Parties and Pork:
Historical Evidence from the American States

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When writing budgets, how do lawmakers decide whether to direct dollars to their districts or to spread funding across the polity? We hypothesize that closely competitive parties provide the motivation and means to invest in broad spending rather than geographically targeted pork. Party polarization, though, should give majority party legislators a greater incentive to discriminate against the minority when it comes to distributing district dollars, just as heightened geographic competition should lead to more discrimination against a polity's largest metropolis.

We explore each of these three hypotheses through new archival sources detailing how states allocate their budget money. Taking advantage of the vast historical variation in levels of party competition and polarization in the American states, we analyze data from New York in 1921, Montana in 1921, and California in 1921, 1931, 1941, 1951, and 1961. Our very preliminary findings provide encouraging initial support for our contentions.

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Legislators bargaining over budgets face a fundamental tradeoff when they decide how to slice up a fiscal pie: they could send appropriations to geographically targeted projects or they could spread the money out across the political system. They must constantly decide when to direct money to their districts and when to invest it for broader benefits. After making this decision, lawmakers confront another set of choices about how to divide up district money. Should it be spread out evenly according to a norm of universalism, a common practice in the U.S. Congress (Fenno 1966, 1973, Froman 1967, Ferejohn 1974, Evans 1994), or should a larger share of the spoils go to the victors, be they a partisan or geographic faction, in the minimum winning coalition logic spelled out by Riker (1962)?

These are difficult dilemmas for any legislature. Individual lawmakers face competing incentives, and the challenges of making collective choices further complicate the construction and enforcement of deals. There is no optimal solution for all lawmaking bodies, with political divisions and institutional incentives pushing differing houses in different directions. Amidst this variation, do any systematic patterns emerge? Do certain conditions predictably push lawmakers to spend more on their districts than on the entire polity, or to exhibit favoritism in whose districts receive the most funding?

We conduct a preliminary exploration of these questions, looking across a set of legislatures that exhibit massive political and institutional variation within the same basic structure—the historical American states. In particular, we focus on the level of party competition in state legislatures, asking whether states with tight two-party competition divide their spending differently than one-party or more chaotic party systems. Our main argument is that party bonds, in a competitive two-party environment, should create the motives and capacities that push toward statewide spending, by giving individual legislators a

shared political stake in developing broad programs, along with the ready-made coalition to enact them into budgets. One-party states should favor atomistic action and district-focused spending. This logic borrows heavily from V.O. Key's (1949) classic work. We theorize, second, that party competition, as it intensifies, should lead to favoritism in the distribution of district spending. Interrogating the logic of the distributive politics model contained in Weingast (1979), we suggest that hardened, polarized party lines provide greater certainty that majority members will end up in the minimum winning coalition that secures the most district funding. The potential for greater payoffs through discrimination against the minority should tempt majority members to abandon universalism, leading to uneven patterns in district spending. Finally, when one great metropolis in the state becomes so large that its looming presence polarizes the legislature along geographic lines, we expect to see discrimination against this big city. In the furiously descriptive phrase of George Washington Plunkitt, a city like New York will become "pie" for the "hayseed legislators at Albany" (quoted in Riordon 1994, 59).

The American states, especially when studied across their full historical sweep, provide an ideal arena for testing these theories about how party conflict shapes spending patterns. Historically, and in some measure today, American states provide examples of competitive two-party governments, single-party regimes, formally non-partisan houses, and multi-party systems. They exhibit vastly differing levels of polarization, even across states at the same time (Shor, Berry, and McCarty 2010). Of course, these legislatures vary in many of their other characteristics—in their levels of professionalism, size, and turnover rates, as well as in the wealth, urbanization, rate of immigration, and the racial diversity of the voters whom they represent.

Yet all states still share the same basic American political structure that makes them such fruitful laboratories (Hamm and Squire 2005). For our purposes, it is important that they all operate under same federal party system, and exist in the same national economy. When considering their budgets, they face comparable spending demands and are impacted in similar ways by federal grants. Investigating the link between parties and spending patterns in the states provides a greater level of control than cross-national comparisons, while allowing us to access much wider variation in party dynamics than exists in Congress.

Our prior research uses the states as laboratories to explore the role of party and geography in explaining the introduction of statewide versus district bills and in determining their legislative histories. Here, we move from legislation to money. This paper presents the beginnings of three research projects designed to test the parallel hypotheses in the crucial area of budgeting. After many years of collecting data to understand the substance of legislation over the last century and to measure various aspects of legislative professionalism and careerism, we have turned over the last year to the arcane, but substantively rich, details of annual appropriations. Our long-term goal, as we collect data from a growing list of states and years, is to analyze the impact of many variables—including party competition, party discipline, careerism and professionalism, demographics, malapportionment, term limits, and urbanization—on budgetary decisions. If the devil is in the details, the central battle in any legislature ultimately lies in funding formulas, pork-barrel projects, and favors for constituents. In this paper, drawing on data from a small set of budgets, we present some exploratory results from this work.

This paper lays out our theoretical expectations regarding three basic questions, introduces our data sources, and presents preliminary analyses. While we select our states to provide variation in party systems, under controlled conditions, no firm conclusions can be

drawn from such a small group of cases. Rather, our aim is to develop theories with testable implications, to improve archival strategies to collect the data necessary for such a test, and to sharpen our concrete measures of spending patterns so that state data can speak to broader concerns of legislative studies and fiscal policymaking.

I. Theory: The Link Between Party and Statewide Spending

We organize our paper around three central questions. Grounded in our earlier work on the mix of legislation considered by American state legislatures, we now look to the realm of appropriations in assessing decision-making in state capitals:

1. What impact, if any, does a competitive two-party system have on the mix of district-based spending and statewide spending authorized by the legislature?

2. Are majority members advantaged in the distribution of district-based spending, or does a norm of universalism prevail, where all members feed at the same trough and district spending is allocated in rough proportion to population and income?

3. Are large cities advantaged or disadvantaged in the battle for district dollars?

A. Party Competition and Statewide Spending

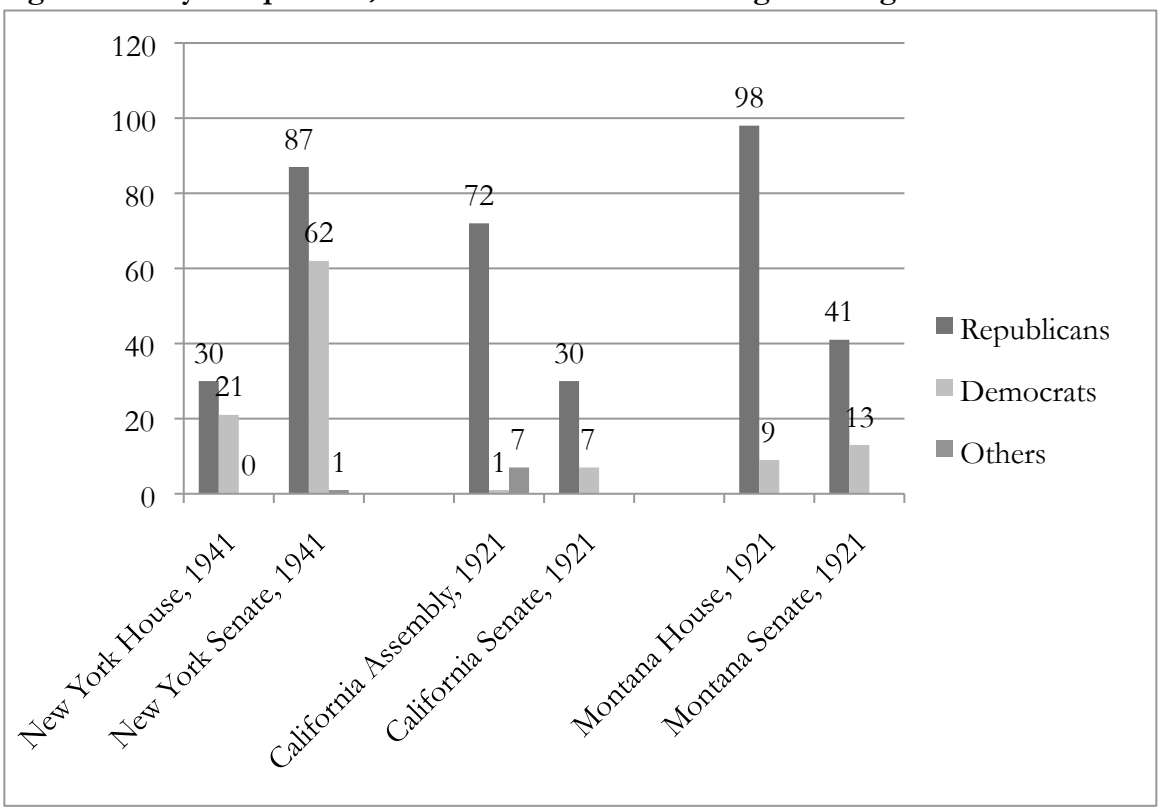
First, we consider the impact of party competition on the relative mix of district spending and broad-based spending, echoing Burns and Gamm's (1997) and Gamm and Kousser's (2010) analyses of the mixture, statewide versus district-focused, of bill introductions. To do so, we probe new archival sources to categorize the budgets of New York in 1941, California in 1921, and Montana in 1921 in order to determine their balances of statewide and geographically targeted spending.

Our theory, which we laid out in Gamm and Kousser (2010) in reference to the amount of broad-based and particularistic legislation, is grounded in the idea that legislators, focused on winning reelection, are most likely to favor district bills when a single party dominates the legislature. As V. O. Key (1949) famously argued, one-party assemblies are factious assemblies, and factious legislatures yield little in the way of comprehensive legislative programs. Party ties can provide the links between members that are necessary to construct and pass broad statewide projects. Wright and Schaffner's (2002) comparison of floor voting in Kansas's legislature, which is bicameral and partisan, and Nebraska's unicameral, non-partisan legislature shows that parties structure and align voting behavior, supporting our contention that robust parties are better able to assemble coalitions for broad-based spending. By helping to establish a "brand name" for a party (Cox and McCubbins 1993), statewide initiatives are particularly valuable, in terms of electoral payoffs, in an atmosphere of close competition. We theorize, then, that vigorous, two-party competition results in programmatic, statewide spending, while district spending predominates in legislatures characterized by one-party hegemony.

In selecting state legislatures for this first round of analysis, we intentionally sought great variation in our independent variables. The states and years we chose—New York in 1941, California in 1921, and Montana in 1921—varied along many dimensions. New York was dominated by a single large city, which in 1941 made up a majority of the entire state's population. Half of California's population in 1921 was concentrated in two large metropolitan areas, Los Angeles County and the San Francisco Bay Area (including the city of San Francisco and Alameda County). Montana, in contrast, was home to no major city. In addition to measures of urbanization, these states were located in different regions of the country, they were home to legislatures that ranged from highly professional (in New York)

to entirely part-time and amateur (in Montana), and they ranged dramatically in population. Most important, though, for testing our first theory, were the ways in which their legislatures differed in party composition. New York in 1941, as Figure 1 shows, was a competitive two-party state. While Republicans controlled both chambers in New York, the Democratic minority in both cases was substantial. California and Montana, in contrast, were one-party states in 1921. In both cases Democrats held fewer than 10% of the seats in the lower houses and fewer than 25% of senate seats. Although the small number of cases necessarily limits us to an exploratory analysis, the different levels of party competition allow us to test the hypothesis that greater one-party dominance is correlated with higher levels of targeted district spending, while strong party competition should lead to a greater share of money going to the operations of state government and to broad, statewide spending programs.

Figure 1. Party competition, in three states with full budget coding



B. Party Polarization and Minimal Winning Coalitions

We next consider whether majority legislators are advantaged in the distribution of district spending. This question parallels the analysis, presented in Gamm and Kousser (2007), of whether members of the majority party are able to pass more than their share of district legislation, or whether a norm of universalism instead prevails. Our hypothesis is that two-party legislatures steer district spending toward majority districts and away from minority districts, while one-party legislatures are more likely to engage in universalism. The more polarized the two parties, we hypothesize, the greater the majority bias in spending. As parties grow increasingly apart on ideological grounds, we hypothesize, it becomes clearer which faction each legislator belongs in and thus whether he or she is certain to end up in the minimum winning coalition or not; that information should push legislators toward a minimum winning coalition division of local spending rather than universalism.

Following theoretical work predicting the formation of minimum-winning coalitions (Riker 1962, applied to cabinet formation) to pass efficient distributive logrolls, empirical work detailed the prevalence of omnibus bills in Congress providing pork to all legislators (Fenno 1966, 1973; Froman 1967; Ferejohn 1974). This key fact drove Weingast's (1979) theory that legislators would choose to play a universalistic rather than a distributive game, because they could never be sure that they would end up on the winning side of a minimum winning coalition. It is unrealistic to assume, Weingast (1979, 251) concedes, that all coalitions are equally likely to form, "because it ignores institutional features such as parties, committees, seniority, etc." If the logic that underlies Weingast's theory is correct, then universalism should be practiced in states where one-party rule descends into unpredictable factionalism, where committees are weak, and where high turnover levels mean that few legislators have a seniority advantage. In the absence of these conditions, we should observe

the formation of minimum winning coalitions to dictate local spending. Because party strength, committee power, and the importance of seniority hardly vary in the modern Congress, examining patterns in district spending across states and over time can provide causal leverage to explore influential theories of legislative behavior.

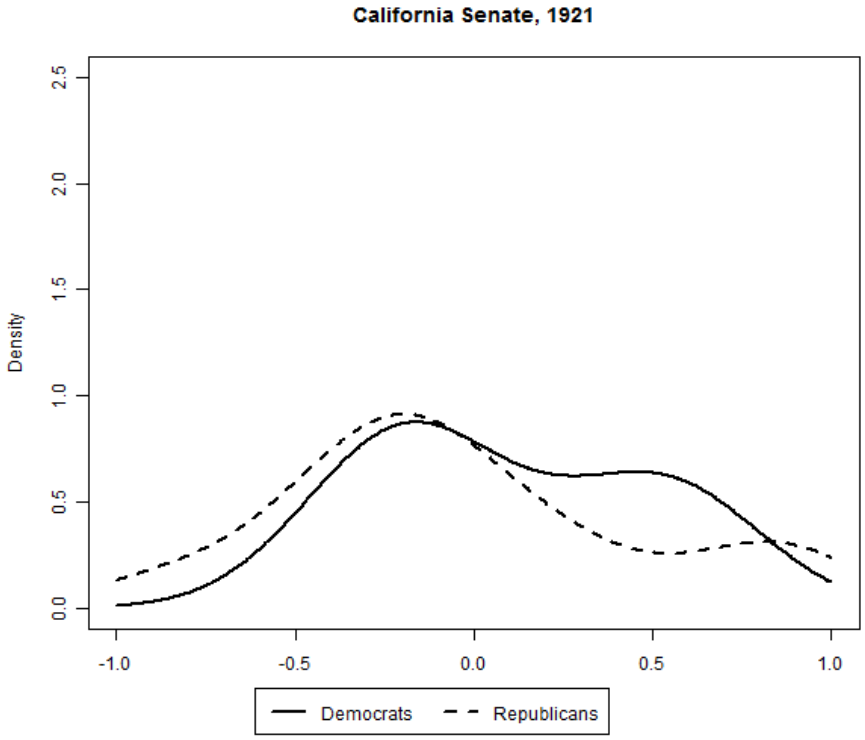
In investigating whether competitive legislatures are more likely than one-party legislatures to preference majority districts—and whether this bias is accentuated as parties become more polarized—we take advantage of a natural experiment that aligned county boundaries with state senate districts for a long period in California. We then examine the shares of state grants that counties represented by majority and minority party legislators received in 1921, 1931, 1941, 1951, and 1961. Using the state controller's reports on these grants, we can look to see which counties received funding proportional to their populations, much as Lee and Oppenheimer's work (Lee and Oppenheimer 1999; Lee 2000) does for states in the U.S. Senate and Ansolabehere and Snyder's (2008) research does in a more recent era for counties in states. In addition to population data, we have also located data on local taxes and the property tax bases for each of these counties, giving us additional baselines for state spending. If some counties receive more in state allocations than their population share or tax bases might suggest, we can look to explain patterns. Charting spending over time in the same state with a citizen legislature holds constant geographic rivalries constant and the general political context, but allows for tremendous variation in party dynamics in order to take a first glance at their effects.

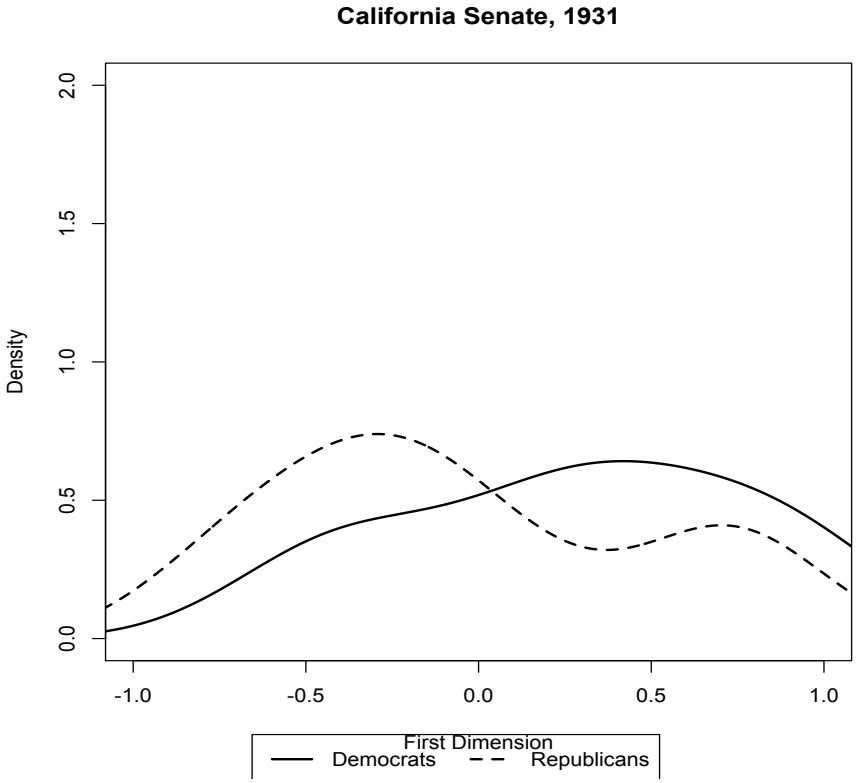
The fact that counties were kept whole in creating California senate districts (except for the largest counties in 1921 and 1931, which those years were represented by multiple senators all of the same party) facilitates a straightforward analysis of whether counties represented by majority senators fared better at budget time than those represented by

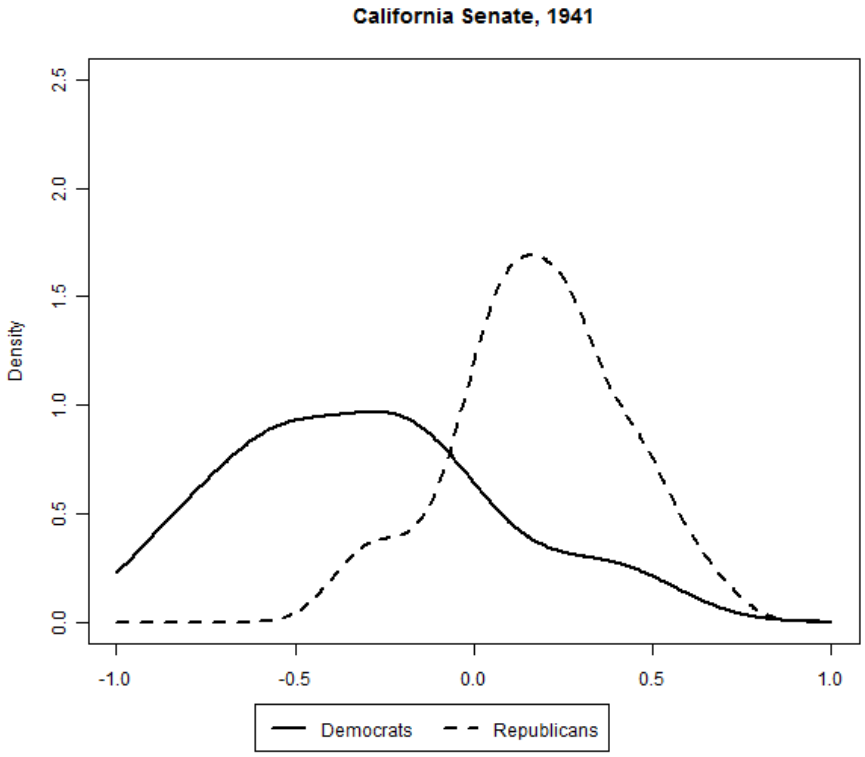
minority legislators. Over the five sessions, there was also substantial variation in the party composition in these legislatures. The legislature was dominated by Republicans early in this era (by a 30-7 margin in 1921 and by 36-4 in 1931), it was divided more closely between the parties at mid-century (Republicans held a 24-16 edge in 1941 and a 28-12 edge in 1951), and it was dominated by Democrats in 1961 (who held 30 of the 40 seats that year).

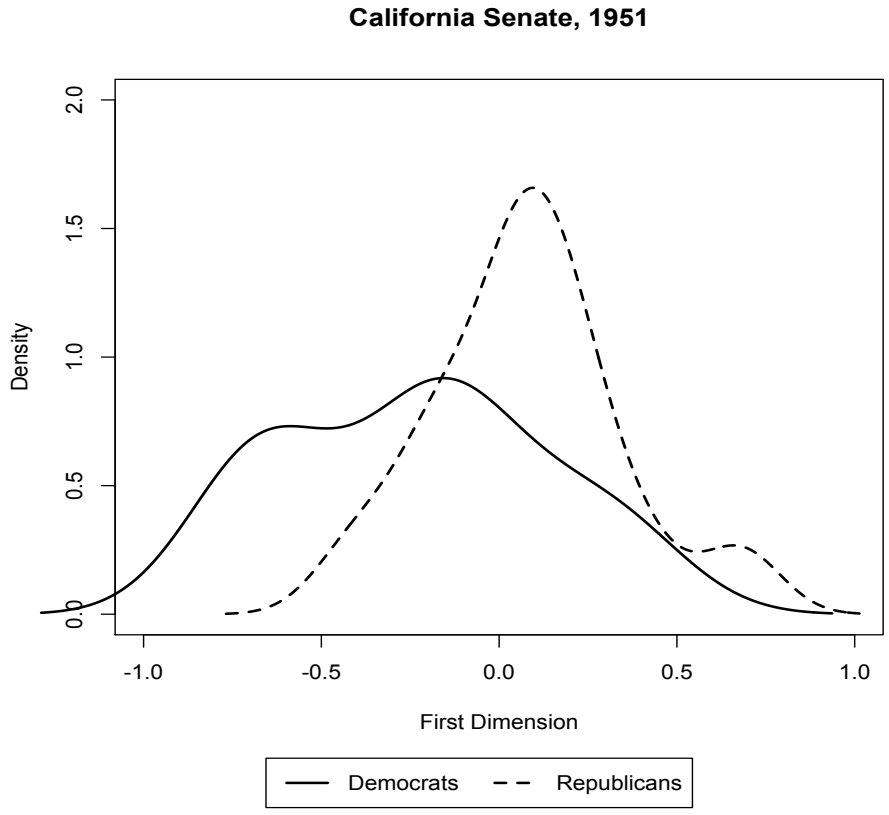
Figure 2 shows, too, that polarization between the parties grew sharply with time. Drawing on roll-call data gleaned from senate journals, we derived ideal-point estimates for all senators, then sorted them by party. There was no differentiation between the party profiles in 1921, with near-perfect overlap between Democratic and Republican senators. Party polarization began to emerge from 1931 through 1951, and by 1961 started to resemble the familiar modern pattern of Democrats almost uniformly on the left with Republicans mostly on the right (though a few centrist remained in an area of party overlap). This historical trend provides wide variation in our key independent variable – the level of partisan polarization – under the relatively controlled conditions of a single state's politics and geography. By charting county grant levels over time, we can test whether the majority party distributed grant universally or played a minimum winning coalition strategy, and whether strategies shifted as the party divide clearly emerged.

Figure 2. Growth of Party Polarization in the California Senate: 1921-1961






California Senate, 1941
Density
0.0
0.5
1.0
1.5
2.0
2.5
-1.0
-0.5
0.0
0.5
1.0
Democrats
Republicans


California Senate, 1951
Density
0.0
0.5
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-0.5
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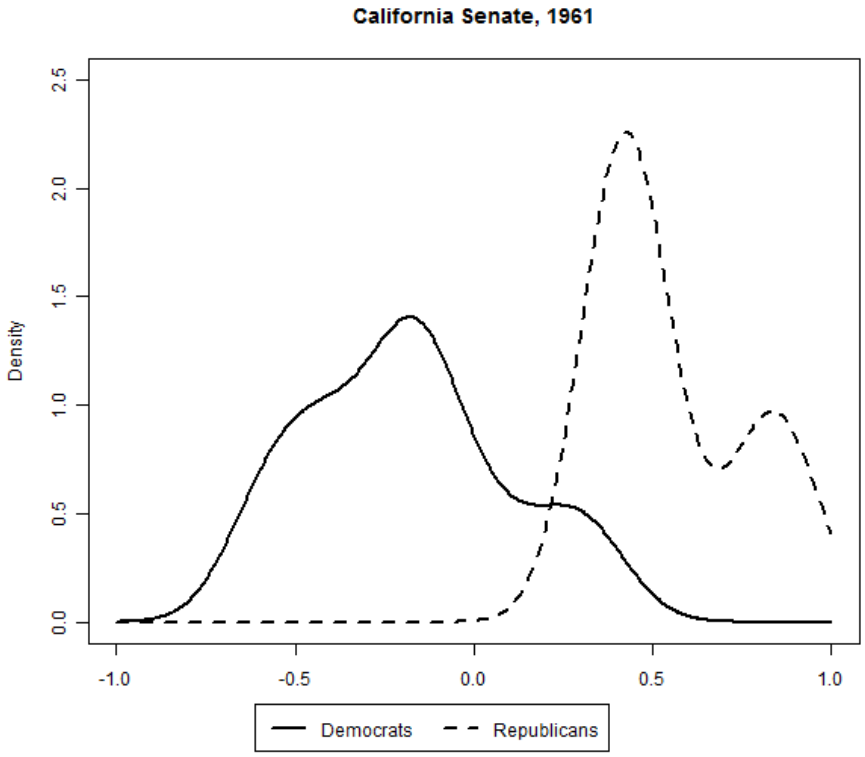
0.5
1.0
First Dimension
Democrats
Republicans



C. Big Cities Become Pie for the Hayseeds

In a remarkable 1926 initiative, the voters of California reconfigured their senate so that no county had more than one representative in the state senate. Thus three counties—Alameda, Los Angeles, and San Francisco—which together were home to a solid majority of the state's population—held just 3 of California's 40 senate seats in 1941 and 1961. This was malapportionment on a dramatic scale, and it was sanctioned and created by a majority of the state's voters. The 1926 initiative clearly targeted the rising metropolis of Los Angeles in the South. While Angelenos initially portrayed the initiative as an assault on the state's great population centers, they increasingly concluded that this was a targeted attack on their own, rapidly growing, city, which had recently eclipsed San Francisco in size. With the single exception of Los Angeles itself, every county in the state, including the great northern

strongholds of San Francisco and Alameda (home to Berkeley and Oakland), gave majority support to the initiative.

Drawing on the 1921, 1941, and 1961 California controller's reports, which itemize large categories of spending by county, along with a comparable 1941 controller's report from New York, we ask whether the state's largest city faces discrimination in the state legislature—and whether, as we find elsewhere in regards to legislation (Gamm and Kousser 2008), that discrimination increases as the city grows relative to the rest of the state in population. In no case does a single big city control a legislative majority: even in 1941, when New York City was home to a majority of the state's population, it held a minority of seats in the legislature. Thus, mathematically, even the largest cities, such as New York and Los Angeles, could find themselves on the losing end of a minimal winning coalition.

As in our 2008 study of legislation, we can identify several grounds for discrimination against big cities. One reason that discrimination might occur is the sheer size of the city; perhaps some cities are so large, relative to the rest of their states, that they are targeted as threatening. A second reason might be demographic differences between the largest cities and other parts of the state, with higher populations of immigrants, African Americans, and Hispanics in big cities than in smaller cities and towns. Third, cities might face discrimination for partisan reasons, since, in many cases, the partisan majority of big-city legislators is different from the partisan majority of other legislators. Finally, cities like New York, or Los Angeles (in the lower house, but not the senate) might have trouble coordinating on policy because of the large sizes of their delegations (Burns et al. 2009).

Using controller's reports in California and New York, we analyze whether the state's largest city faces discrimination in the legislature. Was George Washington Plunkitt right when he wrote that "New York City is pie for the hayseeds" (Riordon 1994, 59)? As a

city grows in the magnitude of the threat that it poses to the rest of the state (and its possibility for plunder), it becomes a target for discrimination in funding formulas and geographic redistribution. Does the big city get less than its fair share of money, just as its representatives pass less than their share of district-focused legislation? When the greatest metropolis in the state makes up a larger percentage of the state population, is the metropolitan fisc increasingly plundered, or can big cities use their legislative might to instead secure a favorable funding formula?

II. Measuring Spending Patterns in the States

To track budget data for this project, we are returning to university libraries, state archives, and state libraries to locate an array of original records, including appropriations contained in annual laws, treasurer's reports, auditor's and controller's reports, and governor's messages. Our goal is to locate, identify, and code all spending authorized by a legislature in a given year, whether it is sitting just in regular session or in both regular and special session. As we have worked on this project and developed a coding protocol, we have come to appreciate that finding all the money often requires consulting documents side by side. In New York and California, for instance, we found state aid to schools and highway construction money allocated separately from other appropriations and recorded in documents separate from the main budgets.

This paper relies on two bodies of data. First, we recorded and categorized three full budgets from New York (1941), California (1921), and Montana (1921). We then tabulated grants made to each county in California in 1921, 1941, and 1961 to test for party favoritism at a time when senators represented whole counties and urban counties were

underrepresented, and we drew on grants from both California and New York to look for discrimination against big cities.

This coding requires patience and care. California's 1921 budget was 144 pages, and Montana's 1921 budget ran 145 pages. The New York executive budget (New York 1942-43), summarizing all appropriations for 1941-42, runs 1,151 pages, and a typical page contains as many as 50-60 different line entries. Most of these lines report salaries for specific people in the state. Thus the Division of Public Buildings begins by listing the staff supporting "Administration and Capitol," in Albany: superintendent of public buildings ($6,800), building superintendent ($3,700), assistant superintendent of public buildings ($4,000), senior administrative assistant ($3,220), etc. Further down the list are clerks, telephone operators, electricians, masons, plumbers, roofers, cleaners, charwomen, and groundsmen. Altogether, there are 51 budget lines in this one section, which runs barely more than one page (pp. 937-38), with no budget total for this section. These 51 lines need to be totaled (then re-totaled and checked), then added to several hundred other lines in the Division of Public Buildings to create a single entry in our spreadsheet representing this division's budget for state government buildings in Albany. That single entry then becomes one of 649 rows in the 1941-42 New York budget spreadsheet. There are 92 such rows in the 1921-22 Montana budget, 176 rows in the 1921-22 California budget.

Coding these three budgets, while refining the coding protocol, consumed about three or four hundred hours of work over a year's time. In doing this, we worked closely with a team of research assistants to read through every line of the budget and to create spreadsheets listing individual items. The items consolidate all of the dollars in one functional area that were spent in the same geographic designation, either locally or for a statewide purpose.

For each budget item—for each row in a budget—we distinguish between **statewide** spending, **district (full detail)** spending, and **district (sparse detail)** spending. In a world with full information, these three categories would collapse into two, simply statewide spending and district spending. But often we encounter budget items where we can safely presume geographic bias, or where we can infer that separate allocations are made to each of several (or even all) counties or school districts in the state, but where we know no more than a total budget number for the whole item; that is what we are calling "district (sparse detail)" spending. Thus the 1941-42 New York executive budget includes lump sums for maintenance and operation of various departments, each maintaining offices in a handful of cities across the state, but without providing any breakdown on the allocation of expenses among these offices. Elsewhere the New York budget says simply that $119,518,000 was distributed in state aid to schools; that budget figure is deemed "district (sparse detail)" since the monies are distributed to each school district across the state rather than reserved to a central educational bureaucracy in Albany. From a separate document, the comptroller's report, we later find those county-by-county distributions, and that more detailed information allows us to recode this full budget amount as "district (full detail)" spending. The distinction, then, between these two district categories has much more to do with the amount and quality of information we have than with any conceptual difference.

Statewide spending includes all items that serve the whole state, with no evidence that the money is distributed to localities or in any other method suggesting (or allowing for) geographical bias. Items in this category include welfare, unemployment, and Medicaid, all of which are distributed to individuals rather than to communities. Statewide spending also includes the main offices of state government in the capital city, such as the governor's office, the legislature, the court of last resort, and bureaucratic headquarters, as well as

private organizations, like the Red Cross or American Legion, serving members statewide. The money, discussed above, spent by the Division of Public Buildings on the state capitol, executive mansion, and office buildings in Albany are coded as statewide spending.

Where spending is allocated to particular geographical subunits, we code the spending as **district (full detail)** spending; this includes not only cities, towns, villages, and counties, but also local authorities, school districts, universities, colleges, judicial districts, road, canals, ports, and local offices of state government. While this would not include a state office building in Sacramento, which we treat as statewide spending, we would include in this category a local unemployment office in Sacramento, a state office building in Los Angeles, and the Berkeley campus of the University of California. In all three cases, the state legislature is making a discretionary decision about where to locate an office, a building, or a campus. Unlike the governor's mansion or the capitol itself, which we presume must go in Sacramento, these other facilities provide construction jobs and continuing employment to areas that have no necessary claim to the benefits.

While much district spending is clearly identified in budgets, there are other sums, often large, that represent geographically biased spending, but where the exact breakdown of that spending is unknown. This spending, which we cannot allocate to specific local areas, we call **district (sparse detail)**. Much of this spending is spread generally across the state but in ways that suggest some discretion used in the formula for distribution, including state aid to localities (where only a lump sum is known) as well as spending on judicial districts, highways, and roads. In Montana items in this category in 1921-22 include the distribution to counties of oil royalties, gasoline license taxes, forest reserve monies, and auto registration fees, as well as spending on state highways and salaries of state judges and district attorneys.

After classifying all spending as statewide or district (whether with full or sparse detail), we then further sift through the district spending. We classify all district spending in terms of its scope: in broad terms, whether monies are allocated to all local units in the state or whether monies are targeted to some localities but not others. Our two categories of district spending are these—

1. **Apportionments to all local governments**. Here we include state money that is allocated to every locality in the state—every school district, for example, or every county to run their own highway building programs or to provide aid for orphans. The money must be apportioned to preexisting local governments, like counties, cities, local school districts, townships or villages, rather than to state service districts (whose boundaries are endogenous to the policymaking process, and hotly contested). Whatever the formula is for allocating this money, this category emphasizes spending that is spread, fairly or not, across all local entities in the state.

2. **Distributions to specific localities**. This category encompasses all spending that goes to some but not all localities. This money can come in the most clearly porcine of forms, such as money for a flood control project or a bridge in one locality. But it also includes spending on things such as a state university or a tuberculosis hospital that, while it may serve a statewide purpose, provides tremendous local benefits in the form of local employment. In this category is spending on particular institutions and localities as well as spending on most, but not all, localities for district offices or transportation projects.

We also identified the type of entity to which district budget money flows, and we assigned a policy code to each budget item. For policy codes, we relied on the budget codebook developed for the Policy Agendas Project, developed by James L. True. For the type of entity, we used the following classifications: local schools, courts, other branches of

state government, local governments, authorities and special districts, transportation, private institutions, local populations, and individuals.

In the county-by-county analyses of California and New York that follow, we located detailed charts in the reports of the controller (California) and comptroller (New York). The California report identifies state allocations to counties for elementary schools, high schools, and support of orphans, as well as proceeds from motor vehicle taxes. The New York report identifies state aid for highways, schools, public health, and welfare, including proceeds from various targeted taxes.

III. Preliminary Exploration of State Spending Patterns

A. Party Competition and Statewide Spending

Our first preliminary data exploration comes from our most detailed and widely available source of data, the full budgets from New York in 1941 and from California and Montana in 1921. Because New York's legislature was contested by two competitive parties, while both California and Montana were dominated by Republicans in this era, we expect that more of the Empire State's spending will be on statewide programs (or, at a minimum, apportioned to all local governments rather than distributed only to a handful of specific localities). Of course, any difference that we observe between the states could result, instead, from the chronological difference. New York was crafting its budget after the New Deal revolution, with different policy demands and in a different economy. It was also largest and wealthiest state in the nation, with a more professional legislature. The fact that we have more variables than cases at this stage is what makes this test so preliminary.

With all of these caveats, it is still encouraging to see, in Figure 3 below, that New York devoted a much larger share of its budget than California and Montana did to state

functions and to local aid spread all across the state. The centralized operations of New York's state government constituted 31% of its budget ($110.4 million), while this category made up only 12% of California's spending ($6.0 million) and 23% of Montana's budget ($2.1 million). In addition to funding the legislature, the governor, and the other centralized offices of the state bureaucracy in New York, this category included more than $3 million each spent on the State Police and the Department of Agriculture and Markets, nearly $8 million spent on the Department of Audit and Control, and $5 million on the Department of Education's statewide programs. The great bulk of New York's statewide spending, though, came in the form of aid delivered directly to individuals rather than through counties or branch offices of state government: $50 million in unemployment assistance and $14.5 million in old age assistance. Neither California nor Montana had similar directly redistributive programs in the budgets that we analyzed, with most of their statewide spending supporting the state bureaucracies. These are exactly the sorts of programs that Key (1949) pointed to as the results of party competition—money sent to aid large constituencies that could be cobbled together into a statewide electoral coalition.

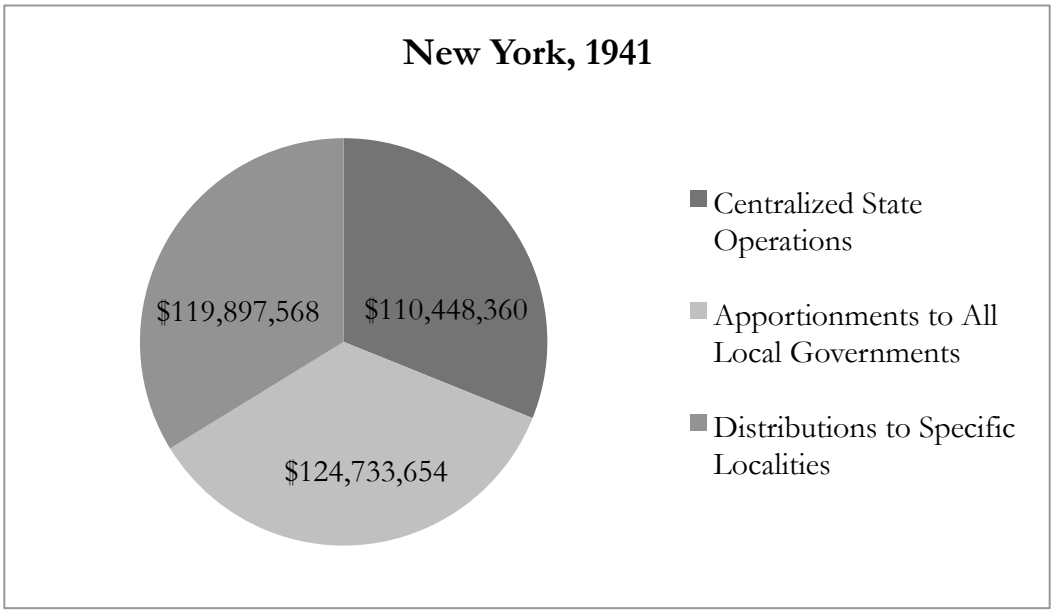
When money goes to particular localities, we would also expect that tighter party competition should lead it to be apportioned to all local governments rather than sent to a small number of districts. Even if it is not spread out perfectly evenly—and we will look for evidence of funding formula bias in the next sections—money should be apportioned broadly when a party competes as a statewide brand name instead of devolving, under a one-party state, into a collection of factions. In New York, 35% of spending ($124.7 million) went to all local governments, with $119.5 million of this coming in the form of state aid to all school districts. California's government sent an even larger share of its budget, 51% ($25.3 million) to all local governments, in the form of grants for elementary schools ($13.8

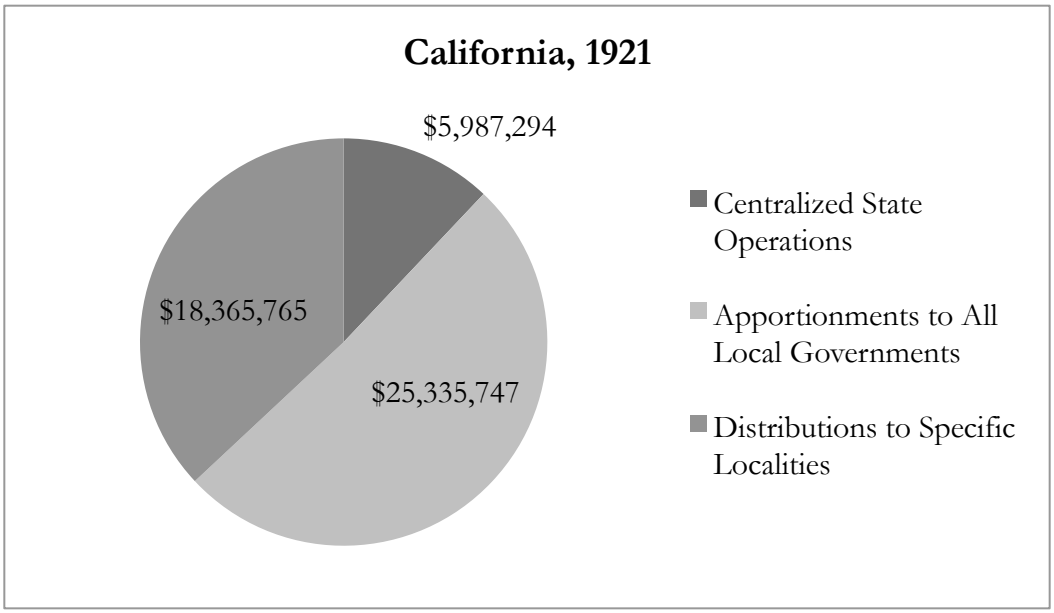
million), secondary schools ($2.8 million), motor vehicle fees sent to all counties ($7.2 million), and other aid.

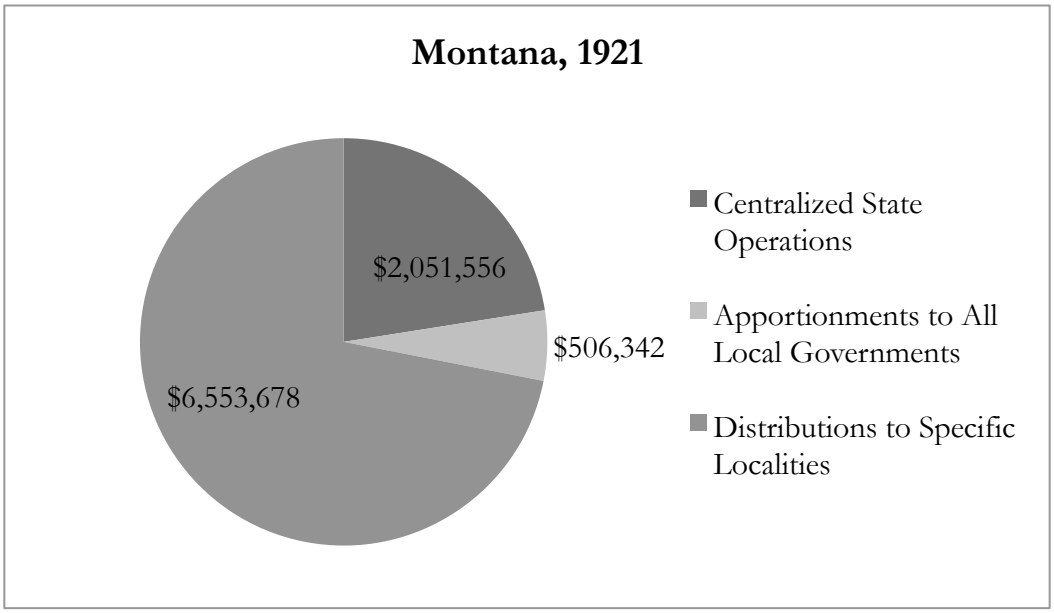
Montana at this time had not developed any such spending programs, with only 6% of its budget (approximately half a million dollars) being distributed across the state. Instead, 72% of Montana's money ($6.5 million) went to specific geographic locations. This spending, on expenses such as the state university, the college of agriculture, the Agricultural Experiment Station, the state prison, the state fair, and the Kootenai River bridge, certainly had some statewide payoffs. But most of the benefits from all of these programs went to local areas, with the jobs, infrastructure, and economic development that they provided.

Local legislators surely fought for them with great ferocity. In California, where 37% of the budget ($18.4 million) went to specific localities, statewide elected officials bemoaned the way that state funds went unevenly to particular areas. In his budget recommendations for 1923-25, California Gov. Friend Wm. Richardson attacked the 1921 appropriation of $6 million for flood control projects in Sacramento and Los Angeles (which we categorized as "distributions to specific localities"). "Both of these projects are sectional in character," the governor complained, "and such a policy pursued all over the state would cost many millions." (Richardson 1923, vi) Yet this is exactly the sort of spending that is likely to emerge from a one-party legislature like California's at the time, with nothing to bind regional factions together and no competition to spur them toward frugality. Factionalism instead led to significant spending on local projects. While of course not definitive, the evidence that we have found so far is consistent with the hypothesis that two-party competition encourages and enables statewide over targeted local spending.

Figure 3. Geographic Focus of Spending in Three States







B. Party Polarization and the Minimum Winning Coalitions

Our second analysis looks at the distribution of grants across California counties to determine whether that state's lawmakers, in 1921, 1931, 1941, 1951 and 1961, sent some counties more than their "fair share" or whether they instead, as the U.S. Congress often does, practice universalism in this form of distributive spending. We pick these years because we can connect the size of the grant in each county to the party and the ideology of the legislator or legislators representing that county in the state senate. In the latter three sessions, connecting senators to counties is straightforward: senate districts were made co-terminus with counties through a process that include an initiative, statute, and referendum in 1926-28 (Beek and Ohnimus 1941, p. 47). With 58 counties and 40 senators in the state, some counties with very small populations were combined into single senate districts. Yet populous counties such as Los Angeles, San Francisco, Alameda, and San Diego only had a single senator each. This system—which led to malapportionment that massively favored rural interests—remained in effect until the "reapportionment revolution" of the 1960s

(Persily, Kousser, and Egan 2002). The nature of these senate districts allows us to code each county for the party identification of the senator representing it, and his (in these sessions, all senators were men) ideal point estimate obtained from roll call votes on the final passage of bills.[1]

In 1921 and 1931, this system was not yet in place,[2] but small counties were put together into senate districts with lines that did not intersect county lines. We can tie each of these counties to one and only one senator. The state's largest counties (at that time, Los Angeles, San Francisco, Alameda, and Santa Clara) were all represented by multiple senators, but in all cases the senators came from the Republican Party. Their ideologies tended to cluster together by county as well; San Francisco Republicans were all on the left (arbitrarily) of the ideological scale, while Los Angeles Republicans clustered to the right. Because of this geographic homogeneity, we simply entered the average ideal point estimates and the consistent party identifications of the large county delegations into our datasets, which measure grants at the county level and append the political characteristics of each county's representatives.

Connecting counties with legislators allows us to test for whether lawmakers practiced universalism versus minimum winning coalition politics. Under universalism, money should be spread out across counties in rough proportion to their populations, needs, or contributions to the state fisc. If legislators instead play a minimum winning coalition game, they should give an advantage to counties represented by senators from the majority

[1] We matched senators with counties for 1941 using Beek and Ohnimus (1942, pp. 48-54) and relied upon Moore (1942, pp. 31-45) for party identifications of senators. For 1961, we matched senators with counties using Anderson, Burns, and Beek (1961, p. 4) and obtained party affiliations from Beek and Ohnimus (1962, pp. 73-84). For 1921, we relied on Office of the Secretary of the Senate (2000) for both counties and parties. We obtain roll call vote records from the appropriate editions of the Journal of the California Senate.

[2] Although the initiative matching senate seats to counties was passed in 1927, because of staggered senate terms it was not fully in effect by 1931.

party or faction. Minority party legislators should see their counties pay a penalty. Of course, senators are not the only actors in the budgeting game, with political dynamics in the assembly also influential and the governor playing a potentially significant roll. These outside influences, though, stack the deck against our hypotheses. If we see partisan patterns based on senate politics, even when other factors that might wash out the senate's influence are at play, then we will be more confident that we have found strong effects.

In our preliminary analysis, we elect to measure a county's "fair share" of funding in proportion to its share of the state population, looking for systematic patterns in total county grants per capita.[3] This is not the only choice we could have made; one could compare grant levels to the total income generated in a county, to local tax revenues, or to other measures of county needs and resources. Government funding formulas often take such factors into account. Still, in this basic analysis we needed to settle on one measure, and dollars per capita has an intuitive normative appeal and an important place in the existing literature.

A first glance at the data shows that per capita grants vary dramatically across counties, and that party allegiances may provide some explanation of this variation. In 1921, total state grants ranged from $4.69 per person in Solano County and $5.34 in Alameda to $15.07 in San Bernardino and a whopping $38.30 and $62.04 in the small counties of Sutter and Alpine, respectively. The legislature that passed that year's budget was dominated by Republicans, who held 30 of the 40 senate seats, but as we saw in Figure 2, the parties

[3] We calculate all of these totals by combining each of the separate grants-in-aid – which typically include funding for elementary schools, secondary schools, community colleges, road construction, and motor vehicle fee reallocation – listed in appropriate editions of the *Biennial Report of the State Controller* by county. San Francisco is the state's only "city and county," and in the 1921 report it was listed as a city and reported very low grant levels. It was omitted entirely in the 1931 and 1951 county grant tables. For this reason, we exclude San Francisco from our reported 1921, 1931, and 1951 analysis, but do include it in 1941 and 1961 analyses when its grants were listed in the county section of the controller's report. Also, the 1921 analysis excludes Sonoma County, which no senator is listed as representing in currently available documents. In 1931, the counties of Modoc, Shasta, Lassen, Yolo, Kings, Alpine, and Amador are omitted for the same reason, and may have been in fact left unrepresented by the combination of the redrawing of senate districts and the staggering of senate terms.

overlapped entirely in their ideology. Table 1 shows funding levels for counties, arranged by the party of the senator who represented the county. This is a bivariate analysis that ignores all potential confounds, and serves primarily to give a sense of the scale of grants and party territories. In the 37 mostly urban counties represented by Republicans, state grants averaged $6.72 per capita. The Democratic minority represented 19 mostly rural counties and won $9.84 per resident, initial evidence that when there was little party polarization or competition, the minority party was not discriminated against. This pattern held true in the Republican-dominated 1931 Senate, which sent grants of $9.03 per capita to the counties represented by Republican senators and $10.83 to the four counties represented by the miniscule Democratic minority.

Table 1. Grants to Counties, by the party representing that county in the California Senate

		Total Grants	Total Population	Dollars per capita
1921	**Republican Counties (37)**	$16,331,256	2,430,493	$6.72
	Democratic Counties (19)	$4,305,860	437,600	$9.84
1931	**Republican Counties (46)**	$43,576,444	4,284,006	$9.03
	Democratic Counties (4)	$1,369,970	126,534	$10.83
1941	**Republican Counties (37)**	$50,457,936	2,556,335	$19.74
	Democratic Counties (21)	$74,343,927	4,351,052	$17.09
1951	**Republican Counties (40)**	$548,000,000	8,419,749	$65.09
	Democratic Counties (17)	$122,000,000	1,390,937	$87.71
1961	**Democratic Counties (46)**	$772,400,047	12,975,234	$59.53
	Republican Counties (12)	$181,624,847	2,741,969	$66.24

Note: The party holding a Senate majority is in bold, and the number of counties held by each party is in parentheses.

By 1941, party polarization was on the rise, and the senate was split between 24 Republicans and 16 Democrats. By this time, average grants had risen, and the Republican majority took a slightly larger share at $19.74 per capita compared to $17.09 per capita for counties controlled by the Democratic minority. This is a first inking of the majority party pressing its advantage.

Yet, at least in this simple bivariate analysis, the majority party did not hoard the spoils of electoral victory in 1951 and 1961, the years in which the two parties became clearly separated on ideological grounds. In 1951, residents of counties represented by the Republican majority received $65.09 in grants per capita, while those represented by Democrats took in $87.71 per capita. By 1961, the parties were starkly separated on ideological grounds and Democrats had taken firm control of the Senate, winning 30 seats and representing 46 counties. They did not appear, though, to discriminate against the Republican minority, taking $59.53 compared with $66.24 in grants for Democratic counties.

Of course, party was not the only factor that should influence the distribution of spending in this period, making multivariate analyses necessary. Malapportionment should also matter a great deal, especially in 1941-1961. As Ansolabehere and Snyder's (2008, Ch. 9) rigorous analysis of the effects of malapportionment in the states makes clear, one reason that some counties secured a greater share of state funding than one would predict from their populations was their overrepresentation in the legislature. In state senates especially, rural counties with disproportionate voting shares in the legislature received disproportionate funding from the state. In their analyses, Ansolabehere and Snyder use the "Relative Representation Index," calculated as "the fraction of seats held by each county relative to that county's fraction of the state's population." (Ansolabehere and Snyder, p. 26) Since this offers an alternative explanation of why some counties fare better than others, we calculate

the relative representation that each county received in the California Senate and set it alongside party as a predictor of funding shares.

Ideology should also matter here as well, especially in the earlier period where geographic factions rather than party appear to structure California senate politics. We gauge the effect of first and second dimension ideal point estimates obtained through optimal classification (Poole 2005). We also include, as independent variables, the size of the county's population (because funding formulas might legitimately factor in the economies of scale that large counties realize) and local tax revenues[4] (because the state might chose to redistribute to poorer counties or might, instead, reward counties that tax themselves at a higher rate). We estimate separate least squares regressions for each year, though a multilevel model that pools the years yields largely similar conclusions. These regressions are weighted by county population, because we expect to have much larger prediction errors for the smaller counties. We have not yet investigated the spatial autocorrelation that may result from the fact that multiple counties were represented by the same senator in many cases.

The multivariate models presented below provide some evidence, albeit equivocal, that once California parties became polarized along ideological lines in the state senate by 1961, counties represented by the majority party began to do better than minority party counties, *ceteris paribus*. The models displayed in the first three columns, which explain the distribution of grants in 1921, 1931, and 1941, show that when the parties still overlapped on the ideological spectrum, universalism prevailed. Looking across the first row shows the estimated that being represented by a member of the majority party has on the grants per capita that the county receives. For the first three decades, the coefficients are much smaller than the size of their standard error, showing that the split of funding between the two

[4] Because the state controller's reports in different years did not report exactly the same information, we used total county property tax revenues in 1921 and 1941 but total county sales tax revenues in 1961.

major parties was equal. Other factors have predictable effects in these models – counties receive more money when they have the most representation in Sacramento per capita, when they are smallest, and when they raise more in local taxes (although this effect is reversed in some years) – by partisanship does not appear to matter. These models explain much of the variation in grant levels, explaining 24% of variation in 1921, 68% in 1931, and 63% in 1941, but reveal absolutely no party effect. During the era in which California's parties did not separate into different ends of the ideological spectrum, the majority did not discriminate against the minority when it came to handing out grants.

In 1961, when a clear party polarization set California's two parties on opposite sides of the political spectrum, the majority appeared to discriminate against the minority. Counties controlled by majority party senators took home an estimated $8.72 more than minority party districts, an effect that is significant at the 90% confidence level in a one-tailed test (which is appropriate here based on our strong priors about its direction). This is not overwhelming evidence, to be sure, but it is consistent with the idea that as parties begin to separate on the ideological spectrum, majority legislators can be more confident that they will be members of the winning coalition and can begin to divide distributive spending unevenly. The first and second dimension ideal points of senators representing the county also appear to matter, suggesting further distinctions along political lines. Poorer and smaller counties also appear to receive more funding in this model, which explains 56% of funding variation overall.

The anomalous finding in this table is from 1951. In this year – when parties were beginning to polarize, but when no clear divide had yet emerged (see Table 2) – majority status does appear to have an effect, but here it works, counter to intuition, against the majority party. Again, this finding is only significant at the 90% confidence level in a one-

tailed test, which is not appropriate since it runs counter to expectation. Still, it poses a puzzle. Perhaps the resolution to that puzzle will come from a deeper investigation of party ties in the 1950s legislature (and in other decades under study here). Due to California's cross-filing primary rules, many candidates won the nomination of both major parties. We categorize senators by the first party listed in official publications, collapsing "Democrat Republicans" into the "Democratic" camp and so forth, but need to look at archival sources to see how they in fact caucused and whether this might explain the puzzling anti-majority bias of 1951 grant distributions.

Table 2. Multivariate Models of Total County Grants, per capita

	1921	*1931*	*1941*	*1951*	*1961*
Majority Party Senator	-$1.61 ($1.93)	-$0.28 (0.72)	-$0.54 ($1.21)	-7.22# (4.63)	$8.72# ($5.58)
Relative Representation Index	0.35 (.61)	0.41** (0.09)	0.86** (0.14)	2.40** (0.52)	0.66 (0.42)
First Dimension Ideal Point	0.19 (1.56)	0.11 (0.32)	1.29 (1.51)	-6.92 (5.82)	11.21# (5.85)
Second Dimension Ideal Point	1.91 (2.61)	-0.54 (0.50)	-0.71 (.095)	-2.98 (5.44)	7.73# (4.24)
County Population (millions)	0.04 (.20)	-0.017 (0.014)	-.05 (0.04)	-0.40** (0.08)	-0.010# (0.006)
Local County Taxes per capita	0.18* (0.08)	(0.10)** (0.03)	-0.10** (0.04)	0.39* (0.19)	-2.11** (0.45)
Intercept	3.65 (2.91)	6.94** (0.96)	20.21** (1.06)	69.81** 6.49	96.35** (7.39)

*Note: Table entries are WLS regression coefficients, with standard errors in parentheses. # indicates p<.10 in a one-tailed test, * indicates p<.05 in a two-tailed test, ** indicates p<.01 in a two-tailed test. N=58 in 1941 and 1961, but N=56 in 1921, N=50 in 1931, and N=57 in 1951 because of the exclusions of counties noted in footnote #3 above.*

C. Big Cities Become Pie for the Hayseeds

Finally, we turn to an analysis of the funding share won by the county containing a state's biggest city. In California, this is the county of Los Angeles in all five of our years, and we are able to add New York data from 1921 by using the total grant figures contained in that state's comptroller's report (New York 1942, 32-34). We expect to see discrimination against the state's metropolis, with the level of discrimination rising when that large cities takes up a larger share of the state's population. That is what we observed in the treatment of district legislation authored by members of the biggest city's delegation (Gamm and Kousser 2007, 2008).

It is also, as Figures 4 and 5 show, what we observe in county grants. Figure 4 compares, for the county containing the state's largest city, its share of the state population to its share of state aid. In all cases, the metropolis gets less than its "fair" (based on population) share. Since these mega-counties also consistently provide more money in tax revenues to the state for cases in which we have data, the anti-big city bias would be clear under a variety of measures. Figure 5 displays the relationship between the level of discrimination and the size of the big city's county. As the population share grows, the county receives a lower proportion of funding.

While this analysis is based only upon six budgets, it is consistent with our expectations both in the direction of bias (big cities lose out) and in the link between city size and discrimination (big cities lose bigger). This isn't necessarily normatively bad; one need not side with the George Washington Plunkitts of the world. What it does show is that when state legislatures send money to counties through funding formulas, these formulas are redistributive rather than neutral. New York City was, indeed, pie for Albany legislators.

Figure 4. Population and Grant Shares, for county containing the state's big city

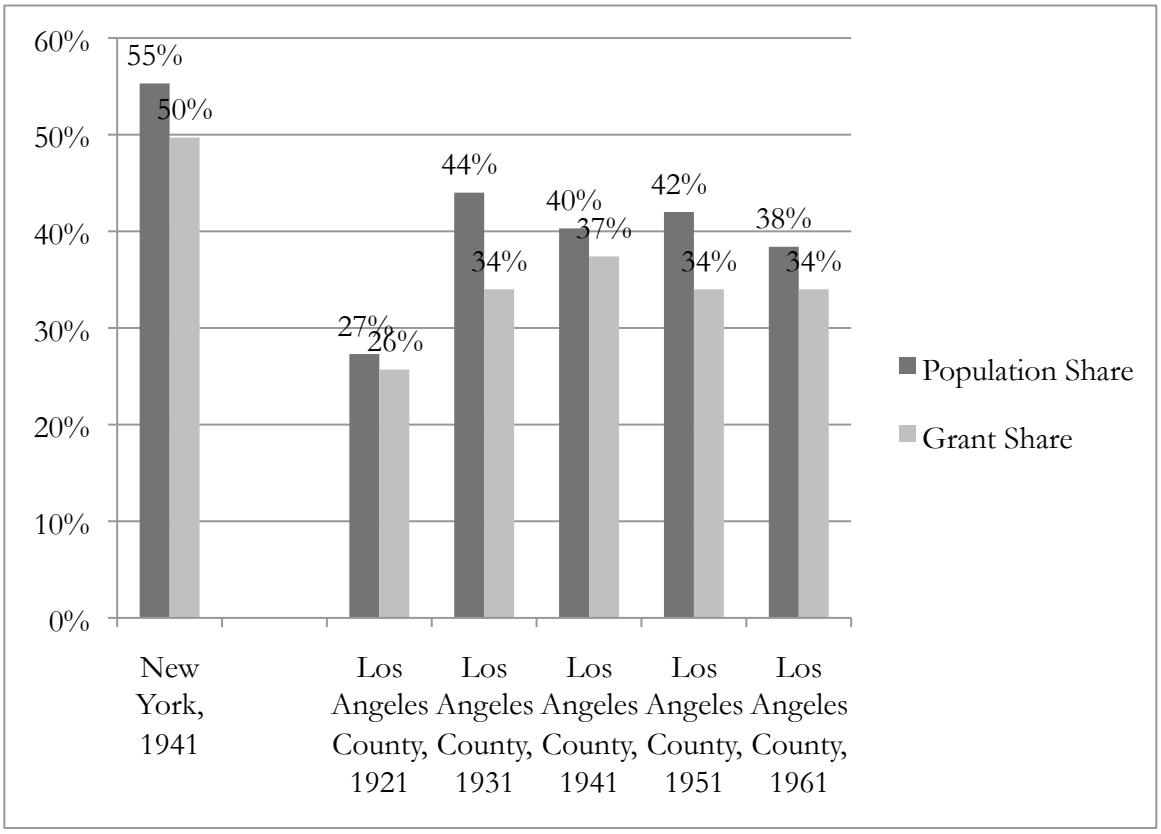
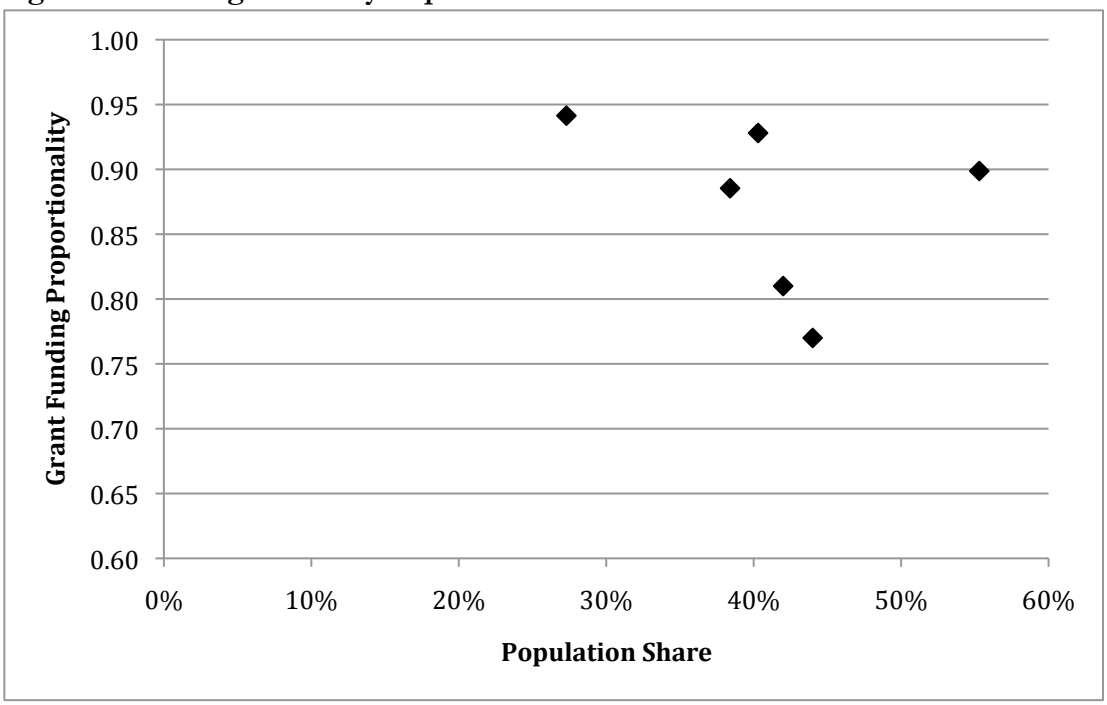


Figure 5. Funding Levels by Population Shares



IV. Conclusion

The preliminary analyses that we present here use new data sources to answer old questions about the links between party competition, party polarization, and spending patterns. All can be seen as analogous to previous work on state legislation targeted at legislative districts (Burns and Gamm 1997, Gamm and Kousser 2007, 2008, 2010), with the focus moved from bills to budgets.

While none of our findings are definitive, with many more cases needing to be gathered to harness the full causal leverage of the historical states, the initial results are encouraging. All of the observed effects are in the direction that we have hypothesized, extrapolating from the theories of V. O. Key (1949) and others. In brief, we find that:

- Higher levels of two-party competition appear to encourage spending on statewide programs, while one-party states send more money to specific districts
- When party polarization makes ideology and party line up, legislators are more likely to choose a minimum winning coalition style of distributing spending rather than universalism.
- The state's biggest city faces discrimination in funding formulas, with the magnitude of discrimination appearing to grow when the city is largest in size.

While much work remains to be done in this research program, this analysis stands as a proof of concept that archival budgets can be turned into modern datasets to answer longstanding questions in our discipline.

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