionally, state legislatures tend to be less professional than the United States Congress. Hence, electoral concerns may not be as great in amateur legislators, thus decreasing the risk for changing one’s vote based on a contribution. Squire’s (1992) measure of professionalism uses Congress as the base line for a professional legislature, and the index he formulates attempts to determine how closely state legislatures resemble Congress. He finds that New York has the most professional state legislature, however, it is still not as professionalized as the United States Congress.

Schlesinger (1966) notes that political ambition varies from one state to the next based upon the opportunity structure in that state. In professional states, there are more opportunities for those with political ambitions to advance in their careers, therefore electoral concerns are more important to legislators in those states. Conversely, in states without the opportunity for advancement, electoral concerns are not as great. Rhyme (2000) shows that state legislatures have a high rate of turnover, with most legislative leaders staying in their positions for five years or less. Additionally, eighteen states have term limits, thereby forcing members to retire resulting in significant turnover in the future (Rhyme 2000). The high turnover in state legislatures, along with the increased enactment of term limits, results in legislators being less concerned with re-election, which results in less need for campaign donations. Furthermore, term limits may decrease contributions given as a reward after a

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8 California is the only state included in this study that has term limits for state legislators. Members of the state senate are limited to two terms for a total of eight years and members of the Assembly are limited to 3 terms for a total of 6 years. It is unlikely that term limits have an affect on interest group activities in California due to the fact that most members, upon being term limited out of office, chose to run for a different office and thereby it is in the interest of the contributor to want to continue a positive relationship with the legislator.
positive vote given the fact that the contributor may not need to establish a long-term relationship with the legislator.

1. Contributions and Critical Time Points

There are seven key points during the course of the election and legislative process. Interest groups have to decide if they are going to contribute at each of these key points. Particularistic and universalistic contributors are likely to make different evaluations as to whether to contribute at each one of these time periods.

The primary is the first critical time point in which contributors have to decide if they are going to contribute. The decision to contribute prior to the primary involves several considerations. First, contributors must determine their preferred candidate. Second, contributors must determine the likelihood their preferred candidate will win. Finally, contributors must evaluate the closeness of the election for their preferred candidate.

The general election is the second critical time point in which contributors have to decide if they are going to contribute. The decision to give prior to the general election involves the same considerations for the primary. First, who is the preferred candidate, second what is the likelihood their preferred candidate will win and by what margin.

Contributors are more likely to give to a candidate expected to win or that has a realistic chance at winning, therefore, incumbents receive the majority of contributions (Malbin and Gais 1998; Cassie and Thompson 1998). Challengers are most likely to receive contributions when they are facing a vulnerable incumbent, as is the case when the incumbent may be involved in a scandal. Ethical problems do not always result in the defeat
of the incumbent, but they are more likely to be defeated under these circumstances (Peters and Welch 1980; Ragsdale and Cook 1987).

Incumbents in safe seats still receive a large number of campaign contributions. Additionally, incumbents have a fundraising advantage over challengers during every stage of the electoral cycle, thus providing evidence that contributors are providing contributions even when the outcome of the election is certain (Krasno, Green and Cowden 1994).

The start of the legislative session is the third critical time point in understanding patterns of contributions. The decision to give a contribution prior to or at the beginning of the legislative session is based on several considerations. First, legal restrictions on when contributions can be given have to be considered. If contributions are prohibited during the legislative session, the beginning of the legislative session becomes much more important since this is the closest possible time in which a contribution can be given prior to the consideration of a piece of legislation. Second, it is often unclear as to the precise timing of the consideration of legislation, hence contributors may give a contribution at the beginning of the legislative session due to the uncertainty of when the legislation will be considered.

The fourth critical point in understanding contribution patterns is the introduction of a bill in the legislature. The introduction of a piece of legislation is a motivating factor to contributors with a stake in the legislation and often results in the mobilization of supporters and opponents of the legislation. Additionally, legislators are less likely to have entrenched positions on a piece of legislation early in the process, and consequently may be easier to persuade at this point in the process.

In some legislatures, the leadership controls the legislative agenda, therefore, contributions to the leadership may provide interest groups with the most efficient use of
resources in attempting to gain influence over policy outcomes (Thielemann and Dixon 1994). This may especially be the case for groups desiring to keep legislation off the calendar, since the leadership can kill legislation without consideration by other members. A contribution to the leadership for desired legislation may have the benefit of placing the issue on the agenda, however, it does not necessarily result in a positive outcome for the legislation. The legislative process is geared toward maintaining the status quo, subsequently interest groups may find it much easier to defeat unwanted legislation than to pass desired legislation.

The fifth critical point in understanding contribution patterns is the consideration of legislation in committee. Committees have a great deal of power to determine the fate of a piece of legislation. Opponents of a piece of legislation able to garner committee support for their position, can be successful in defeating legislation even if it enjoys majority support in the whole legislature. The choice to contribute at this stage in the process likely depends upon the composition of the committee and the likelihood of being able to influence the outcome of the legislation. Additionally, contributions are likely to be targeted toward the committee chair, whom may be in the best position to exercise influence over the legislative process.

The power of committees varies from one state to another depending upon the rules of that state\(^9\). The role of the committee system in the legislative process will be a major determining factor in the decision to donate money to committee members and in particular to the committee chair (Denzau and Munger 1986; Grier and Munger 1991; Welch 1974). If the committee is in the position to kill legislation, then contributors are more likely to give money to committee members in order to achieve the desired outcome (Romer and Snyder

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\(^9\) See Francis (1989) for a detailed discussion of committee power in state legislatures.
Wright (1985) concluded that positions in the leadership and on important committees in most cases result in large contributions. A strong committee system with the power to kill legislation will result in more contributions directed toward committee members prior to the consideration of legislation.

The sixth critical point in understanding contribution patterns is the floor vote on a bill. The floor vote represents the last opportunity for contributors to impact the outcome of legislation of concern to them. At this stage in the process, contributors can target legislators who are setting on the fence in the effort to persuade him or her to support the position of the contributor. Also, upon completion of the vote, contributors may reward support of their positions.

In some legislatures the leadership controls the legislative agenda, therefore contributions to the leadership may provide interest groups with the most efficient use of resources in attempting to gain influence over policy outcomes (Thielemann and Dixon 1994). This may especially be the case for groups desiring to keep legislation off the calendar since the leadership can kill legislation without consideration by other members. A contribution to the leadership for legislation that the contributor desires may have the benefit of placing the issue on the agenda, however, it does not necessarily result in a positive outcome for the legislation. The legislative process is geared toward maintaining the status quo, hence interest groups may find it much easier to defeat unwanted legislation than to pass desired legislation.

The seventh and final critical point in understanding contributions patterns is the end of the legislative session. The close of the legislative session is especially important in states were legal restrictions are placed on the contributions during the legislative session. The
close of the legislative session provides the opportunity to reward legislators for their votes during the legislative session.

2. Particularistic Contributors

Particularistic contributors attempt to influence the outcome of legislative votes important to them. Particularistic contributors have potential incentives to contribute at all seven critical time points. First, particularistic contributors hope to elect individuals that are the most likely to support their position, accordingly they have to determine if they should contribute prior to the primary. A contributor may practice an influencing strategy by giving a contribution prior to the primary. The purpose of the influencing strategy during the primary is to elect the preferred candidate that is most likely to support legislation of interest to the contributor. A contribution during the primary is more likely to occur in a competitive election to help with the election of the preferred candidate. In addition to evaluating the probability of electoral success of the preferred candidate during the primary, particularistic contributors also must look forward to the probability of success in the general election. If the probability of success during the primary is high but the likelihood of success during the general election is low, then a contribution during the primary may be wasted since the preferred candidate will not be in a position to influence legislative outcomes. If the election of the preferred candidate is not in doubt, some contributors may continue to practice an influencing strategy for future considerations. However, some contributors may choose to employ a free rider strategy in which they do not give a contribution since the election of their preferred candidate is assured.
Particularistic contributors also have incentives to give contributions prior to the general election. As with the primary, particularistic contributors may give prior to the general election in the hope of electing the candidate most likely to be supportive of their legislative position. Particularistic contributors have to evaluate their preferred candidate’s probability of success in the general election in determining whether to provide an influencing contribution prior to the election or to practice a free rider strategy.

During the primary and general elections, particularistic contributors have to consider any legal restrictions that may prohibit them from contributing closer to an important legislative vote. If contributions are limited during the legislative session, some particularistic contributors may change their strategy and practice an influencing strategy during the primary or general election. Also, contributors may desire to hide their true motivations and therefore give a contribution during the primary or general election.

Particularistic contributors also have incentives to provide contributions prior to the beginning of the legislative session. The probability of providing an influencing contribution prior to the beginning of the legislative session is greater when contributions are prohibited during the legislative session. A contributor providing an influencing contribution prior to the beginning of the legislative session represents the closest point prior to consideration of a piece of legislation that a contribution can be legally given. Additionally, some particularistic contributors may give contributions prior to the beginning of the legislative session to avoid the appearance of trying to influence legislative outcomes by giving a contribution closer to the legislative vote.

Particularistic contributors have incentives to give contributions prior to the introduction of a bill of concern to the contributor, which is the fourth critical time point in
understanding contribution patterns. Particularistic contributors may give an influencing contribution prior to the introduction of the legislation in order to persuade the legislator to support his or her position. If the contributor believes a favorable outcome on the legislation is likely, he or she may choose to free ride since the contribution is not needed to achieve the desired outcome.

Particularistic contributors also have an incentive to provide a contribution when a piece of legislation of concern is being considered in committee. Contributions to committee members, and especially to the chair of the committee, may be one of the most cost efficient means of achieving a desired outcome. Contributors have to weigh the probability of achieving the desired outcome in their decision to provide a contribution. If a positive outcome is highly likely, then a contributor may be more likely to employ a free rider strategy. Furthermore, in states that prohibit contributions during legislative sessions contributors have to employ an alternative strategy to influence the legislative outcome. Contributions to persuade committee members may be especially important when the defeat of a piece of legislation is the desired outcome. Committees can often kill legislation without it ever reaching the floor, therefore making an influencing contribution is especially important on legislation with majority support in the legislature.

The floor vote on a bill of interest is the sixth critical time point in understanding contribution patterns. Contributors may choose to employ a variety of strategies based on the probability of success or for future success. A contributor may give an influencing contribution prior to the floor vote in the hope of influencing the outcome of the vote. A contributor may choose to practice a reward strategy were they give a contribution after a vote to a supportive legislator. Additionally, some contributors may choose to practice an
influencing reward strategy were they give a contribution before and after a positive vote by the legislator. This type of strategy reinforces the positive vote and serves as a motivation to the legislator to support the contributor in the future.

Contributors may choose to give contributions to legislators even when they fail to support their position. These types of strategies, while not as common, may occur under some circumstances. A contributor practicing a future influencing strategy provides a contribution following a negative in the hope of influencing future votes in the legislature. Additionally, the contributor may have received a signal that future support is likely though it may not have been possible on this vote for political reasons.

Following a negative vote, a contributor who was planning to reward the legislator for a positive vote withholds the contribution following a negative vote as a punishment for failure to support the contributor’s position. Additionally, a contributor who provided a contribution prior to a negative vote and was planning on rewarding a contributor after a positive vote practices and influencing punishment strategy by withholding a contribution following a negative vote. Finally, although not that likely some contributors may give contributions before and after a negative vote thus practicing an influencing/future influencing strategy. This type of strategy is most likely to occur when the contributor is highly certain that support will be forthcoming on future legislation.

Some particularistic contributors also have incentives to provide, or fail to provide, a contribution at the end of the legislative session, which is our final critical time point in understanding contribution patterns. The end of the session is especially important in states were contributions are prohibited during the legislative session, since the end of the session
provides contributors with the opportunity to reward positive votes during the legislative session or to punish negative votes during the session by not providing a contribution.

2.1. Summary of Particularistic Strategies

Particularistic contributors have incentives to provide contributions at all seven critical time points. At the first five time points, particularistic contributors can choose to make an influencing contribution or to free ride. Contributors have a variety of different strategies to employ before and after a floor vote on a bill. Contributors may attempt to influence not only the current bill under consideration but future legislation of interest to the contributor. Additionally, some particularistic contributors may choose to punish non-supportive legislators. The choice of strategies is dependent upon a variety of factors including legal restrictions and the amount of resources available to the contributor.

3. Universalistic contributors

Universalistic contributors are motivated by election considerations and therefore respond differently to the seven critical time points in understanding contribution patterns. Universalistic contributors are only concerned about the primary and the general election and are not motivated to contribute at the final five critical time points. Universalistic contributors provide contributions to influence the outcome of the primary or general election or they may choose to free ride. The probability of their preferred candidate’s electoral success is a primary consideration in determining whether to give a contribution.

Particularistic and universalistic contributors have incentives to contribute at both the general election and primary election. Given that both types of contributors have incentives to give prior to the primary and general elections, it is not possible to determine if contributions given prior to the primary and general election are particularistic or universalistic. However, only particularistic contributions are expected in close proximity to the other five critical time points. It is expected that the greatest increase in contributions will occur prior to the election since all contributors have an incentive to give prior to the election.

In summary contributors follow one of eight strategies when deciding when to provide contributions. Universalistic contributors in general practice an influencing strategy or a free rider strategy. Particularistic contributors, however, may practice any one of the eight possible strategies. Different strategies will be employed with different legislators at different times; therefore, these strategies are not mutually exclusive. The eight possible contributor strategies are summarized as follows:

Influencing Strategy – contribution given prior to major vote.
Influencing Reward Strategy – contribution given prior to and after a positive vote.
Reward Strategy – contribution given following a positive vote.
Free Rider Strategy – contributions given neither before nor after a positive vote.
Influencing Punishment Strategy – contribution given prior to but not after a negative vote.
Punishment Strategy – contribution withheld following a negative vote.
Influencing/Future Influencing Strategy - contribution given before and after a negative vote.

Future Influencing Strategy - contribution given following a negative vote.

5. Hypotheses

The first hypothesis for this study is that the proximity to the general election will be the best predictor of campaign contributions. As discussed previously, PACs have to make decisions at the various stages of the political process as to whether they should contributor or not. Universalistic contributors will always contribute close to the election unless they are employing a free rider strategy, because they expect their preferred candidate to win the election easily. In addition to the universalistic contributors, particularistic contributors also have to make a decision if they should contribute close to the election. Particularistic contributors may choose to give a contribution close to the election if they believe their preferred candidate is in jeopardy of being defeated in the election or in the effort to influence future legislative vote outcomes. Therefore, the general election is expected to be the best predictor of campaign contribution because both universalistic and particularistic contributors are expected to give contributions close to the election.

The second hypothesis in this study is that proximity to an important legislative vote increases the number of contributions given. Additionally, it is expected that contributions will increase during the legislative session, thereby providing further evidence that contributions are being given with the hope of influencing the outcome of an important legislative vote. It is expected that the proximity to an important legislative vote is significant in explaining campaign contributions. However, the increase in contributions is
not expected to be as great as the increase surrounding the election. Furthermore, particularistic voters are also giving contributions during the election period, thereby overestimating the number of contributions given with the sole hope of influencing the outcome of the election.

Some states such as Utah and New Mexico limit campaign contributions during the legislative session, thereby diminishing the opportunity to give a contribution in close proximity to an important legislative vote. A session limit does not eliminate the opportunity to give contributions in close to the legislative vote if the vote occurs close to the beginning or end of the legislative session, however, it does make it more difficult to give contributions close to an important legislative vote. Furthermore, the implementation of a session limit may discourage the giving of a contribution as it increases the distance between the time the contribution is given and the vote in the legislature occurs, thus making the contribution less effective in influencing the legislative outcome.

The third hypothesis in this study is that the increase in the number of contributions surrounding the general election will be greater in states with limits during legislative sessions than in states with no such limits. It is expected that particularistic contributors attempt to gain undue influence in the legislative process by getting those individuals most likely to support the contributor’s position elected. Additionally, contributions may be given during the election season in the attempt to influence future legislative outcomes or to reward past behavior. When particularistic contributors are confronted with session limits on contributions, the number of opportunities to give contributions is diminished, thereby increasing the probability of giving a contribution prior to the election.
The fourth hypothesis in this study is that an increase in contributions will occur prior to the beginning of the session in states with session limits on contributions. The rationale for this hypothesis is that due to the legal restrictions placed on contributions during the legislative session, particularistic contributors will shift their contributions to prior to the beginning of the legislative session in order to influence votes during the legislative session. When faced with a session limit, it is expected the contributor will attempt to minimize the amount of time between the time the contribution is give and the vote of an important piece of legislation, hence it is reasonable to assume that particularistic contributors will give contributions prior to the beginning of the legislative session in the effort to minimize the amount of time between the contribution and the vote in the legislature.

The fifth hypothesis for this study is that an increase in contributions will occur immediately after the end of the session in states with limits on session contributions. It is expected that in states where contributors are prohibited to give contributions during a legislative session that particularistic contributors will shift their contributions to immediately following the session as a reward for supporting the contributor during the legislative session. In some cases, particularistic contributors may not anticipate legislation upcoming during a legislative session and therefore may attempt to persuade a legislator to support their position during the legislative session in turn for the promise of a contribution when the legal restrictions are no longer in affect. Additionally, a particularistic contributor may give a contribution at the end of the session to think the member for their support during the session and to influence votes they may come up in the future.

In summary, this dissertation will address the following five hypotheses:
Hypothesis 1: The proximity to the general election will be the best predictor of campaign contributions.

Hypothesis 2: The proximity to an important legislative vote increases the number of contributions given.

Hypothesis 3: The increase in the number of contributions surrounding the general election will be greater in states with limits during legislative sessions than in states with no such limits.

Hypothesis 4: Contributions will increase prior to the beginning of the session in states with session limits on contributions

Hypothesis 5: Contributions will increase immediately after the end of the session in states with limits on contributions given during legislative sessions

6. Conclusion

In this chapter, I have discussed the motivations and strategies employed by political action committees and other contributors in deciding if and when to give a campaign contribution. Particularistic contributors are attempting to influence elections, so in turn they are in a better position to influence policy outcomes. It is not possible to determine what percentage of the contributions given close to the general and primary elections are particularistic, since universalistic and particularistic contributors both have an incentive to give contributions close to the election. This results in an underestimation of the number of particularistic contributors, since some particularistic contributors are giving prior to the election. Therefore, evidence of interest group activity to influence legislative outcomes is likely to underestimate the full extent of the particularistic motives of contributors. Given the fact that particularistic contributions are likely to be underestimated, evidence of particularistic contributions will provide greater confidence that contributors are trying to exercise undue influence on legislative outcomes.
The campaign finance literature has addressed a wide array of issues in the campaign finance system. However, little research has addressed many of the same important questions at the state level. This research will address the argument between particularistic and universalistic contributors by expanding previous research to the state level. Through this research, a greater understanding will be provided as to the motivations behind campaign contributions. Through an examination of the timing of contributions at the federal level Stratmann (1992, 1998, 2000) finds that major votes are better indicators of campaign contributions than the proximity to the election. Through an examination of states, we gain a better understanding of how legislative structure and context influences contribution decisions.
Chapter 5: Data and Model of Legislative Contributions

In the previous chapter I discussed two primary motivations of campaign contributions and how these motives structure the decision of when or if to provide a contribution. The timing of campaign contributions is conditioned on the motivation of the contributor and the legal framework for contributions in that state. As previously illustrated, contributors provide contributions to candidates with two primary motivations. First, some contributors are attempting to influence the outcome of elections. Second, contributors are attempting to influence the outcome of legislation. It is expected that the greatest increase in contributions will occur close to the election, however, proximity to a major legislative vote is also expected to be significant in explaining contribution patterns in state legislatures. In this chapter I identify the twenty-five bills that are examined. For each bill, I determine if contributions increased while the bill was under consideration by the legislature. Furthermore, in this chapter I establish a model to explain contribution patterns in state legislatures and shed some light on the motivation of contributors.

The model established in this chapter analyzes the pattern of contributions surrounding six important events. It is expected that the number of contributions increases the closer the proximity to the primary or general election. Additionally, it is expected that contributions increase when legislation of concern to a political action committee is under consideration. However, the actions of contributors are expected to be adapted to address legal restrictions faced by the political action committee. For example, it is expected that contributions prior to the beginning of the legislative session will be greater in states that prohibit contributions during the session. Furthermore, it is expected that contributions will
increase following the legislative session in states that prohibit contributions during the legislative session.

1. Model of campaign contributions

A contributor fixed effects model is used to test for increased or decreased levels of contributions for each contributor. The dependent variable is the number of contributions given by a political action committee during the course of a week. The model is estimated using a Negative Binomial regression in which the dependent variable indicates the number of contributions given by each contributor during each week included in the analysis.

Each political action committee has a count of the number of contributions given for each week included in the two-year analysis; hence there are 104 different measurements of the dependent variable that consist of the number of contributions given by each PAC during each week. For example, if during week three a PAC gave three contributions, then the dependent variable is coded as 3. If they did not contribute during that week then the dependent variable would be coded as 0. A negative binomial estimation technique will be employed to estimate the model given the fact that the Poisson method assumes that the mean and the variance are equal and can provide bias estimations in cases of over dispersion.

Six explanatory variables are included in the model to determine the impact of the primary election, general election, and legislative vote event on contribution patterns. The primary election variable is coded as 1 for each week during the two months prior to the primary and 0 for all other weeks. It is expected that contributions will increase during the two months leading up to the primary. Second, the model includes a general election variable coded as 1 for each week during the two months prior to the election and 0 during
all other weeks. Third, the vote event variable is coded as 1 from three weeks prior to the legislation being reported out of committee to three weeks following the floor vote. This specification takes into account that some contributors will give contributions after a vote to reward the member for a positive vote. Additionally, the vote event variable will only be included in the model in states in which it is legal to give contributions during the legislative session. Forth, the model includes a variable for the legislative session. The session variable is coded as 1 if the legislature is in session and as 0 if the legislature is not in session. Campaign contributions are expected to increase during the legislative session unless prohibited by law. PACs attempting to influence legislative outcomes become more active. A variable for the beginning of the legislative session is also included in the model. The variable is coded as 1 for the two weeks prior to the beginning of the legislative session and as 0 during all other weeks. It is expected that contributions will increase prior to the beginning of the legislative session in an effort to influence legislation considered during the session. Furthermore, interest group activity prior to the beginning of the legislative session is expected to be especially active in states in which contributions are prohibited during the session. Inclusion of the beginning of the session variable in the model allows for a determination of the strategies employed by PACs. It is important to understand the strategies of contributors in order to reform the current system to lessen the undue influence of money in the political system. In addition to determining if interest groups are engaging in influencing behavior a variable for the end of session is included in the model to determine if interest groups are practicing a reward strategy. It is expected that PACs will provide contributions at the end of the legislative session in order to reward the behavior of legislators during the legislative session. Reward before is expected to be most prevalent in
states that do not allow contributions following the legislative session. The end of session variable is coded as a 1 for the two weeks following the end of the legislative session as 0 during all other weeks.

In summary, the dependent variable for this study is the number of contributions given by a political action committee to legislators in a week and the independent variables are proximity to the primary, proximity to the general election, proximity to a legislative vote, legislative session, beginning of the legislative session, and end of legislative session. The baseline for the model is all other weeks that are not part of the general election, primary, session, beginning of session, end of session and vote event variables. Positive coefficients indicate that contributions increased during that period in comparison to the baseline period when we hold all of the other variables constant. Conversely, a negative coefficient indicates that contributions decreased in comparison to the baseline period when we hold all other variables constant.

The baseline period varies from one state to the next. In New York, for example, the baseline period only consists of 9 weeks during the two-year period. New York is any session nearly year round, therefore, there are only a few weeks in the sample that are not part of the primary election, general election of the legislative session. On the other hand, in Utah the baseline consists of 65 weeks. Contributions occur at all times during the course of the year including the baseline period. In many cases, the baseline period provides the best opportunity for legislators to engage in fundraising since they are not concerned with the business of the legislature or with campaigning.

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10 The baseline period consist of 20 weeks in California, 57 weeks in Georgia, 33 weeks in Illinois, 49 weeks in Kentucky, 54 weeks in New Mexico, 9 weeks in New York, 44 weeks in South Carolina, 65 weeks in Utah and 13 weeks in Wisconsin.
This model will allow for a determination of the strategies employed by interest
groups in attempting to influence legislation, and how strategies change with session limits.
Furthermore, the analysis provides insight on the effectiveness of session limits in removing
the undue influence of money from the political process, and the direction for future
reforms. For a summary of the model of legislative contributions, please see table 5.0.

TABLE 5.0. ABOUT HERE

2. Contribution data

The contribution data for this study is obtained from the National Institute on Money
in State Politics\textsuperscript{11} web site \url{www.followthemoney.org}. The institute provides data on who
contributes money, the amount of the contribution, and the date of the contribution.
Additionally, contributors are coded by their sector of the economy.\textsuperscript{12} The contributors
selected for the analysis of each bill will consist of interest groups with a direct interest in
the legislation under consideration. For example, interest groups with an interest in health
care will be included in the analysis on a health care bill.

The National Institute of Money in State Politics provides a broad classification of
interest groups. Interest groups are selected for each analysis based on those sectors of the
economy that appeared to be most relevant to the piece of legislation. For minimum wage
legislation, it was assumed that labor groups and business groups would have an invested
interest in the legislation, therefore, groups for the labor and general business sector as
classified by the National Institute of Money in State Politics are included in the analysis for

\textsuperscript{11} The National Institute on Money in State Politics describes itself as “a nonpartisan, nonprofit program
dedicated to accurate, comprehensive and unbiased documentation and research on campaign finance at the
state level”.

\textsuperscript{12} For additional information of the coding scheme used by the National Institute on Money in State Politics
please see their web site at \url{http://www.followthemoney.org/database/coding.html}.
minimum wage legislation. These same sectors would also have an interest in workers compensation legislation. The broad classification of contributors by the National Institute of Money in State Politics creates the problem that interest groups not interested in influencing the outcome of a legislative vote may be included in the analysis. However, the inclusion of groups that may not be interested in the outcome of the legislation results in a greater likelihood of accepting the null hypothesis that no relationship exists between contribution activities and legislative votes. Given the increased likelihood of accepting the null hypothesis, we can have greater confidence in positive findings that a relationship does exist between contributions and legislative votes.

3. States selected for this study

The full sample of states includes: California, Georgia, Illinois, Kentucky, New Mexico, New York, South Carolina, Utah, and Wisconsin. Of these nine states, four allow campaign contributions during a legislative session while five states do not allow campaign contributions during the session. The states also vary on whether they allow corporations to give contributions directly to candidates. Illinois, Utah, and New Mexico allow corporations to give unlimited contributions to candidates. This provision in the campaign finance law results in the need for fewer political action committees, thus making the contributions of political committees not as significant in those states. Kentucky and Wisconsin, prohibit corporations from giving contributions to candidates, while in the other four states contributions by corporations are allowed, but limits are placed on the amount of the contributions.

The nine states included in the study represent a cross section of the nation geographically with California from the west, New York from the northeast, Georgia in the
south, and Illinois in the Midwest. Furthermore, the sample includes states from a wide variety of professionalism levels. California and New York have highly professional legislatures meeting year around, while Kentucky and New Mexico have amateur legislatures. In addition to the variation of the sample across different levels of professionalism, the sample also includes states with a wide variety of different legal restrictions placed on the actions of contributors. For example, Georgia bans contributions during legislative sessions while California allows contributions during the session.

The variation of contribution restrictions across states provides the opportunity to examine the impact of such restrictions. It is expected that political action committee contributions will not be as significant in those states that allow unlimited contributions by corporations. In states with unlimited contributions allowed by corporations, the need to form a political committee is not as critical to provide contributions to try, and influence vote outcomes.

Additionally, the sample chosen for this study allows us to examine the impact of session restrictions on contributions. It is expected that when an interest group encounters a session ban on contributions, they will change their strategy. Instead of giving a contribution prior to a legislative vote in order to influence a vote outcome or following a legislative vote as a reward, contributors may shift those contributions to immediately prior to a legislative session to influence behavior during the legislative session or following the legislative session as a reward for a vote that occurred during the session. In addition to this when faced with a session limit, interest groups may shift their focus to the primary or general election. Hence, it is expected in states with limits on session contributions the proximity to the
general or primary election will play a more significant role in explaining contribution patterns.

4. Legislation to be examined

In this section, I provide an overview of the twenty-five pieces of legislation in nine different states examined in this study. For each of these twenty-five bills, I determined if a significant increase in the number of contributions occurred, surrounding the elections as well as surrounding the bill itself. There are two primary criteria in selecting the legislation examined in this study. First, the bills selected are from a diversity of states both from a geographical perspective as well as from a legislative professionalism perspective. Second, the states selected represent a diversity of campaign finance laws. In particular, states included both allow and prohibit campaign contributions during legislative sessions. This study examines twenty-five bills in nine states. These bills cover a range of different issues including health care, the minimum wage, workers compensation and so forth (for a summary of the legislation please see Table 5.1).

**TABLE 5.1. ABOUT HERE**

The twenty-five bills in this study are across the nine states from the 2001 and 2002 legislative session. Legislation in this study is from bills selected by the National Federation of Independent Businesses for inclusion in their rating scores of state legislators. While these scores do not include all significant legislation considered during the session, they include a wide variety of issues including but not limited to health care, tax policy, environmental policy, education policy and so forth, thus making the bills representative of the most important legislation considered by the legislature. The selection of bills from the ratings by the National Federation of Independent Businesses allows easy identification of
the most important pieces of legislation considered during the legislative session and the ones most likely to attract interest group activity. The NFIB is concerned with a wide variety of political issues making these rating scores a good indicator of the most important legislation considered during the session. Bills in this study include those on some aspect of health care in eight states and concerning the minimum wage for seven states thus providing common issues across the majority of the states in the sample. Information on legislation action is from LexisNexis State Capital Universe. LexisNexis provides a database on the progress of bills through the legislative process. This database provides information as to when legislation was introduced, committee action occurred, and floor action occurred.

Three bills in the study are from the California Senate. The first bill is SB 604 concerning health care. This bill creates the Health and Wellness Promotion Advisory Board in the Department of Managed Care to advice the Legislature on medical testing and services appropriate for the health promotion program. Furthermore, the legislation requires every health plan and disability insure to provide certain tests and services to its subscribers with limited deductibles and co-payments. The bill faced opposition by insurance companies, but eventually passed the senate. However, the legislation encountered opposition in the House and failed to become law.

The second bill examined in California is Assembly Bill 2242, which adjusts the hourly minimum wage on January 1, 2003 and annually using the State Consumer Price Index. Additionally, the legislation provides that the Industrial Welfare Commission may not increase the minimum wage in 2003 and cannot review the minimum wage again until 2013. The bill passed the assembly, however, was unable to get out of the Senate and therefore did not become law.

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13 http://web.lexis-nexis.com/stcapuniv/
The third bill examined in California is Senate Bill 71 which authorizes the use of civil penalties for use in combating Worker’s compensation fraud. Additionally, the legislation eliminates the requirement that occupational safety and health loss control consultation services be certified by the Director of Industrial Relations and requires the director to levy and collect fees form Worker’s compensation insurers for safety programs. The legislation passed both the Assembly and the Senate, however, the governor vetoed the legislation on October 14, 2001.

I also examine three bills in Georgia. The first bill examined in Georgia was H.B. 1568, the Natural Gas Consumer’s Relief Act, relates to the Public Service Commission. The act expands the powers of the commission by allowing them to seek injunctions when appropriate, and amends portions of the Natural Gas and Deregulation Act and helps in providing assistance to low-income residential customers. The legislation passed both Houses of the legislature and the governor signed it into law on April 25, 2002.

The second piece of legislation examined in Georgia is House Bill 1492, which changes provisions of the insurance coverage for equipment and self-management training for individuals with diabetes and provides provisions for enforcement. The legislation relates to major medical group health insurance policy, group insurance plan policy and other types of managed or capitated care plans or policies. The legislation passed both chambers of the legislature and was signed by the governor on May 9, 2002.

The third piece of legislation examined in Georgia Senate Bill 14 which provides for an increase in the Georgia minimum wage law. Additionally, the law provides for changes relative to the federal minimum wage. The law passed both houses of the general assembly and was signed into law by the governor.
I also consider three bills in Illinois. The first piece of legislation examined in Illinois is House Bill 2487 that creates the Illinois Family and Medical Leave Act. The act, with a few exceptions, provides for provisions similar to the federal Family and Medical Leave Act of 1993. The act passed the House but died in the Senate Rules committee. The second bill analyzed in Illinois is House Bill 4540, which amends the minimum wage law. The bill passed the House but failed to pass the Senate. The third bill examined in Illinois was Senate Bill 1341, which requires insurance coverage for serious mental illnesses to be provided on the same terms and conditions as are applicable to other illnesses and diseases. The bill pertains to insurance coverage provided under group insurance policies. The bill passed both houses of the legislature, and was signed by the governor on July 27, 2001.

I investigate two bills in the Kentucky House, both of which deal with black lung benefits for coal miners. House Bill 132 modifies the requirement that administrative law judges give “presumptive weight” to the findings of evaluators in coal worker’s pneumoconiosis claims. The legislation requires that employers give notice of denial or acceptance of a claim within 30 days of the commissioner issuing a notice of consensus reading and provides other procedures for claim procedures. House Bill 132 passed the House but failed to pass the Senate.

Kentucky House Bill 348, introduced in 2002, is a revision of House Bill 132, considered in 2001. The bill requires that employers give notice of denial or acceptance of a claim, however, the legislation does not mandate a 30-day time limit as the previous version did. Additionally, House Bill 348 permits miners 57 years of age and older to receive income benefits for 425 weeks in lieu of training and education and requires referral to the
Department of Vocational Rehabilitation for assessment and services. House Bill 348 passed both houses of the legislature and was signed into law by the governor on April 13, 2002.

I examine three bills in New Mexico. The first bill examined is the Employee Protection Act. House Bill 62 prohibits employer retaliatory actions against employees in certain circumstances and provides for grievance procedures and penalties. The legislation failed to pass the House and the Senate did not consider the legislation.

The second piece of legislation examined is Senate Bill 439, which relates to the Minimum Healthcare Protection Act. The legislation provides group health insurance for smaller groups and provides for managed care. The legislation passed the Senate but failed to pass the House. The final bill examined in New Mexico is House Joint Resolution 8, which requires that the state minimum wage be at least equal to the minimum wage established by Federal Law. The legislation passed the House but failed to pass the Senate.

I investigate three bills in New York, with one bill analyzed in both the Assembly and the Senate. Assembly Bill 11723, which requires the provision of coverage by health insurers of certain women’s health care and preventive care service, is examined in both chambers of the legislature. The legislation requires coverage of mammography screening and cervical cytology screening for those employed in more than one state. Furthermore, the legislation expands the frequency of mammography screening, coverage for contraceptive drugs and devices, and directs the superintendent of insurance to conduct a study. The legislation passed both chambers of the legislature and the governor signed it into law.

The second piece of legislation examined in New York is Assembly Bill 5132, which raises the state minimum wage and provides that annually such statutory wage shall be increased. The legislation faced opposition from Republicans and failed to pass the
Republican-controlled Senate after passing the Assembly. The final bill to be examined in New York is Assembly Bill 11624, which extends the Unemployment Benefits Act of 2002. The legislation passed the Assembly but failed to pass the Senate.

I examined three bills in South Carolina. The first bill establishes a task force to conduct a comprehensive review of health insurance mandates and to provide a report to the General Assembly. House Bill 4583 passed both the House and Senate and the governor signed the bill into law on July 1, 2002. The second bill examined in South Carolina is House Bill 3289, which prohibits a subdivision of the state from establishing, mandating, or requiring a minimum wage that exceeds the federal minimum wage. The legislation passed both the House and Senate and became law without the governor singing the legislation.

The final bill examined in South Carolina is House Bill 3142, which requires the directors of the Department of Labor, Licensing and Regulation to ensure compliance with the provisions concerning the right to work. The legislation prohibits an employer from requiring or prohibiting membership in a labor organization as a condition for employment. House Bill 342 passed both the House and the Senate and was signed by the governor on July 26, 2002.

I investigate three bills in Utah. House Bill 105 modifies the insurance code to create a pilot program which requires accident and health insurance plans offered on a group basis to state employees to adopt health insurance mandates proposed for other accident and health insurance plans for one year and to report the cost and benefits of the mandate to the Commissioner of Insurance. The legislation passed both houses of the legislature and was signed into law by the governor on March 26, 2002.
The second bill examined in Utah is House Bill 238, which modifies the Cigarette and Tobacco Tax Licensing Act. The act increased the tax levied on cigarettes and specifies that a portion of the revenue raised would go toward prevention programs and another portion would go toward cancer research and medical education.

The third bill examined in Utah is Senate Bill 138, which modifies the minimum wage law to prohibit cities, towns, and counties from establishing a minimum wage that is greater than the federal minimum wage. The law passed both chambers of the legislature and the governor signed it into law on March 19, 2001.

Finally, I examine one bill in Wisconsin, which makes changes to the Worker’s Compensation Law relating to liability for disability caused by unnecessary treatment. Senate Bill 252 also addresses maximum compensation amounts, methods of calculating compensation, vocational rehabilitation, offers of suitable employment, payment of benefits, and program administration. The bill passed both chambers of the legislature and was signed into law by the governor on December 17, 2001.

5. Conclusion

In this chapter, I have introduced a model of legislative contributions that will be tested using a negative binomial regression. It is expected that campaign contributions will increase close to the primary and general elections as well as close to the time when a piece of legislation of interest to the political action committee is under consideration, however, the actions of contributors are constrained by various campaign finance laws which I discussed in this chapter. I examine the pattern of contributions surrounding twenty-five pieces of legislation in nine states. From an analysis of the twenty-five pieces of legislation, we will be able to determine if elections are the most important factor in explaining
campaign contributions in the states. Additionally, while the model set forth in this chapter will not allow us to determine the full extent of the number of particularistic contributors it will allow us to determine if some contributors are attempting to influence the outcome of legislative votes. Given the fact that the model presented in this chapter will tend to underestimate the number of particularistic contributors, we can have greater confidence in findings that reveal interest groups that are attempting to influence the outcome of legislative votes. Through the testing of this model we will gain some insight on the actions of contributors and if they are attempting to gain undue influence in the legislative process.
Table 5.0. Model of Legislative Contributions

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Number of Contributions</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Variable</td>
<td>Number of Contributions</td>
<td>Count of the number of campaign contributions given by each contributor each week.</td>
</tr>
<tr>
<td>Independent Variable</td>
<td>General Election</td>
<td>Coded 1 in each of the eight weeks prior to the general election and during election week and coded as 0 in all other weeks.</td>
</tr>
<tr>
<td>Independent Variable</td>
<td>Primary Election</td>
<td>Coded 1 in each of the eight weeks prior to the primary election and during primary week and coded as 0 in all other weeks.</td>
</tr>
<tr>
<td>Independent Variable</td>
<td>Legislative Vote Event</td>
<td>Coded 1 from three weeks prior to the legislation being reported out of committee to three weeks following the floor vote.</td>
</tr>
<tr>
<td>Independent Variable</td>
<td>Legislative Session</td>
<td>Coded 1 for each week the legislature is in session and coded 0 in all other weeks.</td>
</tr>
<tr>
<td>Independent Variable</td>
<td>Beginning of Session</td>
<td>Coded 1 for each of the two weeks prior to the beginning of the legislative session and coded 0 in all other weeks.</td>
</tr>
<tr>
<td>Independent Variable</td>
<td>End of Session</td>
<td>Coded 1 for each of the two weeks following the end of the legislative session and coded 0 in all other weeks.</td>
</tr>
<tr>
<td>State</td>
<td>Bill</td>
<td>Introduced</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------</td>
<td>------------</td>
</tr>
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<td>2/20/2002</td>
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<td>1/9/2001</td>
</tr>
<tr>
<td>State</td>
<td>Bill</td>
<td>Introduced</td>
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<tr>
<td>-----------</td>
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<td>-------------</td>
</tr>
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<td>Illinois</td>
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<tr>
<td>State</td>
<td>Bill</td>
<td>Introduced</td>
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<tr>
<td>------------------</td>
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</tr>
<tr>
<td>New Mexico</td>
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<td>H.J.R 8</td>
<td>1/17/2002</td>
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<td>A.B. 11723 (House)</td>
<td>6/14/2002</td>
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<tr>
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<td>Subject</td>
<td>Introduced</td>
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<td>---------------</td>
<td>----------------------------------------------</td>
<td>------------</td>
</tr>
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<td>South Carolina</td>
<td>Restriction on minimum wage higher than the federal minimum wage</td>
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<tr>
<td>South Carolina</td>
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<td>1/9/2001</td>
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<tr>
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<td>Bill</td>
<td>Introduced</td>
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<td>---------</td>
<td>---------</td>
<td>------------</td>
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<td>Utah</td>
<td>S.B. 138</td>
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<tr>
<td>Wisconsin</td>
<td>S.B. 251</td>
<td>9/26/2001</td>
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Chapter 6: The Pattern of Campaign Contributions

The findings in this study provide support for four out of the five hypotheses discussed in chapter four. The general election is consistently the most important factor in explaining campaign contribution patterns in state legislatures. However, the results also support hypothesis two that contributors are also attempting to influence legislative outcomes. Additionally, it appears PACs are more likely to provide contributions prior to the legislative session as an attempt to influence the session than as a reward following the conclusion of the legislative session. Influencing behavior is especially prevalent in states prohibiting contributions during the legislative session. Reward behavior occurred only in highly professional states that allow contributions during the legislative session. These findings taken collectively paint a picture of an interest group behaving in a strategic manner with the belief they can influence the outcome of important legislative votes. First, it is critical to elect supportive legislators, hence political action committees are targeting elections to elect their preferred candidate. Second, interest groups are targeting important legislation believing they can influence the outcome of important legislative votes. Finally, when faced with legal restrictions, such as bans on contributions during the legislative session, interest groups employ alternative strategies such as providing contributions prior to the beginning of the legislative session.

In this chapter I first examine the pattern of campaign contributions surrounding general and primary elections. Second, I examine the pattern of campaign contributions surrounding legislative votes important to the contributor. Third, I examine the impact of session limits on campaign contribution patterns. Finally, I provide insight into the
relationship between contribution patterns and legislative professionalism. These findings allow for a better understanding of the behavior of interest groups and an understanding of the impact of campaign finance regulations.

1. The Impact of Elections on Campaign Contributions

The general election and the primary election was a significant and positive factor in increasing campaign contributions in all states in the sample. These findings reveal that contributions increase in the two months prior to the election and some PACs are likely attempting to influence election outcomes. The motivation behind these contributions is not clear, however, since universalistic and particularistic contributors have incentives to give contributions prior to the election.

The general election saw on average a 514% increase in contributions with respect to the baseline across the entire sample and the primary election saw on average a 308% increase in campaign contributions (see table 6.0.). Additionally, the general election was the largest factor explaining contributions in six out of the nine states included in the sample with the primary being the largest factor in explaining the increase of contributions in Illinois, and South Carolina and the beginning of the legislative session being the most important factor in California. These findings provide support for hypothesis one, that the general election is the most important factor in explaining campaign contributions. However, it does not diminish the fact that legislation still plays a key role in understanding contribution patterns in state legislatures. Furthermore, it is expected that a portion of the increase in campaign contributions surrounding the election can be contributed to an overall
particularistic strategy by political action committees who are trying to increase the likelihood of election of a preferred candidate.

**TABLE 6.0. ABOUT HERE**

The greatest increase of campaign contributions surrounding the general election occurred in New Mexico, with an average increase in contributions with respect to the baseline of 1554% across the two significant pieces of legislation. In Utah there was an average increase of 924% across the three significant pieces of legislation. These two states have similar campaign finance laws, including the prohibition of contributions during legislative sessions. The similarity of these two states in terms of legislative professionalism, campaign finance laws, and the high increase in contributions surrounding the general election provides evidence that the behavior of PACs is structured by the institution in which they operate.

2. The Impact of Legislative Votes on Contribution Patterns

While contributions increased, as expected, close to the general and primary election, there is evidence that interest groups, in some cases, were also directly targeting contributions to influence legislation being considered by the state legislature. The consideration of legislation exerted a positive influence on the number of contributions in eight out of the twenty-five bills examined, thus providing support for hypothesis two. Additionally, the eight significant pieces of legislation were in four different states. In three of these cases, the state had no limits on contributions given during a legislation session. In South Carolina, limits exist on contributions given during a session, but those limits only pertain to lobbyist thus accounting for the finding in South Carolina. This study also
provides some evidence that, when faced with legal restrictions, interest groups employ alternative strategies that allow them to influence legislation even when faced with legal restrictions.

The findings reveal that in 32% of the cases contributions increase prior to a major legislative vote. While on the surface this may not appear to be very impressive, further analysis provides strong evidence of the efforts of interest groups to influence policy outcomes. The findings revealed in this dissertation likely underestimate the true number of particularistic contributors for several reasons. First, the measurement created in this study defines particularistic contributors as interest groups giving a contribution immediately before and after the consideration of a piece of legislation. The measurement does not account for particularistic contributors giving prior to the election, thereby underestimating the true number of particularistic contributors. Second, contributors face different legal restrictions on when they can give contributions. When we account for the legal restrictions faced by contributors, the number of particularistic contributors becomes even more impressive.

2.1. States without Session Limits on Campaign Contributions

Four states in the study place no restrictions on campaign contributions during a legislative session. This study includes twelve bills in the four states without session limits. Seven out of these twelve bills exerted a significant increase on the number of contributions given to members of the legislature (see Table 6.1), thus providing additional support for hypothesis two. Furthermore, at least one bill was significant in
explaining contributions in each of the four states without limitations on contributions during legislative sessions.

**TABLE 6.1. ABOUT HERE**

In addition to the increases in campaign contributions surrounding specific bills, campaign contributions in general increased during the legislative session in California and New York. On average, a 116% increase in contributions occurred in California and a 208% increase occurred in New York while the legislature was in session with respect to the baseline period. The increase in contributions during the legislative session provides additional evidence that political action committees were attempting to influence the outcome of legislation by providing contributions during the session. Kentucky and Illinois saw a decrease in contributions during the legislative session (see Table 6.1.). The difference in interest group activity may be the product of the fact that California, and New York are highly professional states that meet in long sessions, thus providing contributors with fewer opportunities to give contributions when the legislature is not in session. Furthermore, Illinois has the least number of restrictions on contributors thus freeing contributors to give contributions at any time and without restriction.

California Senate Bill 604, which created a Health and Wellness Promotion Advisory Board, stimulated interest group activity in the California Senate (see table 6.2). Insurance companies were greatly opposed to the legislation, which required insurers to provide coverage for certain tests and to limit deductibles and copays. The legislation enjoyed the greatest level of support in the Senate, which eventually passed the bill, therefore insurance companies and other related business interest groups focused a great deal of effort in attempting to influence the legislation in the Senate. While they were not
successful in defeating the legislation in the Senate, the House failed to pass the legislation, thus protecting the interest of the insurance companies. The minimum wage legislation in California also exerted a positive significant increase in contributions, therefore, in two out of the three cases in California contributors attempted to influence the outcome of legislation in the California Senate, thus providing support for the second hypothesis.

**TABLE 6.2. ABOUT HERE**

The medical leave bill in Illinois also stimulated activity among contributors resulting in a 117% increase in contributions when the legislation was under consideration. The remaining two bills in Illinois resulted in a positive, but non-significant increase in PAC activity. The findings in Illinois provide additional support for the second hypothesis that PACs are attempting to influence the outcome of legislative votes.

**TABLE 6.3. ABOUT HERE**

The fourth bill found to exert a positive significant influence in states without session limits is the worker’s compensation bill in Kentucky (see table 6.4.). A 260% increase in contributions occurred surrounding the consideration of the legislation indicating that political action committees were active in trying to influence the outcome of the black lung legislation. However, Kentucky saw a decrease in contributions during the legislative session. Still, contributors interested in the black lung legislation were active in trying to influence the outcome of the bill.

**TABLE 6.4. ABOUT HERE**

The fifth bill found to be significant is the New York Senate women’s health care bill (see table 6.5.). The legislation promoted interest group activity, with a 126% increase in contributions occurring surrounding the time the legislation was under consideration.
same bill was also significant in the state house, resulting in a 164% increase in contributions in the lower chamber. The final bill found significant in the New York Assembly was the New York unemployment benefits legislation. The legislation resulted in a 218% increase in contributions. Despite opposition by business groups, the legislation was still able to pass the Democratic House before failing in the Republican Senate. New York provides additional support for hypothesis two. The findings for the four states with no session limits reveal direct evidence of PACs attempting to influence legislative outcomes in 58% of the cases thus bolstering support of the second hypothesis.

**TABLE 6.5. ABOUT HERE**

2.2. States with prohibitions on campaign contributions during legislative sessions

Three states in the sample prohibit all contributions during a legislative session, therefore, PACs are unable to provide legal contributions during the legislative session. Interest group activity was examined surrounding nine bills in three states with session limits on contributions. The legislative session was found to result in a significant decrease in contributions in eight out of the nine cases, thus indicating that session limits were successful in limiting contributions close to a legislative vote (see Tables 6.6-6.8). In order to give a contribution during the legislative session a contributor would be breaking the law and is not willing to go that far to contribute. These findings, however, do not indicate that session limits are successful in removing the undue influence of money from the legislative process. The inability of contributors to give during the legislative session results in particularistic contributors having to employ alternative strategies in order to influence policy outcomes.

**TABLES 6.6. TO 6.8. ABOUT HERE**
The employee protection act (HB 62) in New Mexico results in a 15% decrease in contributions when the legislature was in session. Additionally, the New Mexico minimum wage bill (HJR 8) saw a 13% decrease in contributions (see Table 6.6). Contributions by contributors concerned with the Utah health insurance decrease by 36% during the session, while the minimum wage bill results in a 34% decrease in contributions, and the health insurance bills results in a 9% decrease in contributions by interested contributors during the legislative session (see Table 6.7). These findings are consistent with what we expected to find given the prohibition of contributions during the legislative session.

Additionally, as expected in the states with prohibitions on campaign contributions, legislative activity was found to be negatively related with contributions in eight out of the nine cases, with no significant relationship found in the remaining case (see Table 6.9). It is obvious from the results that session limits on campaign contributions clearly limits the activity of interest groups during the session. The limitation of contributions during the legislative session removes one aspect of the appearance of PACs being able to garner undue influence by giving a contribution during the legislative session.

3. The Impact of Session Limits on Contributions Patterns

The contribution patterns differed in states placing session limits on campaign contributions. A greater increase in contributions occurred surrounding both the primary and general election in states limiting all campaign contributions during legislative sessions, thus providing support for the third hypothesis. There was a 348% increase in campaign contributions during the two months leading up to the general election in the four states without limits on contributions during legislative sessions, compared to a 953% increase
prior to the election in states with limits on contributions during legislative sessions (see table 6.10). Furthermore, there was an average increase of 263% in campaign contributions prior to the primary in states without session limits compared to an increase of 351% in states with session limits.

**TABLE 6.10. ABOUT HERE**

The difference in election contributions between states allowing session contributions and those not allowing session contributions provides some evidence that interest groups may shift their strategies when faced with session limits. Interest groups faced with legal restrictions when attempting to influence legislative outcomes employ alternative strategies to advance their agenda, such as influencing the outcome of the election. Additionally, some interest groups may be giving election contributions as a reward for past legislative support and in the effort to influence legislation in the next legislative session.

4. Legislative Sessions and Contribution Patterns

The results indicate interest groups are engaging in influencing behavior prior to the beginning of the legislative session in four of the nine states including Georgia and Utah that prohibit contributions during the legislative session, thus providing support for hypothesis four. Additionally, there is evidence that contributors are engaging in rewarding behavior at the completion of the legislative session, in the highly professional states of California, Illinois, and New York that allow contributions during the legislative session. However, there is no evidence that contributors are rewarding legislators in states that prohibit contributions during the legislative session. Additionally, there is evidence that interest
groups are engaging in influencing behavior in states with and without limits on contributions during the legislative session. However, the increase in contributions prior to the beginning of the session appears to be greater in states with session limits. These findings provide evidence that interest groups are not just providing contributions to legislators supportive of their agenda, but are attempting to influence legislative vote outcomes. If interest groups only provide contributions to legislators who are predisposed to support their position, then the motivation to provide contributions prior to the beginning of the legislative session is much less, and the interest group may have an incentive to not provide a contribution that looks like it is attempting to influencing the outcome of a legislative vote. An examination of the pattern of campaign contributions, while not providing evidence of the success of contributions in changing legislative votes, does provide some evidence that contributors believe contributions are successful in affecting vote outcomes.

4.1. Contribution patterns in states with session limits on contributions

Despite the hurdles interest groups face in a state with session limits, it is highly unlikely interest groups simply pack their bags, go home, and stop attempting to influence legislative outcomes. Therefore, in these states contributors have to implement new strategies of influencing election outcomes. One potential strategy is to shift contributions to immediately before the legislative session begins.

In Utah, we see a spike in the number of contributions given just prior to the beginning of the legislative session in 2001 in the health care sector, thus providing support for hypothesis four (see Figures 6.0 and 6.1). Two weeks prior to the beginning of the
section there are 79 contributions given to legislators. In the week prior to the general
election 96 contributions are given. This is the only other week in the two years examined
in which there are more contributions given than the 79 given two weeks prior to the
beginning of the legislative session. Furthermore, 105 contributions occur in the two weeks
prior to the beginning of the legislative session in 2001, which indicates PACs are likely
employing an influencing strategy in which they are trying to shape legislation under
consideration in the upcoming legislative session.

**FIGURES 6.0. and 6.1. ABOUT HERE**

Contributions do not increase as greatly prior to the beginning of the 2002 Utah
legislative session. Twenty-five contributions are during the month prior to the beginning of
the legislative session. While this is not a high number of contributions, the largest increase
in the number of contributions since prior to the beginning of the 2001 session occurs during
the month prior to the 2002 session.

Additionally, we find an average increase of 579% in the two weeks prior to the
beginning of the legislative session in Utah, thus providing support for the fourth hypothesis.
Only four contributions occur in the month following the legislative session resulting in on
average a 28% decrease in contributions during the two weeks following the end of the
session, therefore providing no support for a reward strategy and hypothesis five.

Contribution patterns found in the business sector were similar to what was found in
the health and insurance sectors (see Figure 6.2). During the two weeks prior to the
beginning of the 2001 legislative session, 63 contributions were given to legislators.
Additionally, during the month prior to the beginning of the 2002 legislative session there
were 23 contributions. The largest number of contributions given in any one week during 2001 and 2002 was 75, given two months prior to the election.

**FIGURE 6.2. ABOUT HERE**

An examination of contribution patterns in the New Mexico House reveals little evidence of influencing or rewarding behavior in the business and labor sectors (see Figures 6.3-6.5). However, there is slightly more evidence that influencing behavior is occurring in the health care sector and insurance sectors in the Senate, however, the increase did not attain statistical significance. The largest number of contributions given in one week across the two years is 26 which are given one month prior to the beginning of the legislative session. Additionally, there is no evidence that contributors in any sector in New Mexico are engaging in rewarding behavior. Furthermore, there is 42% decrease in contributions in the two weeks following the legislative session.

**FIGURES 6.3. to 6.5. ABOUT HERE**

Campaign contributions in Georgia were very similar to Utah. There is evidence that contributors are engaging in influencing behavior across, the, insurance, health care sector as well as the business and labor sectors. In the week prior to the beginning of the legislative session in 2001, contributors with interest in the insurance sector gave 45 contributions to legislators (see Figure 6.6). In 2002, when the Georgia insurance bill was considered, contributors gave 108 contributions in the week prior to the beginning of the legislative session and 320 contributions in the month prior to the beginning of the legislative session. In the month following the conclusion of the 2001 legislative session, contributors gave 29 contributions while 57 contributions occurred in the month following the 2002 session. Furthermore, an analysis of HB 1492 reveals an 18% increase in contributions prior to the
beginning of the legislative session thus providing evidence to support hypothesis four. It appears that contributors in the insurance sector are providing contributions prior to the beginning of the legislative session in the hope of influencing policy outcomes during the legislative session. This finding also provides evidence that interest groups reformulate their strategies when facing a prohibition on contributions during the legislative session.

**FIGURE 6.6. ABOUT HERE**

Influencing behavior occurred in the business sector as well (see Figure 6.7). PACs gave 19 contributions during the week prior to the beginning of the 2001 legislative session. Additionally, PACs provided 63 contributions in the week prior to the beginning of the 2002 legislative session. In the month following the 2001 legislative session only 22 contributions occurred with 17 contributions given in the month following the 2002 session. Furthermore, there was a 167% increase in contributions in the two weeks prior to the legislative session, thus providing additional support for hypothesis four while a 54% decrease in contributions occurred after the session was complete providing evidence that contributors were not engaging in reward behavior.

**FIGURE 6.7. ABOUT HERE**

Similar patterns occurred in the energy sector in Georgia. More groups appear to be providing contributions prior to the beginning of the session than at the conclusion of the legislative session (see Figure 6.8). Contributors gave 24 contributions in the week prior to the beginning of the 2001 legislative session with 82 contributions given in the week prior to the beginning of the 2002 legislative session. As in the previous cases, fewer contributions followed the legislative session. Only 24 contributions occurred in the month following the 2001 session and only 24 contributions in the month following the 2002 legislative session.
Furthermore, a 217% increase in contributions occurred prior to the beginning of the legislative session while a 43% decreased occurred at the end of the legislative session.

**FIGURE 6.8. ABOUT HERE**

4.2. Contribution patterns in states without session limits on contributions

There is some evidence that contributors are rewarding legislators for what they did during the course of the legislative session even though they are able to provide contributions throughout the legislative session in California, Illinois and New York. There is also evidence that contributors are attempting to influence legislators prior to the beginning of the legislative session in California and Kentucky. In California, there was a significant increase in contribution activity during the legislative session (see table 6.2). Additionally, there is on average a 154% increase in contributions in the two weeks following the end of the legislative session. This finding provides evidence that contributions increased at the end of the legislative session as a reward for support during the legislative session and in particular what occurred at the end of the legislative session when the majority of legislation tends to be passed.

In the health care and insurance sectors the week immediately following the legislative session was found to be significant in explaining contributions. In fact, each of the two weeks following the end of the legislative session was significant in explaining campaign contributions (see Figures 6.9 and 6.10). In the case of the California, minimum wage bill 148 contributions were given in the two weeks following the end of the legislative session in 2001, and 84 contributions were given in the two weeks following the 2002 legislative session (see Figure 6.11).

**FIGURES 6.9 TO 6.11. ABOUT HERE**
The California minimum wage bill saw 95 contributions given during the week prior to the beginning of the legislative session. Additionally, a 260% increase in contributions occurred prior to the beginning of the legislative session. The California worker’s compensation bill saw 131 contributions given in the week prior to the beginning of the 2002 legislative session, and a 233% increase in contributions in the two weeks prior to the beginning of the legislative session. The California health care bill saw 85 contributions given in the week prior to the beginning of the legislative session, and a 201% increase in contributions.

There is also some evidence in Illinois that PACs are giving contributions following the legislative session as a reward for legislative vote outcomes. There was a significant increase in contributions during the two weeks following the legislative session in two out of the three cases in Illinois (see Figures 6.12-6.14). The medical leave and minimum wage legislative saw a 143% increase in contributions at the end of the legislative session. On the other hand, a decrease in contributions occurred prior to the beginning of the legislative session in all three cases.


In New York there is no evidence that contributors are attempting to influencing legislation prior to the beginning of the session, however, there is evidence that PACs are rewarding legislators upon completion of the session. A 153% percent increase in contribution occurred among contributors concerned with the legislation on unemployment benefits, and a 238% increase occurred in the two weeks after the end of the session among contributors interested in the minimum wage legislation.
Reward behavior occurred in California, Illinois, and New York, which are the three most professional states in the sample, and three of the four states that allow contributions during the legislative session. Legislators in highly professional states may likely serve in the legislature longer than members in amateur legislatures, therefore, PACs have to develop long-term strategies that reward supporters of their position. It does not make sense to give a contribution following a legislative vote if the member will not be around in the future when additional legislation is considered. However, it is important to reward those legislators that have the potential to influence legislative outcomes in the future.

**FIGURES 6.15. TO 6.18. ABOUT HERE**

5. States which Place Limits on Campaign Contributions during Sessions

South Carolina and Wisconsin do not prohibit all contributions during the legislative session, however, they do prohibit contributions by lobbyist during legislative sessions. Of the four bills examined in the two states, three were found not significant in explaining contribution patterns (see Tables 6.11 and 6.12). The health insurance task force bill in South Carolina was the only bill found to exert a significant and positive influence on the number of contributions (see Table 6.11), thus providing support for hypothesis two. An increase of 342% in contributions occurred during the vote event period surrounding the consideration of the legislation that established a task force to conduct a comprehensive review of health insurance mandates. Conversely, there is no indication that contributors in South Carolina are increasing contributions just prior to the beginning of the legislative session or immediately following the conclusion of the legislative session as the beginning and end of session variables are insignificant in all cases (see Figures 6.19-6.21).
Contributors are giving contributions throughout the legislative session with the session resulting in a positive increase on contributions in all three cases and a significant increase on the minimum wage and right to work legislation. On average, there was a 168% increase in contributions during the legislative session across the two significant pieces of legislation. These findings indicate that contributors increase their activity during the legislative session, thus providing support for hypothesis two that interest groups are attempting to influence the outcome of legislative votes.

**TABLES 6.11. AND 6.12. ABOUT HERE**

**FIGURES 6.19 TO 6.21. ABOUT HERE**

6. Legislative Professionalism and Campaign Contributions

An additional examination of the findings appears to indicate a relationship between legislative professionalism and campaign contributions. Four of the nine states in the sample are in the top quarter of states on Squire’s (1992) measure of legislative professionalism. In those four states there was on average a 209% increase in campaign contributions prior to the general election. In contrast, four of the states are in the bottom quarter of Squire’s ranking, and in those states there was on average a 906% increase in contributions prior to the general election (see Table 6.13). Furthermore, an examination of the primaries reveal similar results with a 191% increase in contributions in those states considered the most professional, and a 376% increase in contributions in those states at the low end of the professionalism ranking,

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15 Squire (1992) ranks Georgia 39th, Kentucky 44th, New Mexico 45th, and Utah 47th on his index of professionalism.
TABLE 6.13. ABOUT HERE

From these findings it appears that PACs are targeting the elections more in the amateur legislatures than in more professional legislatures. This may be the product of the fact that the legislatures in the more professional states have a more expansive agendas than is the case in the amateur legislatures, and therefore they are more likely to target legislation in the professional legislature.

Three out of the four states in the top quarter of legislative professionalism have no limits on contributions given during legislative sessions, and Wisconsin only bans contributions from lobbyists (see Table 6.14). In states that allow any contributions during the legislative session, we see on average an increase of 348% in the number of contributions given. However in those states that fully ban contributions during a legislative session, we see on average a 953% increase in the number of contributions given prior to the general elections. This indicates the possibility that interest groups shift their contributions to the election when faced with session limits. Additionally, in those states which allow contributions during the legislative session, PACs can target the legislation directly instead of shifting contributions to just prior to the beginning or end of the session or to the election.

TABLE 6.14. ABOUT HERE

Three out of four of the states, at the bottom quarter of the professionalism scale, ban contributions during the legislative session. Only Kentucky allows contributions during the legislative session, therefore given the legal restraints faced by PACs in these states, it is likely they will shift their contribution patterns, with more contributions given during the course of the elections and supporting hypothesis three.
7. Conclusion

The results presented in this chapter reveal that contributions consistently increase close to the general and primary election across all states in the sample. Additionally, in six out of nine states the general election is the most important factor in explaining campaign contributions, with the primary being the most important factor in Illinois and South Carolina and the beginning of the legislative session being the most important in California. This provides support for hypothesis one that the election will be the most important factor in explaining contributions. These findings are consistent with expectations since it is impossible to determine if contributions given prior to the election are given particularistic or universalistic.

The findings presented in this chapter also provide evidence that contributors attempt to influence legislative outcomes, and this supports hypothesis two. Significant increases in contributions occur close to legislative votes in states where contributors are not prohibited from giving by law. Additionally, increases in legislative activity are significant in explaining contributions when session limits are not in place, thus providing additional support for hypothesis two. Third, contributions increase by 348% close to the general election in states that do not prohibit contributions during the legislative session in comparison to a 953% increase in states that prohibit contributions during the session. These findings provide support for hypothesis three thus indicating that interest group activity close to the general election is greater in states that prohibit contributions during the legislative session. Furthermore, these findings provide additional evidence that session limits do not limit money going to legislators, but merely shift when it is being given.

Fourth, the results for Utah and Georgia provide evidence that interest groups attempt to
influence policy outcomes even when faced with session limits by shifting their contributions to just prior to the beginning of the legislative session thus supporting hypothesis four. Finally, there is no evidence to support hypothesis five. Reward behavior at the end of the session was not found in the states with session limits. Additionally, reward behavior was only found in the highly professional states of California, Illinois and New York. This finding may indicate that interest groups are more likely to reward members in professional legislature were members are more likely to serve for more years thus making it important to establish long term relationships with legislators.

The findings in this chapter clearly reveal that interest groups in state legislatures are attempting to influence policy outcomes. The evidence overwhelmingly supports hypothesis two, that interest groups are attempting to influencing policy outcomes, despite the fact that the measurement employed in this study clearly underestimates the number of particularistic contributors. The results presented in this chapter provide insight into how to write more effective campaign finance laws to remove the undue influence of money from politics. In the next chapter I discuss the implications of the findings for the understanding of the behavior of interest groups and how that understanding affects future reform efforts.

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<td>H.B. 3142</td>
<td>Right to work</td>
<td>479%</td>
<td>412%</td>
</tr>
<tr>
<td>Utah</td>
<td>H.B. 105</td>
<td>Health insurance</td>
<td>845%</td>
<td>187%</td>
</tr>
<tr>
<td>Utah</td>
<td>S.B. 138</td>
<td>Minimum wage</td>
<td>1121%</td>
<td>154%</td>
</tr>
<tr>
<td>Utah</td>
<td>H.B. 238</td>
<td>Tobacco tax</td>
<td>806%</td>
<td>179%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>S.B. 251</td>
<td>Worker’s compensation</td>
<td>212%</td>
<td>160%</td>
</tr>
<tr>
<td>Averages</td>
<td></td>
<td></td>
<td>514%</td>
<td>308%</td>
</tr>
</tbody>
</table>
Table 6.1. Contributions Patterns in States without Limits on Session Contributions

<table>
<thead>
<tr>
<th>State</th>
<th>Bill</th>
<th>Reference in Paper</th>
<th>Legislative Event</th>
<th>Contributions During the Legislative Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>S.B. 604</td>
<td>Health Care</td>
<td>154% Increase</td>
<td>Not Significant</td>
</tr>
<tr>
<td>California</td>
<td>A.B. 2242</td>
<td>Minimum Wage</td>
<td>117% Increase</td>
<td>115% Increase</td>
</tr>
<tr>
<td>California</td>
<td>S.B. 71</td>
<td>Worker’s Compensation</td>
<td>Not Significant</td>
<td>117% Increase</td>
</tr>
<tr>
<td>Illinois</td>
<td>H.B. 2487</td>
<td>Medical Leave</td>
<td>117% Increase</td>
<td>80% Decrease</td>
</tr>
<tr>
<td>Illinois</td>
<td>H.B. 4540</td>
<td>Minimum Wage</td>
<td>Not Significant</td>
<td>84% Decrease</td>
</tr>
<tr>
<td>Illinois</td>
<td>S.B. 1341</td>
<td>Insurance</td>
<td>Not Significant</td>
<td>68% Decrease</td>
</tr>
<tr>
<td>Kentucky</td>
<td>H.B. 132</td>
<td>Black Lung</td>
<td>11% Decrease</td>
<td>287% Decrease</td>
</tr>
<tr>
<td>Kentucky</td>
<td>H.B. 348</td>
<td>Worker’s Compensation</td>
<td>260% Increase</td>
<td>29% Decrease</td>
</tr>
<tr>
<td>New York</td>
<td>A.B. 11723</td>
<td>Senate women’s health care</td>
<td>126% Increase</td>
<td>172% Increase</td>
</tr>
<tr>
<td>New York</td>
<td>A.B. 11723</td>
<td>House women’s health care</td>
<td>164% Increase</td>
<td>132% Increase</td>
</tr>
<tr>
<td>New York</td>
<td>A.B. 11624</td>
<td>Unemployment benefits</td>
<td>218% Increase</td>
<td>253% Increase</td>
</tr>
<tr>
<td>New York</td>
<td>A.B. 5132</td>
<td>Minimum Wage</td>
<td>Not Significant</td>
<td>275% Increase</td>
</tr>
</tbody>
</table>
Table 6.2. Effects of Vote Events and Elections on Weekly Contributions in the California Senate: Contributor Fixed-Effects Model

<table>
<thead>
<tr>
<th></th>
<th>SB604 (Health Care)</th>
<th>SB71 (Worker’s Compensation)</th>
<th>AB2242 (Minimum Wage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vote Event</td>
<td>.430* (.055)</td>
<td>.081 (.057)</td>
<td>.158* (.057)</td>
</tr>
<tr>
<td>General Election</td>
<td>.436* (.071)</td>
<td>.454* (.061)</td>
<td>.474* (.079)</td>
</tr>
<tr>
<td>Primary Election</td>
<td>.670* (.062)</td>
<td>.425* (.054)</td>
<td>.390* (.071)</td>
</tr>
<tr>
<td>Session</td>
<td>.046 (.057)</td>
<td>.158* (.048)</td>
<td>.140* (.062)</td>
</tr>
<tr>
<td>Beginning of Session</td>
<td>.698* (.119)</td>
<td>.848* (.098)</td>
<td>.955* (.121)</td>
</tr>
<tr>
<td>End of Session</td>
<td>.728* (.082)</td>
<td>.651* (.072)</td>
<td>.531* (.098)</td>
</tr>
<tr>
<td>N</td>
<td>80075</td>
<td>98037</td>
<td>56997</td>
</tr>
<tr>
<td>Number of PACs</td>
<td>770</td>
<td>943</td>
<td>549</td>
</tr>
<tr>
<td>Log-likelihood</td>
<td>-11056</td>
<td>-14636</td>
<td>-8840</td>
</tr>
</tbody>
</table>

Notes: Statistical significance at the .05 level indicated by* 
Standard errors are in parentheses
Table 6.3. Effects of Vote Events and Elections on Weekly Contributions in the Illinois House: Contributor Fixed-Effects Model

<table>
<thead>
<tr>
<th></th>
<th>HB 2487 (Medical Leave)</th>
<th>SB 1341 (Insurance)</th>
<th>HB 4540 (Minimum Wage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vote Event</td>
<td>.158* (.066)</td>
<td>.110 (.089)</td>
<td>.015 (.060)</td>
</tr>
<tr>
<td>General Election</td>
<td>.659* (.049)</td>
<td>.707* (.056)</td>
<td>.659* (.049)</td>
</tr>
<tr>
<td>Primary Election</td>
<td>.804* (.055)</td>
<td>.878* (.069)</td>
<td>.757* (.054)</td>
</tr>
<tr>
<td>Session</td>
<td>-.219* (.043)</td>
<td>-.390* (.053)</td>
<td>-.177* (.040)</td>
</tr>
<tr>
<td>Beginning of Session</td>
<td>-.785* (.139)</td>
<td>-.767* (.160)</td>
<td>-.785* (.139)</td>
</tr>
<tr>
<td>End of Session</td>
<td>.356* (.073)</td>
<td>.105 (.097)</td>
<td>.356* (.073)</td>
</tr>
<tr>
<td>N</td>
<td>61305</td>
<td>66510</td>
<td>61305</td>
</tr>
<tr>
<td>Number of PACs</td>
<td>594</td>
<td>642</td>
<td>594</td>
</tr>
<tr>
<td>Log-likelihood</td>
<td>-13809</td>
<td>-10197</td>
<td>-13812</td>
</tr>
</tbody>
</table>

Notes: Statistical significance at the .05 level indicated by* Standard errors are in parentheses
Table 6.4. Effects of Vote Events and Elections on Weekly Contributions in the Kentucky House: Contributor Fixed-Effects Model

<table>
<thead>
<tr>
<th></th>
<th>HB 132 (Black Lung)</th>
<th>HB 348 (Worker’s Compensation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vote Event</td>
<td>-2.21* (1.02)</td>
<td>.955* (.303)</td>
</tr>
<tr>
<td>General Election</td>
<td>2.03* (.100)</td>
<td>2.05* (.100)</td>
</tr>
<tr>
<td>Primary Election</td>
<td>1.47* (.133)</td>
<td>1.53* (.133)</td>
</tr>
<tr>
<td>Session</td>
<td>-1.25* (.214)</td>
<td>-1.78* (.236)</td>
</tr>
<tr>
<td>Beginning of Session</td>
<td>1.44* (.209)</td>
<td>.871* (.300)</td>
</tr>
<tr>
<td>End of Session</td>
<td>-0.993* (.293)</td>
<td>-1.03* (.292)</td>
</tr>
<tr>
<td>N</td>
<td>10714</td>
<td>10714</td>
</tr>
<tr>
<td>Number of PACs</td>
<td>103</td>
<td>103</td>
</tr>
<tr>
<td>Log-likelihood</td>
<td>-1937</td>
<td>-1937</td>
</tr>
</tbody>
</table>

Notes: Statistical significance at the .05 level indicated by*. Standard errors are in parentheses.
<table>
<thead>
<tr>
<th></th>
<th>AB 11723 (Senate – Women’s Health Care)</th>
<th>AB 11723 (House – Women’s Health Care)</th>
<th>AB 11624 (House – Unemployment Benefits)</th>
<th>AB 5132 (House _ Minimum Wage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vote Event</td>
<td>.234** (.077)</td>
<td>.496** (.099)</td>
<td>.779** (.100)</td>
<td>-0.072 (.108)</td>
</tr>
<tr>
<td>General Election</td>
<td>.711** (.094)</td>
<td>.690** (.116)</td>
<td>1.22** (.140)</td>
<td>1.22** (.140)</td>
</tr>
<tr>
<td>Primary Election</td>
<td>.219** (.099)</td>
<td>.546** (.116)</td>
<td>1.02** (.139)</td>
<td>1.02** (.139)</td>
</tr>
<tr>
<td>Session</td>
<td>.543** (.085)</td>
<td>.275** (.108)</td>
<td>.928** (.142)</td>
<td>1.01** (.142)</td>
</tr>
<tr>
<td>Beginning of Session</td>
<td>-.115 (.208)</td>
<td>.256 (.233)</td>
<td>-.509 (.468)</td>
<td>-.505 (.468)</td>
</tr>
<tr>
<td>End of Session</td>
<td>.101 (.148)</td>
<td>.123 (.181)</td>
<td>.423* (.224)</td>
<td>.867** (.215)</td>
</tr>
<tr>
<td>N</td>
<td>84056</td>
<td>41887</td>
<td>35254</td>
<td>35254</td>
</tr>
<tr>
<td>Number of PACs</td>
<td>812</td>
<td>403</td>
<td>339</td>
<td>339</td>
</tr>
<tr>
<td>Log-likelihood</td>
<td>-9927</td>
<td>-4753</td>
<td>-3761</td>
<td>-3786</td>
</tr>
</tbody>
</table>

Notes: Statistical significance at the .05 level indicated by **
Statistical significance at the .1 level indicated by *
Standard errors are in parentheses
Table 6.6. Effects of Vote Events and Elections on Weekly Contributions in the New Mexico Senate: Contributor Fixed-Effects Model

<table>
<thead>
<tr>
<th>Event Type</th>
<th>SB 439 (Health Care)</th>
<th>HB 62 (Employee Protection)</th>
<th>HJR 8 (Minimum Wage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Election</td>
<td>-0.280 (.351)</td>
<td>2.73** (.115)</td>
<td>2.75** (.122)</td>
</tr>
<tr>
<td>Primary Election</td>
<td>1.09** (.201)</td>
<td>1.87** (.136)</td>
<td>1.89** (.143)</td>
</tr>
<tr>
<td>Session</td>
<td>-14.28 (292.51)</td>
<td>-1.88** (.508)</td>
<td>-2.06** (.585)</td>
</tr>
<tr>
<td>Beginning of Session</td>
<td>0.275 (.393)</td>
<td>-1.72* (1.00)</td>
<td>-1.20* (.714)</td>
</tr>
<tr>
<td>End of Session</td>
<td>-0.572 (.588)</td>
<td>-0.926** (.585)</td>
<td>-1.22** (.714)</td>
</tr>
<tr>
<td>N</td>
<td>7696</td>
<td>11327</td>
<td>9663</td>
</tr>
<tr>
<td>Number of PACs</td>
<td>74</td>
<td>110</td>
<td>94</td>
</tr>
<tr>
<td>Log-likelihood</td>
<td>-595</td>
<td>-1595</td>
<td>-1447</td>
</tr>
</tbody>
</table>

Notes: Statistical significance at the .05 level indicated by** Statistical significance at the .1 level indicated by * Standard errors are in parentheses
Table 6.7. Effects of Vote Events and Elections on Weekly Contributions in the Utah House: Contributor Fixed-Effects Model

<table>
<thead>
<tr>
<th>Event</th>
<th>HB 105 (Health Insurance)</th>
<th>HB 238 (Tobacco Tax)</th>
<th>SB 138 (Minimum Wage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Election</td>
<td>2.13** (.105)</td>
<td>2.09** (.104)</td>
<td>2.42** (.141)</td>
</tr>
<tr>
<td>Primary Election</td>
<td>.628** (.162)</td>
<td>.580** (.161)</td>
<td>.433* (.253)</td>
</tr>
<tr>
<td>Session</td>
<td>-1.02** (.261)</td>
<td>-2.39** (.505)</td>
<td>-1.08** (.393)</td>
</tr>
<tr>
<td>Beginning of Session</td>
<td>1.65** (.154)</td>
<td>1.60** (.152)</td>
<td>1.98** (.196)</td>
</tr>
<tr>
<td>End of Session</td>
<td>-1.08** (.505)</td>
<td>-1.13** (.505)</td>
<td>-1.71* (1.01)</td>
</tr>
<tr>
<td>N</td>
<td>10406</td>
<td>10405</td>
<td>8836</td>
</tr>
<tr>
<td>Number of PACs</td>
<td>101</td>
<td>101</td>
<td>85</td>
</tr>
<tr>
<td>Log-likelihood</td>
<td>-1896</td>
<td>-1880</td>
<td>-1085</td>
</tr>
</tbody>
</table>

Notes: Statistical significance at the .05 level indicated by **
Statistical significance at the .1 level indicated by *
Standard errors are in parentheses
Table 6.8. Effects of Vote Events and Elections on Weekly Contributions in the Georgia House: Contributor Fixed-Effects Model

<table>
<thead>
<tr>
<th></th>
<th>HB 1568 (Natural Gas)</th>
<th>HB 1492 (Insurance Bill)</th>
<th>SB 14 (Minimum Wage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Election</td>
<td>1.38** (.076)</td>
<td>1.03** (.057)</td>
<td>1.53** (.081)</td>
</tr>
<tr>
<td>Primary Election</td>
<td>1.18** (.081)</td>
<td>1.18** (.055)</td>
<td>1.34** (.086)</td>
</tr>
<tr>
<td>Session</td>
<td>-1.45** (.145)</td>
<td>-1.73** (.110)</td>
<td>-1.32** (.153)</td>
</tr>
<tr>
<td>Beginning of Session</td>
<td>.773** (.146)</td>
<td>.499** (.109)</td>
<td>.513** (.177)</td>
</tr>
<tr>
<td>End of Session</td>
<td>-.843** (.254)</td>
<td>-1.30** (.215)</td>
<td>-.616** (.256)</td>
</tr>
<tr>
<td>N</td>
<td>30261</td>
<td>63023</td>
<td>28715</td>
</tr>
<tr>
<td>Number of PACs</td>
<td>294</td>
<td>607</td>
<td>280</td>
</tr>
<tr>
<td>Log-likelihood</td>
<td>-3926</td>
<td>-7683</td>
<td>-3502</td>
</tr>
</tbody>
</table>

Notes: Statistical significance at the .05 level indicated by **
Statistical significance at the .1 level indicated by *
Standard errors are in parentheses
Table 6.9. Impact of Legislative Session in States with Contribution Restrictions during Legislative Sessions

<table>
<thead>
<tr>
<th>State</th>
<th>Bill</th>
<th>Subject</th>
<th>Legislative Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia</td>
<td>H.B. 1568</td>
<td>Natural Gas</td>
<td>23% Decrease</td>
</tr>
<tr>
<td>Georgia</td>
<td>H.B. 1492</td>
<td>Insurance</td>
<td>18% Decrease</td>
</tr>
<tr>
<td>Georgia</td>
<td>S.B. 14</td>
<td>Minimum Wage</td>
<td>27% Decrease</td>
</tr>
<tr>
<td>New Mexico</td>
<td>H.B. 62</td>
<td>Employee Protection</td>
<td>15% Decrease</td>
</tr>
<tr>
<td>New Mexico</td>
<td>S.B. 439</td>
<td>Health Care</td>
<td>Not Significant</td>
</tr>
<tr>
<td>New Mexico</td>
<td>H.J.R. 8</td>
<td>Minimum Wage</td>
<td>13% Decrease</td>
</tr>
<tr>
<td>Utah</td>
<td>H.B. 105</td>
<td>Health Insurance</td>
<td>36% Decrease</td>
</tr>
<tr>
<td>Utah</td>
<td>S.B. 138</td>
<td>Minimum Wage</td>
<td>34% Decrease</td>
</tr>
<tr>
<td>Utah</td>
<td>H.B. 238</td>
<td>Tobacco Tax</td>
<td>9% Decrease</td>
</tr>
</tbody>
</table>
Table 6.10. Average Increase in Campaign Contributions

<table>
<thead>
<tr>
<th>States Without Session Limits</th>
<th>General Election Average Increase</th>
<th>Primary Election Average Increase</th>
<th>States With Session Limits</th>
<th>General Election Average Increase</th>
<th>Primary Election Average Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>158%</td>
<td>165%</td>
<td>Georgia</td>
<td>380%</td>
<td>344%</td>
</tr>
<tr>
<td>Kentucky</td>
<td>767%</td>
<td>449%</td>
<td>New Mexico</td>
<td>1554%</td>
<td>536%</td>
</tr>
<tr>
<td>Illinois</td>
<td>196%</td>
<td>226%</td>
<td>Utah</td>
<td>924%</td>
<td>173%</td>
</tr>
<tr>
<td>New York</td>
<td>269%</td>
<td>213%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>348%</td>
<td>263%</td>
<td></td>
<td>953%</td>
<td>351%</td>
</tr>
</tbody>
</table>
Table 6.11. Effects of Vote Events and Elections on Weekly Contributions in the South Carolina House: Contributor Fixed-Effects Model

<table>
<thead>
<tr>
<th></th>
<th>HB 4583 (Health Insurance Task Force)</th>
<th>HB 3289 (Minimum Wage)</th>
<th>HB 3142 (Right to Work)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vote Event</td>
<td>1.13* (.168)</td>
<td>-.679* (.237)</td>
<td>-.657* (.247)</td>
</tr>
<tr>
<td>General Election</td>
<td>1.53* (.145)</td>
<td>1.57* (.140)</td>
<td>1.57* (.140)</td>
</tr>
<tr>
<td>Primary Election</td>
<td>1.85* (.143)</td>
<td>1.40* (.126)</td>
<td>1.42* (.126)</td>
</tr>
<tr>
<td>Session</td>
<td>.064 (.152)</td>
<td>.526* (.134)</td>
<td>.509* (.133)</td>
</tr>
<tr>
<td>Beginning of Session</td>
<td>-.006 (.391)</td>
<td>.086 (.366)</td>
<td>.086 (.366)</td>
</tr>
<tr>
<td>End of Session</td>
<td>.091 (.249)</td>
<td>.221 (.267)</td>
<td>.209 (.267)</td>
</tr>
<tr>
<td>N</td>
<td>18720</td>
<td>21944</td>
<td>21944</td>
</tr>
<tr>
<td>Number of PACs</td>
<td>180</td>
<td>211</td>
<td>211</td>
</tr>
<tr>
<td>Log-likelihood</td>
<td>-1837</td>
<td>-1941</td>
<td>-1942</td>
</tr>
</tbody>
</table>

Notes: Statistical significance at the .05 level indicated by* Standard errors are in parentheses.
Table 6.12. Effects of Vote Events and Elections on Weekly Contributions in the Wisconsin House: Contributor Fixed-Effects Model

<table>
<thead>
<tr>
<th>Event</th>
<th>Coefficient</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vote Event</td>
<td>-14.47</td>
<td>(419.17)</td>
</tr>
<tr>
<td>General Election</td>
<td>.752*</td>
<td>(.139)</td>
</tr>
<tr>
<td>Primary Election</td>
<td>.470*</td>
<td>(.145)</td>
</tr>
<tr>
<td>Session</td>
<td>-1.29*</td>
<td>(.151)</td>
</tr>
<tr>
<td>Beginning of Session</td>
<td>-15.75</td>
<td>(784.21)</td>
</tr>
<tr>
<td>End of Session</td>
<td>.122</td>
<td>(.308)</td>
</tr>
</tbody>
</table>

N = 6761

Number of PACs = 65

Log-likelihood = -1233

Notes: Statistical significance at the .05 level indicated by *
Standard errors are in parentheses
Table 6.13. Contribution Increases by Rank of Professionalism

<table>
<thead>
<tr>
<th>Squire’s Rank of Professionalism</th>
<th>State</th>
<th>General Election</th>
<th>Primary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New York</td>
<td>269%</td>
<td>213%</td>
</tr>
<tr>
<td>3</td>
<td>California</td>
<td>158%</td>
<td>165%</td>
</tr>
<tr>
<td>8</td>
<td>Illinois</td>
<td>196%</td>
<td>226%</td>
</tr>
<tr>
<td>12</td>
<td>Wisconsin</td>
<td>212%</td>
<td>160%</td>
</tr>
<tr>
<td>28</td>
<td>South Carolina</td>
<td>473%</td>
<td>485%</td>
</tr>
<tr>
<td>39</td>
<td>Georgia</td>
<td>380%</td>
<td>344%</td>
</tr>
<tr>
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<td>1554%</td>
<td>536%</td>
</tr>
<tr>
<td>47</td>
<td>Utah</td>
<td>924%</td>
<td>173%</td>
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Table 6.14. Contribution Increases by Rank of Professionalism

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<td>536%</td>
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<tr>
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<td>Utah</td>
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<td>924%</td>
<td>173%</td>
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Figure 6.0. Utah House Campaign Contributions by Week (HB 105 – Health Insurance)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
- General Election Occurred in Week 97
- Primary Occurred in Week 78
- HB 105 Achieved Final Passage in Week 57
- 2001 Session Begin in Week 3 and ended in Week 9
- 2002 Session Begin in Week 55 and Ends Week 62
Figure 6.1. Utah House Campaign Contributions by Week (HB 238 – Tobacco Tax)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 78
HB 238 Achieved Final Passage in Week 61
2001 Session Begin in Week 3 and ended in Week 9
2002 Session Begin in Week 55 and Ends Week 62
Figure 6.2. Utah House Campaign Contributions by Week (SB 138 – Minimum Wage)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
  General Election Occurred in Week 97
  Primary Occurred in Week 78
  SB 138 Achieved Final Passage in Week 9
  2001 Session Begin in Week 3 and ended in Week 9
  2002 Session Begin in Week 55 and Ends Week 62
Figure 6.3. New Mexico Senate Campaign Contributions by Week (SB439 – Health Care)

Notes: Weeks 1 to 52 are for 2001
Weeks 2 to 104 are for 2002
General Election Occurred in Week 97
Primary Occurred in Week 75
SB 439 Achieved Final Passage in Week 10
2001 Session begin in Week 3 and ended in Week 11
2002 Session begin in Week 55 and ended in Week 59
Figure 6.4. New Mexico House Campaign Contributions by Week (HB 62 – Employee Protection)

Notes: Weeks 1 to 52 are for 2001
Weeks 2 to 104 are for 2002
General Election Occurred in Week 97
Primary Occurred in Week 75
HB 16 Final Passage Vote in Week 7
2001 Session begin in Week 3 and ended in Week 11
2002 Session begin in Week 55 and ended in Week 59
Figure 6.5. New Mexico House Campaign Contributions by Week (HJR 8 – Minimum Wage)

Notes: Weeks 1 to 52 are for 2001
Weeks 2 to 104 are for 2002
General Election Occurred in Week 97
Primary Occurred in Week 75
HJR 8 Achieved Final Passage in Week 58
2001 Session begin in Week 3 and ended in Week 11
2002 Session begin in Week 55 and ended in Week 59
Figure 6.6. Georgia House Campaign Contributions by Week (HB 1492 - Insurance)

Notes: Weeks 1 to 52 are for 2001
- Weeks 2 to 104 are for 2002
- General Election Occurred in Week 97
- Primary Occurred in Week 86
- HB 1492 Achieved Final Passage in Week 65
- 2001 Session Begin in Week 2 and ended in week 12
- 2002 Session Begin in Week 54 and ended in week 67
Figure 6.7. Georgia House Campaign Contributions by Week (SB 14 – Minimum Wage)

Notes: Weeks 1 to 52 are for 2001
Weeks 2 to 104 are for 2002
General Election Occurred in Week 97
Primary Occurred in Week 86
SB 14 Achieved Final Passage in Week 11
2001 Session Begin in Week 2 and ended in week 12
2002 Session Begin in Week 54 and ended in week 67
Notes: Weeks 1 to 52 are for 2001
Weeks 2 to 104 are for 2002
General Election Occurred in Week 97
Primary Occurred in Week 86
HB 1568 Achieved Final Passage in Week 64
2001 Session Begin in Week 2 and ended in Week 12
2002 Session Begin in Week 54 and ended in Week 67
Figure 6.9. California Senate Campaign Contributions by Week (SB 71 – Worker’s Compensation)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 62
SB 71 passed Senate in Week 20
2001 Session Begin in Week 1 and Ended in Week 37
2002 Session Begin in Week 53 and Ended in Week 87
Figure 6.10. California Senate Campaign Contributions by Week (SB 604 – Health Care)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 62
SB 604 Achieved Final Passage in Week 23
2001 Session Begin in Week 1 and ended in week 37
2002 Session Begin in Week 53 and ended in week 87
Figure 6.11. California Senate Campaign Contributions by Week (AB 2242 – Minimum Wage)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 62
AB 2242 Failed to Pass Senate and Went to the Inactive File in Week 87
2001 Session Begin in Week 1 and Ended in Week 37
2002 Session Begin in Week 53 and Ended in Week 87
Figure 6.12. Illinois House Campaign Contributions by Week (HB 4540 – Minimum Wage)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 64
HB 4540 Achieved Final Passage in Week 66
2001 Session Begin in Week 2 and ended in week 22
2002 Session Begin in Week 53 and ended in week 74
Figure 6.13. Illinois House Campaign Contributions by Week (SB 1341 - Insurance)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 64
SB 1341 Achieved Final Passage in Week 18
2001 Session Begin in Week 2 and ended in week 22
2002 Session Begin in Week 53 and ended in week 74
Figure 6.14. Illinois House Campaign Contributions by Week (HB 2487 – Medical Leave)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 64
HB 2487 Achieved Final Passage in Week 13
2001 Session Begin in Week 2 and ended in week 22
2002 Session Begin in Week 53 and ended in week 74
Figure 6.15. New York House Campaign Contributions by Week (AB 5132 – Minimum Wage)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 89
AB 5132 Achieved Final Passage in Week 12
2001 Session begin in Week 1 and ended in week 49
2002 Session Begin in Week 54 and ended in week 77
Figure 6.16. New York Senate Campaign Contributions by Week (AB 11723 – Women’s Health Care)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 89
AB 11723 Achieved Final Passage in Week 76
2001 Session begin in Week 1 and ended in week 49
2002 Session Begin in Week 54 and ended in week 77
Figure 6.17. New York House Campaign Contributions by Week (AB 11624 – Unemployment Benefits)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 89
AB 11624 Achieved Final Passage in Week 76
2001 Session begin in Week 1 and ended in week 49
2002 Session Begin in Week 54 and ended in week 77
Figure 6.18. New York House Campaign Contributions by Week (AB 11723 – Women’s Health Care)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 89
AB 11723 Achieved Final Passage in Week 76
2001 Session begin in Week 1 and ended in week 49
2002 Session Begin in Week 54 and ended in week 77
Figure 6.19. South Carolina House Campaign Contributions by Week (HB 3142 – Right to Work)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 76
HB 3142 Achieved Final Passage in Week 7
2001 Session Begin in Week 2 and ended week 23
2002 Session Begin in Week 54 and ended week 75
Figure 6.20. South Carolina House Campaign Contributions by Week (HB 3289 – Minimum Wage)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
- General Election Occurred in Week 97
- Primary Occurred in Week 76
- HB 3289 Achieved Final Passage in Week 8
- 2001 Session Begin in Week 2 and ended week 23
- 2002 Session Begin in Week 54 and ended week 75
Figure 6.21. South Carolina House Contributions by Week (HB 4583 – Health Insurance Task Force)

Notes: Weeks 1 to 52 are for 2001 and Weeks 53 to 104 is for 2002
General Election Occurred in Week 97
Primary Occurred in Week 76
HB 4583 Achieved Final Passage in Week 64
2001 Session Begin in Week 2 and ended week 23
2002 Session Begin in Week 53 and ended week 75
Chapter 7: Conclusions and Discussion

The findings presented in this dissertation have provided an increased understanding of the motivation of PACs providing campaign contributions to legislators. It is apparent from the findings that interest groups are behaving in a manner that leads to the conclusion that they believe money is useful in securing a desired legislative outcome. While the results presented here indicate that proximity to the general election and the primary are consistently the most important factors in explaining patterns of campaign contributions, it remains uncertain as to the portion of the increase in contributions prior to the election that can be contributed to universalistic contributors, and the portion that are contributed to particularistic contributors. See tables 7.0 and 7.1 for a summary of the results presented in chapter six.

TABLES 7.0. and 7.1. ABOUT HERE

The research presented in this dissertation does not prove that contributors are gaining influence through providing contributions. However, the findings offer significant insight into the actions of contributors. It is clear from this dissertation that contributors are attempting to influence the outcome of elections and legislative votes. This dissertation provides empirical evidence of particularistic behavior of contributors in state legislatures. Stratmann (1998) found an increase of contribution surrounding the general election, primary election and important legislative events in Congress. Furthermore, he found that the greatest increase in contributions occurred surrounding the general elections and he concluded that PACs use contributions to prevent legislators from reneging on quid pro quo agreements. The findings presented in this study expand the findings of Stratmann to the
state level. Consistent with the findings of Stratmann (1998) the general election was consistently the largest explanation of contributions in state legislators. Additionally, the findings of this dissertation reveal that PACs are behaving at the state level in a manner similar to the national level in that PACs at the state level are also using contributions to prevent legislators from reneging of quid pro quo agreements.

In addition to confirming the findings of Stratmann (1998) at the national level, the state level analysis deepens our understanding of PAC behavior. The state level analysis presented in this dissertation upholds the findings of Stratmann (1998) even when faced with session limits on contributions. PACs provide contributions prior to the beginning of the legislative session in states with session limits to prevent legislators from reneging on quid pro quo agreements. The findings presented in this research combined with the research at the national level provides a fuller understanding of the actions of PACs that are attempting to influence policy outcomes at all levels of government.

Given the incentives contributors have to hide the true intentions of donations, it is even more remarkable that there is direct evidence of PACs attempting to influence the legislative process. In 32% of all cases examined in this study, there was direct evidence of PACs attempting to influence the outcome of a legislative vote. If we remove the states that prohibit all contributions during a legislative session, the number jumps to 50%, therefore there is direct evidence that in half the cases interest groups were attempting to influence the outcome of legislative votes.

Interest groups attempt to influence legislative outcomes by providing a contribution close to a legislative vote, or at the beginning of the legislative session with the later strategy, likely employed in cases were it is not legally permissible to give close to the
legislative vote. In 56% of the cases in this study contributors were engaged in influencing behavior by providing a contribution close to a legislative vote or at the beginning of the legislative session. Furthermore, there is evidence that contributors in states that limit contributions during sessions have merely changed their strategy to account for this hurdle, but are not removed from the political process as many reforms attempted.

The results reported strongly indicate that campaign contribution patterns are strongly influence by the structure and laws of the system of which they are part. When examining contributions patterns across legislation in different economic sectors within the same state, there are very similar patterns of contributions. While in some states we see that one piece of legislation is significant in explaining contribution patterns while another in the same state is not significant, the general pattern of contributions across both sectors tend to be similar.

The findings presented in this dissertation are at the heart of the debate of representation in a democratic society. The basic principle of a democratic society is majority rule, therefore, if policy outcomes are the will of the majority then understanding interest group activity is not important as policy outcomes are what the majority desired. However, understanding interest group activities is much more important when it results in policy outcomes that are against the will of the majority. Campaign finance reforms are often efforts to insure the will of the majority is not overrode by a minority with the ability to bring about an anti-majority outcome through the giving of money and other favors to political decision makers. On the other hand, a democratic society has a responsibility to protect the rights of those in the minority, thus creating a major dilemma for democracy.
Interest group activity that results in policy outcomes against the will of the majority may not necessarily be bad for democracy, but may actually protect the rights of minority groups. Freedom of speech and expression are also important components of a democratic society. Citizens in a democracy should have the opportunity to have their beliefs heard, however, the opportunity to have your beliefs heard differs across individuals of different backgrounds. Given the inequality of access to the political system across citizens, campaign finance has to balance the freedom of speech rights of groups with money with the rights of those groups that may not enjoy the same access. Additionally, interest groups also give a voice to the views of citizens that they would not otherwise have if they were trying to influence government individually. Reformers, therefore, have to exercise caution that efforts to remove the influence of interest groups from the political process may have the unintended consequence of diminishing even further the average citizens influence on policy outcomes and may shift the influence to wealthy individuals that have the power and influence to affect policy outcomes independently of interest groups.

Legitimacy is another important component of a democratic society. The ability of leaders to govern is centered on citizens recognizing their right to govern. Perceptions are often as important as reality when it comes to the legitimacy of government. The appearance of corruption is often as damaging to a government as actual corruption. Campaign finance reforms do not always lessen corruption, but the perception that they make a difference is important in restoring trust in government. For example, most states have placed limits on contribution amounts that individuals and interest groups can give. Contributors have often found loopholes in the law that allows them to circumvent the law, however, the appearance of corruption would be even greater if contributors were seen giving millions of dollars to
candidates. Session limits also have the same impact of reducing the appearance of corruption. Contributors giving contributions just prior to a major legislative vote results in a heighten level of mistrust among citizens even if the contribution had no impact on the decision made by the legislator. Session limits, therefore, serve to decrease the perception of corruption and thus are beneficial to democracy.

1. The Effectiveness of Campaign Finance Reform

As discussed previously, many efforts have attempted to reform the campaign finance system. Most of the efforts have done little to remove money from the political system although in some cases they have served to remove the appearance of corruption from the political system. In this dissertation I have focused on the effectiveness of session limits in removing the influence of money from politics. These attempts have not been successful in removing the influence of money from the political system, but have instead only served to change the strategy employed by interest groups. It appears that contributors, when faced with session limits, merely shift their contributions to just before the session begins in the effort to influence legislation during the session.

This leaves the important question of what campaign finance reforms would be the most effective in removing the undue influence of money from politics. It is obvious from the research that session limits do not achieve the intended goal of removing the undue influence of money from politics, therefore one must look elsewhere to answer that question. Limits on contributions have proven in the past not to be effective, as loopholes, which have allowed bundling and soft money, have allowed interest groups to get donations to candidates despite the contribution limit. However, even though session limits may not
prevent contributors from giving money they may still serve the important purpose of reducing the appearance of corruption and therefore helping to restore trust of citizens in government.

Public financing of campaigns is one of the few ways to remove the undue influence of money from the legislative process. However, public financing is unlikely to remove completely the influence of money from the election process. While candidates would be prohibited from receiving any outside money, there is still the possibility that independent groups would conduct their own media campaigns to elect or defeat a certain candidate. In order to remove money from elections, it will be necessary to provide public funding in conjunction with a ban on outside spending. However, even without the ban on independent expenditures, a movement toward public financing would diminish the influence of money in the legislative process, since interest groups could not provide money directly to legislators. The impact of an independent expenditure provided by a PAC during the course of election is not as likely to be as effective in influencing legislative outcomes as a contribution given during the legislative session or in close proximity to the legislative session.

The only other potential alternative to public financing to diminish the influence of money in politics is to lessen the role of government. If the scope of government is limited, then the need to influence legislative outcomes is diminished. In highly professional states with broad political agendas, interest groups appear to be much more active in attempting to influence legislative outcomes. On the other hand, in less professional states PACs seem to be targeting the elections more. These findings provide some evidence that one way of lessening the influence money out of politics is to lessen the scope of government. However,
this is unlikely to happen any time soon. Furthermore, it is highly unlikely that the public will be willing to embrace a system of public financing to remove the influence of money from politics.

2. Limitations of this Research and the Direction for Future Research

The research presented here examines only a very small slice of the legislation considered in state legislatures every year. Additional research needs to examine legislation on a broader array of topics. Furthermore, this research needs to look at the contribution patterns that surround legislation across other states as well.

The primary focus of this research has been on the actions of contributors and when they choose to provide campaign contributions to legislators. However, this research is unable to address the question of how effective those contributions are in changing legislative votes to the political action committee’s position. From this research we can infer that interest groups would not be giving contributions if they could not influence legislative outcomes however, we cannot empirically demonstrate that contributions are successful in achieving their intended goals.

Future research needs to attempt to identify when and if contributions are successful in changing a legislator’s vote. A possible approach in attempting to answer this question is to examine voting patterns of legislators on previous similar issues and to identify those cases when the legislator votes against his or her expected position. Along with future research, this dissertation will provide us with a fuller understanding of the role of money in politics and the direction for future reform efforts.

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Table 7.0. Summary of Findings

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<th>State</th>
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<th>Bill</th>
<th>Subject</th>
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<th>Primary Election</th>
<th>Legislative Session</th>
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<td>Bill</td>
<td>Bill</td>
<td>Chamber</td>
<td></td>
<td></td>
</tr>
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<td>Health Insurance</td>
<td>House</td>
<td>HB 105</td>
<td>HB 238</td>
<td>HB</td>
<td>SB 138</td>
<td>SB 251</td>
<td></td>
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<tr>
<td>Tobacco Tax</td>
<td>Utah</td>
<td>Utah</td>
<td>Utah</td>
<td>Utah</td>
<td>Utah</td>
<td>Utah</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum Wage</td>
<td>Utah</td>
<td>Utah</td>
<td>Utah</td>
<td>Utah</td>
<td>Utah</td>
<td>Utah</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worker’s Compensation</td>
<td>Wisconsin</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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Table 7.0. Summary of Findings (Continued)
<table>
<thead>
<tr>
<th>Squire’s Rank of Professionalism</th>
<th>State</th>
<th>Session Limits</th>
<th>General Election</th>
<th>Primary</th>
<th>Session</th>
<th>Beginning of Session</th>
<th>End of Session</th>
<th>Most Important Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New York</td>
<td>No</td>
<td>269%</td>
<td>213%</td>
<td>208% Increase</td>
<td>Not significant</td>
<td>154% Increase</td>
<td>General Election</td>
</tr>
<tr>
<td>3</td>
<td>California</td>
<td>No</td>
<td>158%</td>
<td>165%</td>
<td>116% Increase</td>
<td>231% Increase</td>
<td>190% Increase</td>
<td>Beginning of Session</td>
</tr>
<tr>
<td>8</td>
<td>Illinois</td>
<td>No</td>
<td>196%</td>
<td>226%</td>
<td>77% Increase</td>
<td>46% Decrease</td>
<td>132% Increase</td>
<td>Primary</td>
</tr>
<tr>
<td>12</td>
<td>Wisconsin</td>
<td>Lobbyist Only</td>
<td>212%</td>
<td>160%</td>
<td>28% Decrease</td>
<td>Not Significant</td>
<td>Not Significant</td>
<td>General Election</td>
</tr>
<tr>
<td>28</td>
<td>South Carolina</td>
<td>Lobbyist Only</td>
<td>473%</td>
<td>485%</td>
<td>168% Increase</td>
<td>Not Significant</td>
<td>Not Significant</td>
<td>Primary</td>
</tr>
<tr>
<td>39</td>
<td>Georgia</td>
<td>Yes</td>
<td>380%</td>
<td>344%</td>
<td>23% Decrease</td>
<td>183% Increase</td>
<td>41% Decrease</td>
<td>General Election</td>
</tr>
<tr>
<td>44</td>
<td>Kentucky</td>
<td>No</td>
<td>767%</td>
<td>449%</td>
<td>23% Decrease</td>
<td>330% Increase</td>
<td>37% Decrease</td>
<td>General Election</td>
</tr>
<tr>
<td>45</td>
<td>New Mexico</td>
<td>Yes</td>
<td>1554%</td>
<td>536%</td>
<td>14% Decrease</td>
<td>24% Decrease</td>
<td>29% Decrease</td>
<td>General Election</td>
</tr>
<tr>
<td>47</td>
<td>Utah</td>
<td>Yes</td>
<td>924%</td>
<td>173%</td>
<td>26% Decrease</td>
<td>683% Increase</td>
<td>28% Decrease</td>
<td>General Election</td>
</tr>
</tbody>
</table>

Note: Numbers are derived from significant cases in that state
### Appendix A: Campaign Finance Laws

<table>
<thead>
<tr>
<th>State</th>
<th>Session Limit on Contributions</th>
<th>Individual Limit</th>
<th>PAC Limit</th>
<th>Corporate Contribution Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>No</td>
<td>$20,000 (Governor) $5,000 (State Wide Office) $3000 (Non State Wide Candidates)</td>
<td>Small Contributor Committees: $21,200 (gubernatorial candidate) $10,600 (other statewide candidate) $6,400 (legislative candidate) Regular PACs: $21,200 (gubernatorial candidate) $5,300 (other statewide candidate) $3,200 (legislative candidate)</td>
<td>$20,000 (Gubernatorial Candidate) $5,000 (Other State Wide Office) $3,000 (Legislative candidate)</td>
</tr>
<tr>
<td>State</td>
<td>Session Limit on Contributions</td>
<td>Individual Limit</td>
<td>PAC Limit</td>
<td>Corporate Contribution Limits</td>
</tr>
<tr>
<td>------------</td>
<td>--------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Georgia</td>
<td>Yes</td>
<td>Statewide Candidate: $5,000 (primary or general election) $3,000 (primary or general run-off) Legislative Candidate: $2,000 (primary or general election) $1,000 (primary or general run-off) All amounts per election cycle.</td>
<td>$5,000 (State Wide) $2,000 (Legislative Candidate)</td>
<td>Statewide Candidates: $5,000 (primary or general election) $3,000 (primary or general run-off) Legislative Candidates: $2,000 (primary or general election) $1,000 (primary or general run-off) All amounts are per election cycle.</td>
</tr>
<tr>
<td>Illinois</td>
<td>No</td>
<td>Unlimited</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Kentucky</td>
<td>No</td>
<td>$1000 Per Candidate Per Election</td>
<td>$1000 Per Candidate Per Election</td>
<td>Prohibited</td>
</tr>
<tr>
<td>New Mexico</td>
<td>Yes</td>
<td>Unlimited</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
</tbody>
</table>
## Appendix A: Campaign Finance Laws (Continued)

<table>
<thead>
<tr>
<th>State</th>
<th>Session Limit on Contributions</th>
<th>Individual Limit</th>
<th>PAC Limit</th>
<th>Corporate Contribution Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>No</td>
<td>Gubernatorial candidates:</td>
<td>Gubernatorial candidates:</td>
<td>Gubernatorial candidates:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Primary – product of number of enrolled voters in</td>
<td>Primary - product of number of enrolled</td>
<td>Primary - product of number</td>
</tr>
<tr>
<td></td>
<td></td>
<td>candidate's party in the state x $.005, but not less</td>
<td>voters in candidate's party in the state x</td>
<td>of enrolled voters in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>than $5,400 or more than $16,200</td>
<td>$.005, but not less than $5,400 or more than</td>
<td>candidate's party in the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General - $33,900</td>
<td>$16,200</td>
<td>state x $.005, but not less</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legislative candidates:</td>
<td>Legislative candidates:</td>
<td>more than $5,400 or more than</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Primary</td>
<td>Primary:</td>
<td>$16,200</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$5,400(senate candidate) $3,400(house candidate)</td>
<td>$5,400(senate candidate) $3,400(house candidate)</td>
<td>General - $33,900</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General</td>
<td>General:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$8,500(senate candidate) $3,400(house candidate)</td>
<td>$8,500(state senate candidate) $3,400(state house candidate)</td>
<td>Legislative candidates:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All amounts are per calendar year.</td>
<td>All amounts are per calendar year.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum contributions by an individual cannot</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>exceed $150,000 in any one year.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>All amounts are per calendar year.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>Session Limit on Contributions</td>
<td>Individual Limit</td>
<td>PAC Limit</td>
<td>Corporate Contribution Limits</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------------------------</td>
<td>----------------------------------------------------</td>
<td>------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>New York (Continued)</td>
<td></td>
<td></td>
<td></td>
<td>Maximum Political Contributions and expenditures by a corporation cannot exceed $5,000 in any one year.</td>
</tr>
<tr>
<td>South Carolina</td>
<td>Yes (Lobbyist Only)</td>
<td>$3,500 (statewide candidate)</td>
<td>$3,500 (State Wide)</td>
<td>$3,500 (State Wide)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,000 (legislative candidate)</td>
<td>$1,000 (Legislative Candidate)</td>
<td>$1,000 (Legislative Candidate)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Both amounts are per election.</td>
<td>Both amounts are per election cycle</td>
<td></td>
</tr>
<tr>
<td>Utah</td>
<td>Yes</td>
<td>Unlimited</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>Yes (Lobbyist Only)</td>
<td>$10,000 (statewide candidate)</td>
<td>$43,128 (gubernatorial candidate)</td>
<td>Prohibited</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,000 (state senate candidate)</td>
<td>$1,000 (state senate candidate)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$500 (state house candidate)</td>
<td>$500 (state house candidate)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>All amounts are per election campaign.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>An individual may not contribute more than $10,000 in a calendar year to any combination of Wisconsin candidates or political committees.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>Session Limit on Contributions</td>
<td>Individual Limit</td>
<td>PAC Limit</td>
<td>Corporate Contribution Limits</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------------</td>
<td>------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Wisconsin</td>
<td></td>
<td></td>
<td>Aggregate limit on amount candidates may accept from all committees, excluding party committees, in an election campaign: $485,190 (gubernatorial candidate) $15,525 (senate candidate) $7,763 (house candidate)</td>
<td></td>
</tr>
</tbody>
</table>

Source: National Conference of State Legislatures: www.ncsl.org
References:


VITA

David W. Prince

**Date and Place of Birth**
December 30, 1972 in Lexington, North Carolina

**Educational Institutions Attended and Degrees Awarded**
University of Mississippi
Oxford, Mississippi

Appalachian State University
Boone, North Carolina
M.A. Political Science, 1995-1997

University of North Carolina at Charlotte
Charlotte, North Carolina
B.A. Political Science, 1991-1995

**Professional Positions Held**
East Carolina University – Visiting Assistant Professor, 2006-
Bellarmine University – Visiting Assistant Professor, 2004-2006
University of Kentucky – Teaching and Research Assistant, 2000-2004
University of Mississippi – Teaching and Research Assistant, 1997-1999
Appalachian State University – Teaching and Research Assistant, 1995-1997

**Awards and Honors**
Phi Eta Sigma - National Freshman Honor Society
Golden Key National Honor Society
Phi Kappa Phi – all academic disciplines
Beta Gamma Sigma – business and management
Pi Sigma Alpha – Political Science honor society
Sidney Ulmer Award for Best Paper by a Graduate Student at the University of Kentucky, 2004

**Professional Association Memberships and Activity**
Panel Discussant Midwest Political Science Association
Reviewer for the Journal of Politics
Reviewer for American Politics Research
Reviewer for State and Local Government Review
American Political Science Association
State Politics Section of the American Political Science Association
Methodology Section of the American Political Science Association
Legislative Section of the American Political Science Association
Southern Political Science Association
Midwest Political Science Association
Western Political Science Association
Advisor for the Political Science Club at Bellarmine University

Professional Publications


Papers Presented


“Timing of Contributions at the State Level: An Examination of the Motives of Contributors.” Presented at the annual meeting of the Midwest Political Science Association in Chicago, Illinois, April 3-6, 2003.


“Explaining Committee Outliers in State Senates.” With L. Marvin Overby Presented at the annual meeting of the Midwest Political Science association in Chicago, IL 2002.


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“An Examination of Structural Change in State Legislature Standing Committees” Presented at the annual meeting of the Southern Political Science Association in Savannah Georgia November 3-6, 1999.


“The Use of Seniority in the Selection of State Legislative Committee Chairs: An Examination of a National Phenomenon at the State Level” Presented at the annual meeting of the Southern Political Science Association in Atlanta Georgia October 28-31 1998.