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## *Term Limits, Campaign Contributions, and the Distribution of Power in State Legislatures*

Using campaign contributions to legislators as an indicator of member influence, we explore the impact of term limits on the distribution of power within state legislatures. Specifically, we perform a cross-state comparison of the relative influence of party caucus leaders, committee chairs, and rank-and-file legislators before and after term limits. The results indicate that term limits diffuse power in state legislatures, both by decreasing average contributions to incumbents and by reducing the power of party caucus leaders relative to other members. The change in contribution levels across legislators in different chambers implies a shift in power to the upper chamber in states with term limits. Thus, the impact of term limits may be attenuated in a bicameral system.

In this article, we explore how term limits produce changes in campaign contributions and in the relative power of legislators. Term-limits advocates argued that term limits would create what one commentator called “natural campaign finance reform” by decreasing the value of legislative seats to interest groups (Basham 2001). We consider this claim and some variants by reviewing the pattern of campaign contributions to legislators in states with and without term limits, before and after term limits took effect.<sup>1</sup> We find that the average level of contributions to legislators decreased in states with term limits after the limits took effect and decreased relative to non-term-limited states. In addition, contributions to party caucus leaders relative to other members dropped after the institution of term limits. The first effect is attenuated, however, in the upper chambers of legislatures compared to the lower chambers in term-limited states.

Early analysis attempting to ascertain the effect of term limits relied on information drawn from electoral contexts other than American state legislatures (Carey 1996; Taylor 1992) or made

extrapolations using pre-term-limit electoral data (Moncrief et al. 1992; Opheim 1994). These studies, along with later studies as term limits have taken effect, have focused on the effect of term limits on the composition of the legislature and on the behavior of officeholders (Bernstein and Chadha 2003; Carey, Niemi, and Powell 2000). Several studies reviewing institutional effects showed that term limits redistribute power away from the legislature and toward external institutional actors, such as interest groups, state executives, and the bureaucracy (Carey, Niemi, and Powell 1998, 2000; Moncrief et al. 2001; Peery and Little 2003). Very little research has considered the effects of term limits on the financing of incumbent legislators, or how power changes *within* legislatures (Drage et al. 2003). In this study, which observes the impact of term limits across states, we are primarily interested in shifts in contributions before and after term limits and how these shifts reflect changes in power from one subset of legislators to another.

Term limits were advocated primarily as a means of abolishing legislative careerism. Ironically, many of the states that passed term limits, particularly in the West, already had citizen legislatures. We expect the effect of term limits in these states to be fairly small. In professional legislatures,<sup>2</sup> however, term limits can have a significant impact on legislative careers. In California, for example, where term limits for both houses of the legislature took effect in 1998, fully 75% of the Assembly and 60% of the Senate exceeded the respective limits imposed by the term-limits initiative, Proposition 140, at the time that it was passed (Capell 1996). It is clear that term limits increase legislative turnover, particularly in states with lifetime rather than consecutive term limits. Some evidence also suggests that term limits increase racial, ethnic, and occupational diversity in the legislature (Caress 2001; Carroll and Jenkins 2001), although more-recent analysis casts doubt on this dynamic (Moncrief, Niemi, and Powell 2004). It is less clear how term limits have altered the internal dynamics of legislatures. To date, only a few studies have attempted to measure these changes (Carey, Niemi, and Powell 2000).

Our first goal in this article is to explore how term limits affect political contributions to state legislators, which is our measure of political power. Reviewing campaign contributions provides insights about donor behavior in the wake of term limits, specifically, how interest groups distribute money in the face of uncertainty about the future power of individual representatives.

Second, we will consider if the power dynamics across legislative chambers have changed in term-limited states. Are party caucus leaders

as powerful in a legislature with term limits? Do committee chairs retain their traditional power? These questions address, in part, whether or not legislatures have the institutional capacity—measured in terms of organizational complexity and differentiated leadership roles—to perform policy work effectively as an independent branch of government (Polsby 1968).

Finally, given that a primary goal of term-limit proponents was to create a citizen legislature, we think it also worth considering whether or not these policies produced parallel effects in each legislative chamber. Careerism may not be curtailed through term limits but merely reconstituted, so that ambitious legislators move more quickly from one house to another. Term limits may have succeeded in creating a citizen legislature in one house but not the other.

### **Theory and Hypotheses**

Theories about interest group contribution strategies help us evaluate the impact of term limits on institutional power in a legislature. We begin with the basic premise that interest groups want to affect policy through their campaign contributions. Contribution patterns of interest groups may reflect multiple strategies (access, goodwill, partisanship, and so forth), but we share the view of Sorauf (1992, 65–66) that, “In the last analysis, all PAC strategies come down to a single goal of affecting the outcomes of public policy in one way or another.”

Our model of campaign contributions implies a vote-buying market for legislative services (Denzau and Munger 1986; Grier and Munger 1991, 1993) rather than an electioneering model. In other words, political contributions constitute a market for legislative services: Interest groups make payments to legislators in return for policy favors.<sup>3</sup> An electioneering model, in contrast, implies that interest group money flows primarily to like-minded candidates. In such a model, political contributions express the goal of keeping or putting legislators in office who share policy preferences with the interest group. The distribution of political contributions suggests different characteristics about legislatures in different models. The allocation of political contributions to members under the vote-buying model reflects varying degrees of individual power within the institution. Contributions in the electioneering model reflect ideological differences among members.

In the vote-buying model, interest groups seek to maximize their use of resources by contributing to legislators who have the most influence (Ansola-behere and Snyder 1999; Grenzke 1989). Previous

studies of political action committee (PAC) contributions in the American states demonstrate that PACs give strategically to party leaders and committee chairs (see Cassie and Thompson 1998) or to the majority party (Thompson, Cassie, and Jewell 1994). Studies of Congress also demonstrate important differences in interest group strategies across chambers due to dissimilar power structures, such as relative influence of committees (Grier and Munger 1993) and majority control of the chamber (Cox and Magar 1999).

Because the flow of political contributions reflects perceptions of power, we expect varying levels of incumbent fund-raising to indicate the relative power of members in a legislature. In short, contributions should reflect the influence of legislators and their ability to control policy. In a highly institutionalized legislature, with clearly differentiated member roles and structured policy committees, we expect to find systematic differences among legislators. Specifically, party caucus leaders should receive the most contributions, followed by committee chairs, and, lastly, rank-and-file members. In less institutionalized legislatures, or citizen legislatures, these differences should be present but less pronounced.

We theorize that term limits have a leveling effect on legislatures, largely because they remove sources of leadership power such as seniority and the capacity to punish or reward rank-and-file members over the long term (because lame-duck status is rarely more than one or two sessions away). The weakening of caucus leaders and committee chairs should be reflected in the pattern of campaign contributions. Instead of working mainly through a caucus leader or committee chair, interest groups should be pursuing what Capell (1996) calls a "retail" strategy, providing a wider distribution of resources to many members rather than engaging in a "wholesale" strategy that channels funds to leaders who then deliver votes. Interest groups may be forced to spend more resources to reach more members than in the past, as a way of forging the winning policy coalition formerly accomplished by legislative leaders, but groups may also choose to distribute the same amount of money more widely. If interest groups follow this strategy, then all members should receive less in campaign contributions. In addition, party leaders should lose much of their relative advantage in fund-raising.

The combination of lame-duck status and inexperience should also make it difficult for committee chairs to manage their committees effectively, thus making the chairs less attractive to donors. Rank-and-file members may be less willing to bargain with chairs who will depart the next session or with newly minted chairs who lack significant policy expertise and organizational memory. Under these conditions, term-

limited committees are less likely to be repositories of policy expertise, catalysts of legislative action, or gatekeepers to key policy domains. Important decisions will be made elsewhere, either in the executive branch (the governor's office or the bureaucracy) or through an expert advisory body to the legislature. With the weakened role of committees, the committee chairs should have less value to interest groups.

Under term limits, we expect changes in leadership influence, as reflected in campaign contributions, to occur in both legislative chambers but at different rates. Party caucus leaders and committee chairs in both houses should receive relatively fewer contributions under a term-limits regime than in a pre-term-limit or non-term-limited legislature. Legislative power, however, should shift to the upper chamber because experience is flowing to the senate (Cain and Levin 1999). The high turnover of legislative seats under term limits encourages members of the lower houses to run for senate seats, while members of the lower house are more likely to come from outside the legislature. Of the 80 California Assembly members in office in 1990, when term limits were adopted, 21 were subsequently elected to the Senate, but only 1 senator from the 1990 Senate was elected to the Assembly (Chi and Leatherby 1998). Term-limited upper chambers may lose some of their institutional stability but should retain members with more experience and adherence to organizational norms than those who will occupy the lower chambers.

Working from these theories, we generate the following hypotheses about the changes that occur when a legislature moves from a regime with unlimited terms to term limitations.

*Hypothesis 1:* Average contributions to term-limited legislators should decrease relative to the average level of contributions before term limits took effect and relative to states without term limits.

Our premise is that donors seek legislators with power, so we expect contributions patterns to "flatten" in a term-limited legislature, because power is more diffuse than in a non-term-limited legislature. Each wave of new members into the legislature destabilizes previous power arrangements, making donors unsure about who will have the most power in future legislative sessions. Rather than take guesses about who will have disproportionate influence in the policy process and then concentrate contributions among an exclusive pool of legislators, donors will pursue a "retail" strategy that attempts to build a relationship with each legislator.

*Hypothesis 2:* Contributions to legislators in states with term limits in effect will be more decentralized, with party caucus leaders and committee chairs receiving a level of contributions comparable to that received by rank-and-file members.

Term limits reduce the capacity of legislative leaders to accumulate power over time by developing policy expertise, instituting power-enhancing rules, and forging close personal ties with colleagues and other power brokers (such as the governor's office, bureaucrats, and lobbyists). Therefore, the gap in power between the legislative leadership and the rank and file will be reduced in a term-limited legislature.

*Hypothesis 3:* The effect of term limits will be attenuated in the upper chamber.

Because members of the upper chamber have typically already served in the lower chamber, they should have greater policy experience and closer personal ties to other power brokers than those members in the lower house. They will also have more experience working as legislators and moving (or stopping) legislation. As a result, power relationships in the upper house will not change as dramatically as they will in the lower house. The pattern of donations to members of the upper house should not be as different between term-limited and non-term-limited states as it will be in the lower house.

### **Data and Methods**

We selected eight states for our analysis (Arizona, California, Florida, Iowa, Maine, Massachusetts, Washington, and Wisconsin),<sup>4</sup> four with term limits and four without term limits. We were primarily interested in changes in contributions to incumbents, so our first priority was to choose states that had had term limits in effect for at least one full legislative session. We also wanted evidence from states representing different regions and different levels of legislative professionalism. But not all states make contributions data publicly available to researchers. Ultimately, we were able to collect data for California and Maine, where term limits took full effect in 1998, and for Arizona and Florida, where term limits took full effect in 2000. Our comparison states without term limits (but with data available) were Iowa, Massachusetts, Washington, and Wisconsin. To determine if states that passed term limits were fundamentally different from states that did not, we

included two states that had passed term limits but overturned them before the limits took effect (Massachusetts and Washington).<sup>5</sup>

For all of the states in our analysis, we collected campaign finance data for two election cycles apiece. For the states with term limits, we chose one election cycle before term limits had taken effect and one election cycle after term limits had taken effect. For states without term limits, we chose years that were roughly comparable. Regrettably for our analysis, not all states passed term limits simultaneously, nor did they take effect at a single point in time. We initially collected data for term-limited California for the 1986 election cycle (before term limits were adopted in 1990) and the 2000 election cycle, and non-term-limited Iowa for 1988 and 1996. But because we expected there might be a bias toward seeing an effect over time if we looked at states too early before term limits took effect, we chose the remainder of our data in an effort to compensate for this bias. We believed we would be least likely to see a term-limits response in the election cycles just before and just after term limits took effect. To be conservative, the remainder of our data cover the election cycles immediately before and after term limits and a few years prior to the term-limits effect: the 1996 and 2002 election cycles in Arizona, the 1996 and 1998 election cycles in Maine, and the 2000 and 2002 election cycles in Florida. For the non-term-limits comparison, we examined the 1998 and 2000 election cycles in Massachusetts, the 2000 and 2002 election cycles in Washington, and the 1996 and 2002 election cycles in Wisconsin.

We were most interested in how term limits change the balance of power in the legislature, as measured by levels of campaign contributions. As a result, our unit of analysis was incumbent legislators and our dependent variable was campaign contributions. These contributions came from both organizations and individuals, because we could not separate out these contributions for most states in our sample. Research on contributions made by individuals suggests, however, that the vast majority of these are bundled contributions solicited by interest groups (Marshall 1997, 1999). We also found that among the states in which we could separate individual and group contributions, the vast majority were made by organizations rather than individuals.<sup>6</sup> We believe overall contributions to legislators largely reflect organizational giving and, as a result, serve as a valid indicator of power within the legislature.

We collected data on campaign contributions for all incumbents running for office in each state for the relevant election cycles by contacting the campaign finance administrative agency in each state. We also contacted several state legislative offices in every state to identify the most powerful legislative committees in each house and to gather

the names of members who held leadership positions on these committees, as well as the names of members who were party caucus leaders. Our data include over 110 party leaders and 175 committee chairs. Further details regarding data collection appear in the Appendix.

Because our analysis spanned many years of data, from 1985 to 2002, we translated all contributions data into 2002 real dollars so that contributions were comparable across years. We used Consumer Price Index (CPI) multipliers for all urban consumers to eliminate inflation effects (CPI-U is the baseline CPI provided by the United States Bureau of Labor Statistics). In addition, because the legislatures of the states in our analysis have varying levels of professionalism (Squire 1992), we expected the legislators from different states to have different baseline contribution levels, with incumbents from states with professional legislatures having higher overall contributions. Because legislative professionalism is correlated with state population, we divided contributions by the size of the population in each legislator's district. Therefore, our figures on baseline contributions to incumbent legislators are provided in 2002 real dollars per one thousand district residents.

We suspected that other factors might also affect contribution levels across state legislatures. We created variables indicating whether or not the state was simultaneously electing a governor, in addition to state legislators, and if it was a presidential election year. A simultaneous statewide or national election could increase legislative contributions by drawing in more contributors, or decrease them by redirecting contributions from legislators to the executive races. We were agnostic about the direction of the potential effect. In addition, we noted if the state was running the first election after a redistricting, which we thought might increase overall contribution levels because of the probability that some sitting incumbents would be forced to compete for the same seat when district lines were redrawn. We collected data for these variables from information provided by the National Conference of State Legislatures (2003). We also included a dummy variable indicating whether or not a state had public financing for legislators in effect, which we expected to decrease contributions. Finally, we created dummy variables for each state to control for the range of differences across states that were not directly measurable. After some consideration, we chose not to include measures of candidate quality, which are difficult to obtain for state legislators. All of the legislators in our analysis were incumbents running for reelection. By definition, all of them had state legislative experience, and, as a result, we expected their quality scores to be fairly comparable and to provide little leverage in determining contribution levels.



Establishing the determinants of contribution levels for multiple election cycles containing the same individuals for several states was somewhat complex. We describe our methods in detail in the following section.

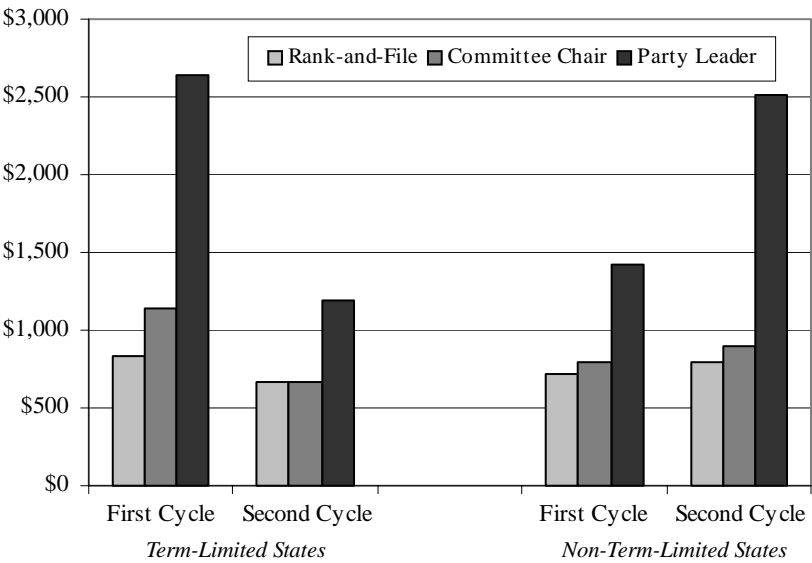
## Results

Our results support all three of our proposed hypotheses. It appears that states with term limits in effect have lower average contribution levels, that contributions are more evenly balanced between party caucus leaders and rank-and-file members after term limits take effect, and that these effects are less apparent in the upper chamber in states with term limits than in the lower chamber.

When we compare states with and without term limits, before and after term limits took effect, we see that the average level of contributions (per one thousand residents in each incumbent's district) drops in states with term limits. States with and without term limits had average contribution levels of \$983 and \$763, respectively, (in real 2002 dollars) in each state's first election cycle. In the states with term limits, average contributions dropped to \$690 in the second election cycle, but the average contribution in non-term-limited states increased to \$891. This effect was consistent for both upper and lower houses of the legislatures and appears to support the claim that term limits act as a form of campaign finance reform. But this finding may mask underlying patterns of interest group contributions. A detailed study of tobacco industry contributions before and after term limits, for example, showed that tobacco companies gave smaller contributions to a larger number of legislators, spending the same amount before and after term limits but gaining more access by contributing to more legislators (Apollonio, Glantz, and Bero 2004). This result does imply, however, that organizations may be pursuing a retail strategy in the wake of term limits. The first hypothesis, that legislators in term-limited states receive lower average contributions, appears to be correct.

In the states that passed term limits, party caucus leaders clearly controlled most of the political contributions before term limits took effect (Figure 1). These leaders received average contributions of \$2,646 (again, in real 2002 dollars per one thousand district residents), committee chairs received \$1,138, and rank-and-file members received \$839. The average contributions to all legislators dropped after the institution of term limits, but the effect was most extreme for party caucus leaders, whose average contributions dropped by over half, to \$1,196. Contributions to committee chairs also dropped by almost half,

FIGURE 1  
Changes in Mean Contributions to Incumbent Legislators  
for Term-Limited and Non-Term-Limited States  
by Incumbent Position, Pre- and Post-Term Limit Effect  
(in 2002 real dollars, per 1,000 district residents)



Source: Data compiled by the authors, as described in the text. Multiple states and election cycles are included.

to \$660, and average contributions to rank-and-file members dropped less dramatically, to \$693. In the election cycle before term limits took effect, party caucus leaders received over three times the contributions of rank-and-file members. After term limits took effect, their contributions were less than twice as large.

Non-term-limited states do not show the same flattening of contributions in the same time period. If anything, party caucus leaders increased their relative share of contributions. The states that did not pass term limits in our sample began with a lower share of contributions going to party caucus leaders, probably because the term-limited states in our sample are slightly weighted toward professional legislatures, where term limits first took effect (California and Florida). In the first election cycle, party caucus leaders received average contributions of \$1,420, committee chairs received \$794, and rank-and-file members received \$724. In the second election cycle, contributions to

committee chairs and rank-and-file members increased somewhat, to \$899 and \$790, but contributions to party caucus leaders increased by over 50%, to \$2,516.

We considered alternative explanations for the possible decline in leadership contributions in term-limited states but found them less plausible. For example, caucus leaders under term limits might lack the experience to be effective fund-raisers. But limited experience affects rank-and-file members as well as leaders, so the rank-and-file members should perform just as badly under term limits. More important, interview evidence suggests that fund-raising capability is becoming an essential criterion in leadership selection after term limits; members can no longer rely on personal evaluations of potential leaders' policy expertise or legislative skills that have been demonstrated over long careers (Drage et al. 2003).

Another conceivable explanation for the leveling of contributions is a possible increase in competitive elections under term limits, which could spur more contributions to rank-and-file members. Overall, however, seats became less competitive over time in our analysis.<sup>7</sup> We note also that average contributions under term limits declined for *all* types of incumbents. If competitive elections were driving the difference between leadership and member fund-raising, then we would expect legislators to increase their average level of contributions during this period. Instead, contributions to rank-and-file members also declined, although not as dramatically as those to party leaders.

Finally, our results do not appear to be linked to legal changes, such as changes in campaign finance laws during the time period we consider. For example, if a state had lowered contribution limits to candidates from \$1,000 to \$500, then party leaders might find it more difficult to amass campaign funds after that change. Yet only one of the states in our sample, California, lowered its contribution limits during this time. When we analyzed our data with and without California, the results did not change.<sup>8</sup>

The second hypothesis suggested that contributions in states under term limits would be more decentralized than contributions in the same states before the imposition of term limits, as well as relative to states without term limits. Building on the descriptive evidence supporting this point, we ran regressions on the level of contributions to incumbents in the states in our sample, which confirm the effect we have already observed.

The regression to determine associations between contributions and legislative characteristics is somewhat complex, because incumbents in states without term limits (and occasionally in states with

term limits) may appear repeatedly in multiple election cycles. To compensate for the correlated errors observed when the same individual appears multiple times in the data, we ran our regressions using robust standard errors with clustering; each individual that appeared multiple times made up a cluster.<sup>9</sup> Errors are correlated within the cluster representing a single individual, but different individuals are assumed to be independent of each other.

Our first regression reviewed the correlates of average contributions (in 2002 real dollars for every one thousand residents of each district) for incumbents of the lower houses of each state (Table 1). As expected, party leaders in non-term-limited states and in pre-term-limited states received over \$2,000 more in contributions than did rank-and-file members.<sup>10</sup> Contributions to committee chairs did not differ significantly from those made to rank-and-file members. For states with term limits in effect, neither party caucus leaders nor committee chairs received significantly more contributions than did rank-and-file members. We also ran a regression comparing term-limited states only, before and after the term-limits effect, and controlling for the competitiveness of seats. (We were only able to obtain competitiveness data for the term-limited states.) These results are robust across both specifications.<sup>11</sup>

Having term limits in effect, however, decreased the level of contributions to members of the lower house. When we control for other factors, we find that the imposition of term limits decreased the level of contributions by over \$500 per incumbent. This effect is larger in practice, because contributions in the regression are given in per capita terms. For a California Assembly member, the real size of this effect is over \$200,000 in 2002 dollars. Control variables found, as expected, that Democrats received significantly less in contributions than did Republicans and that members of the majority party received more in contributions than members of the minority party. In addition, incumbent legislators received greater contributions in gubernatorial election years than other legislators.

A surprising finding was that public financing was correlated with increased contributions to incumbents running for office. Although our analysis includes only two states with public financing, this result suggests that incumbents, on average, received more funds through “clean elections” programs that provided public funds than through the private financing system. We had expected to find that states with public funding would see a reduction in average contributions, given that public funds provided to each legislator are capped by mandatory spending limits, whereas states with private financing allow unlimited spending.<sup>12</sup>

TABLE 1  
 Predictors of Contributions to Incumbents  
 in the Lower Legislative House  
 (in 2002 real dollars, per 1,000 district residents)

| Variables                        | Coefficient | Standard Error |
|----------------------------------|-------------|----------------|
| <i>Explanatory Variables</i>     |             |                |
| Committee chair (no term limits) | \$124       | 117            |
| Party leader (no term limits)    | \$2,040     | 550**          |
| Committee chair (term limits)    | −\$1,017    | 834            |
| Party leader (term limits)       | −\$43       | 227            |
| Term limits in effect            | −\$517      | 104**          |
| <i>Control Variables</i>         |             |                |
| Democratic incumbent             | −\$138      | 50**           |
| Candidate's party is in power    | \$214       | 51**           |
| Redistricting year               | −\$28       | 99             |
| Gubernatorial election year      | \$198       | 68**           |
| Presidential election year       | −\$145      | 96             |
| Public financing                 | \$519       | 168**          |
| <i>State Dummy Variables</i>     |             |                |
| Arizona                          | −\$1,070    | 152**          |
| California                       | \$19        | 160            |
| Iowa                             | −\$441      | 106**          |
| Massachusetts                    | −\$579      | 131**          |
| Maine                            | −\$168      | 103            |
| Washington                       | −\$47       | 136            |
| Wisconsin                        | −\$1,056    | 251**          |
| Constant                         | \$1,174     | 159            |
| N = 1,414                        |             |                |
| Clusters = 1,068                 |             |                |
| R <sup>2</sup> = 0.25            |             |                |

*Note:* Figures are regression coefficients using robust standard errors with clustering (generated by Stata 7.0). The dependent variable is the level of contributions received by an incumbent legislator in 2002 real dollars, per 1,000 district residents. The baseline incumbent is a rank-and-file member.

*Source:* Data compiled by the authors, as described in the text. Multiple states and election cycles are included.

\* $p < .05$ ; \*\* $p < .01$ .

TABLE 2  
 Predictors of Contributions to Incumbents  
 in the Upper Legislative House  
 (in 2002 real dollars, per 1,000 district residents)

| Variables                        | Coefficient | Standard Error |
|----------------------------------|-------------|----------------|
| <i>Explanatory Variables</i>     |             |                |
| Committee chair (no term limits) | \$117       | 85             |
| Party leader (no term limits)    | \$611       | 242**          |
| Committee chair (term limits)    | -\$342      | 323            |
| Party leader (term limits)       | -\$56       | 181            |
| Term limits in effect            | -\$169      | 130            |
| <i>Control Variables</i>         |             |                |
| Democratic incumbent             | -\$12       | 61             |
| Candidate's party is in power    | \$107       | 56             |
| Redistricting year               | \$16        | 172            |
| Gubernatorial election year      | \$55        | 127            |
| Presidential election year       | -\$6        | 166            |
| Public financing                 | \$55        | 167            |
| <i>State Dummy Variables</i>     |             |                |
| Arizona                          | -\$351      | 139**          |
| California                       | \$418       | 193*           |
| Iowa                             | -\$127      | 144            |
| Massachusetts                    | -\$18       | 211            |
| Maine                            | \$182       | 162            |
| Washington                       | \$400       | 148**          |
| Wisconsin                        | \$87        | 256            |
| Constant                         | \$443       | 267            |
| N = 410                          |             |                |
| Clusters = 339                   |             |                |
| R <sup>2</sup> = 0.19            |             |                |

*Note:* Figures are regression coefficients using robust standard errors with clustering (generated by Stata 7.0). The dependent variable is the level of contributions received by an incumbent legislator in 2002 real dollars, per 1,000 district residents. The baseline incumbent is a rank-and-file member.

*Source:* Data compiled by the authors, as described in the text. Multiple states and election cycles are included.

\* $p < .05$ ; \*\* $p < .01$ .

Overall, both the expectation that term-limited legislators would receive lower contributions than non-term-limited legislators and the hypothesis that party caucus leaders would have less power under term limits appear to be borne out in the lower legislative house. To build on this analysis, we performed the same regression for members of the upper chambers in the sample states. The results were similar but suggest that our third hypothesis, that these effects are attenuated in the upper chamber, is also valid (Table 2).<sup>13</sup>

In the analysis of contributions made to incumbents in the upper chamber, we find that party leaders in non-term-limited legislatures and pre-term-limited legislatures received more in contributions than did rank-and-file members. As in the regression for incumbents of the lower house, committee chairs—even the chairs of the most powerful committees that we considered—were not significantly different from rank-and-file members. The substantive size of the effect for party leaders in the upper chamber, however, was much smaller than it was in the lower chamber, with an increased contribution of roughly \$600, compared to more than \$2,000 in the lower house. As in the lower house, party leaders, committee chairs, and rank-and-file members in the post-term-limits regimes did not receive significantly different levels of contributions, a result suggesting that there is a flattening of power even in the upper house. Unlike in the lower house, however, there was no correlation between the institution of term limits and lower overall contribution levels. Whatever effect term limits have in decreasing contributions, it does not seem to hold in the upper chamber.

Overall, we find support for all three of our proposed hypotheses. Term limits do appear to be associated with decreased contribution levels, at least in the lower house of states with term limits. In addition, term limits equalize the contribution levels of party caucus leaders, committee chairs, and rank-and-file members, a finding that implies power is decentralized in states with term limits. Finally, although the decentralization effect holds in the upper chamber of term-limited legislatures, term limits do not appear to decrease overall contribution levels there, which suggests that the effects of constraining legislative tenure are reduced, at least in the short term, in a bicameral system where legislators can move up as they gain experience.

## Discussion

Term limits appear to alter the power structure of American legislatures, creating a leveling effect among members. This reform affects the lower house more than the upper house, because newcomers

typically start their legislative careers in the lower house. The lower house seems to lose some of its institutional structure as traditional power brokers, such as party leaders, lose influence relative to rank-and-file legislators. In the senate, the organization of power does not appear to change as much because the infusion of new legislators typically comes from the lower house, where members have gained experience and personal ties that support traditional norms of legislative policymaking. In this way, the senate becomes the repository of experienced legislators who are familiar with conducting legislative business through policy committees and the party leadership structure.<sup>14</sup> One implication of our findings is that the relatively stable structure in the senate may make the upper chamber more effective at processing legislation than the lower chamber, even if party caucus leaders are less powerful than they were before the imposition of term limits.

In an effort to maximize the impact of their resources, donors appear to have adapted to term limits in two ways. First, they have shifted resources to the more-experienced chamber, where the environment is more predictable and legislation is likely to be processed more efficiently. Second, they seem to pursue a retail strategy, especially in the lower house, where party caucus leaders have been weakened. Instead of concentrating money in the hands of leadership and pursuing policy goals wholesale, donors have broadened their strategy to reach other members.

The changes in career trajectories introduced by term limits could make the bicameral system even more relevant in policymaking than it has been in the past. The inducement for lower-house members to migrate to the upper chamber when they complete their stint in the lower chamber attenuates the full impact of term limits, at least in the short term. The realization of a citizen legislature, a primary goal of term-limits policy, should be felt most strongly in lower legislative houses. Experience and careerism, however, may still be relevant in the upper chamber. The final outcome—which may not satisfy supporters of term limits—could be that the upper chambers, containing a greater proportion of career legislators, become the prime movers of policy because lower chambers cannot organize themselves as well to conduct legislative business. Similarly, the upper chamber may frequently serve to block legislation, because the policy gatekeeping role of committee chairs and party leaders in the lower chamber appears to have weakened under term limits.<sup>15</sup> Although, in terms of the *quantity* of bills passed, legislative productivity may not be affected by term limits in either chamber (Squire 1998), future research might examine if the *quality* and refinement of legislation take place largely in the upper chamber, with more-experienced legislators. It may also be worth



exploring whether or not bicameral differences persist over time as term limits remove veteran legislators from the upper chamber.

These findings about changing power within the legislature suggest that this institution should lose power relative to other political actors, such as the governor and bureaucracy. In theory, legislatures gain influence, in part, by increasing their complexity through a strong committee structure and institutionalized leadership roles (Polsby 1968; Rosenthal 1998). The high levels of turnover caused by term limits appear to make legislatures less complex, weakening the influence of organizational leaders who support institutional norms that enhance organizational stability, predictability, and efficiency. We observe that at least one legislative chamber is undergoing a process in which party leaders and committee chairs are weakened, a finding that suggests committees are becoming less important in the policy process. Given that committees are typically the repositories of specialized knowledge that wield influence in policy deliberations, we think it reasonable to expect the legislature collectively to have less clout relative to other political actors. Term limits may undermine the quality of legislation passed and reduce the bargaining power of the legislature relative to other political actors, especially if legislative leaders lack the concentrated power to broker policy that they possessed prior to term limits.

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## APPENDIX

### Identifying Committee Chairs and Party Leaders

All data listed here were collected by the authors (Arizona, California, Iowa, Wisconsin) or by Matt Saradjian and the authors (Florida, Massachusetts, Maine, Washington).

#### *Committee Chairs*

For each state and legislative session used in our analysis, we asked the legislative offices to identify the most powerful committees (the “juice” committees) in the legislature. For each committee we identified, we listed the chair and the ranking minority member as being committee chairs.

Arizona House committees, 1995–1996, 2001–2002  
Appropriations; Rules

- Arizona Senate committees, 1995–1996, 2001–2002  
Appropriations; Rules; Finance
- California Assembly committees, 1985–1986, 1999–2000  
Agriculture; Appropriations; Education; Health; Insurance; Utilities and Commerce
- California Senate committees, 1985–1986, 1999–2000  
Agriculture; Appropriations; Education; Health; Insurance; Utilities and Commerce
- Florida House councils, 1999–2000  
Fiscal Responsibility; Procedural; Academic Excellence
- Florida House councils, 2001–2002  
Fiscal Responsibility; Procedural; Lifelong Learning
- Florida Senate councils, 1999–2000  
Appropriations; Finance; Rules
- Florida Senate councils, 2001–2002  
Appropriations; Rules; Taxation
- Iowa House committees, 1987–1988, 1995–1996  
Agriculture; Appropriations; Education; Natural Resources and Outdoor Recreation; Ways and Means
- Iowa Senate committees, 1987–1988, 1995–1996  
Agriculture; Appropriations; Commerce; Education; Environment; Natural Resources; Transportation
- Maine House and Senate committees, 1995–1996, 1997–1998  
Appropriations; Education; Taxes
- Massachusetts House committees, 1997–1998, 2001–2002  
Ways and Means; Judiciary; Rules
- Massachusetts Senate committees, 1997–1998, 1999–2000  
Ways and Means; Judiciary; Public Safety
- Washington House committees, 1999–2000, 2001–2002  
Appropriations; Finance; Rules
- Washington Senate committees, 1999–2000, 2001–2002  
Education; Transportation; Ways and Means
- Wisconsin House committees, 1995–1996, 2001–2002  
Finance (joint); Judiciary; Welfare Reform
- Wisconsin Senate committees, 1995–1996, 2001–2002  
Finance (joint); Health, Human Services, and Aging; Judiciary

### ***Party Leaders***

For each state and legislative session used in our analysis, we asked the legislative offices to identify the party caucus leaders in the legislature.

Arizona House

Speaker, Majority Leader, Assistant Majority Leader, Minority Leader,  
Assistant Minority Leader

Arizona Senate

President, Majority Leader, Majority Whip, Minority Leader, Assistant  
Floor Leader

California Assembly

Speaker, Speaker Pro Tempore (and Assistant), Majority Floor Leader  
(and Assistant), Minority Floor Leader (and Assistant)

California Senate

President Pro Tempore, Democratic Floor Leader (and Assistant),  
Republican Floor Leader (and Assistant)

Florida House and Senate

Speaker, Speaker Pro Tempore, Majority Leader, Minority Leader (and  
Assistant)

Iowa House and Senate

Speaker, Majority Leader, Minority Leader

Maine House and Senate

Speaker, Speaker Pro Tempore, Majority Leader, Minority Leader (and  
Assistant)

Massachusetts House and Senate

Speaker, Majority Leader, Whip, Minority Leader (and Assistant)

Washington House and Senate

Speaker, Speaker Pro Tempore, Majority Leader, Minority Leader (and  
Assistant)

Wisconsin House

Speaker, Majority Leader, Assistant Majority Leader, Minority Leader,  
Assistant Minority Leader

Wisconsin Senate

President, Majority Leader, Assistant Majority Leader, Minority Leader,  
Assistant Minority Leader

## NOTES

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1. In the early 1990s, 21 American states established limits on the tenure of state legislators (National Conference of State Legislatures 2003). The new limited terms typically constrained legislators to a maximum of six or eight years in the lower house

and eight years in the upper house. Currently, 15 states operate under a term-limits regime, 12 of which have term limits in effect (the term limits in the remaining 3 states will take effect in future election cycles). Two states repealed term limits and 4 had them rejected by state courts.

2. We use Squire's (1992) measure to assess whether or not state legislatures are professional. Squire's measure considers member compensation, staff support and facilities, and the time that service demands.

3. We are agnostic regarding the debate over whether money buys legislation or simply access to the legislator. Both possibilities imply that relative differences in power among legislators account for the flow of political contributions to them.

4. We are immensely grateful to Kenneth Mayer, who has collected data on several states with public financing and makes these data available to researchers through the Wisconsin Campaign Finance Project at the University of Wisconsin, Madison (Mayer 2004). All of the Arizona and Wisconsin contributions data used in our analysis were taken from this website.

5. In our initial analysis, we included a variable for all states that had passed term limits, but it was not significant, and thus the variable is not present in our final regressions.

6. In California, for example, more than 80% of contributions to incumbents came from organizations rather than individuals. In Iowa, which does not have a professional legislature like California and where we might expect a greater share of individual contributions, nearly two-thirds of the contributions received also came from organizations rather than individuals.

7. The average percent of competitive seats in the first election cycle was 26%, but only 22% of seats were competitive in the second election cycle. Only California increased its share of competitive seats from the first election cycle (10%) to the second election cycle (15%), but our results were consistent across all subsets of the term-limited states. To date, there have been few studies that demonstrate term limits increase competition. An early study of the California legislature suggested that term limits increase competition significantly (Daniel and Lott 1997), but a more recent comparative study of Michigan and Ohio indicates that term limits have not created significant increases in political competition (Allebaugh and Pinney 2003).

8. We were especially concerned about California because the Assembly Speaker in 1986 was renowned as a prodigious fund-raiser.

9. Zorn (2001) demonstrated that this generalized model is superior to using a series of dummy variables. Unfortunately, it cannot be applied simultaneously to both repeated individuals and repeated state-level observations. As a result, we used the clustering method to compensate for correlated errors across individuals and dummy variables to compensate for correlated errors across states.

10. Our initial regression reviewed only states with and without term limits in the second election cycle. The results were nearly identical to the regression using all cases, so we describe the combined case for ease in interpretation and to maximize sample size. We also ran separate regressions, dropping an individual state each time, to see if any particular state was driving our results. Again, the results were nearly identical.

11. The competitive-seat measure was significant at the .05 level for the term-limited-states-only regression for the lower house but not in the regression for the

upper house. Our measure of seat competitiveness was a difference of 5% or less in the percentage of major-party-registered voters in each district prior to the election. The inclusion of the measure of seat competitiveness did not change the coefficients or significance of our other variables. As demonstrated by Thompson, Cassie, and Jewell (1994), expected competitiveness is not necessarily a factor determining the level of contributions to incumbents.

12. This finding is not germane to our central question, but it merits further study. We can only speculate that many incumbents, who might not face difficult reelections and therefore would not typically raise significant amounts of private money, chose to accept a relatively large lump sum of public funds when it became available.

13. As mentioned, we also ran a regression that included only the term-limited states before and after the imposition of term limits (including a measure of district competitiveness). The results were mostly comparable, but one difference from the results reported in the text is that term limits also appeared to decrease overall contributions in the senate. This result within term-limit states, before and after the effect, is distinct from the bicameral effect we discuss relative to other states. Otherwise, as in the lower house, our results were nearly identical, and the inclusion of a measure of competitiveness was not significant nor did it change our results.

14. We should note, however, that it is typical for the upper chamber in state legislatures to have a weaker committee system, as does the U.S. Senate, because this chamber has fewer members than the lower chamber, making it easier to manage affairs with a less-developed organizational structure.

15. Cain (1996) notes that a great deal of the effect of term limits depends on the learning curve of new legislators and whether or not the requirements of the job are difficult to master relatively quickly.

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