



Closing Down and Cashing In: Extremism and Political Fundraising

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Abstract

Can politically polarizing events bear dividends for extremist lawmakers? Evidence from California legislative financial disclosures suggests they can. During the state's numerous budget shutdowns of the last 30 years, extremist legislators outside their party median could expect greater fund-raising hauls than their more centrist counterparts. The results suggest that polarizing events such as California's perennial budget impasses can make extremist positions more appealing to the polarized political elites who generally fund political campaigns. Regardless of the motivation, however, these results suggest a strong incentive to prolong political discord by extremists—a troubling outcome in cases where supermajority votes are required.

Keywords

interest groups and elections, political behavior, campaign finance, parties in legislatures, parties and interest groups, legislative behavior, legislative politics, state constitutions

Introduction

Of all the effects of divided government, none is as dramatic as when partisan discord causes the actual function of the state to cease.

On July 1, 1992, California's public employees—everyone from the golden-helmeted highway patrolmen and the Los Angeles County lifeguards made famous on television—were paid not in cash, but in promises. For the first time since the Great Depression, the state of California issued IOUs in lieu of paychecks (Reinhold 1992).

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While the US\$10.7 billion shortfall between actual and projected revenues came from a national recession, the end of Cold War defense spending and the after effects of the Los Angeles riots, the crisis was born of political, not economic failings. Having failed to come to a consensus on the necessary combination of tax-hikes and spending cuts necessary to offset the deficit by the constitutionally mandated June 15 deadline, California was forced to start issuing checks with the caveat that they were unredeemable “for want of funds” (Reinhold 1992).

Seventeen years later, California was again paying in IOUs, the only state ever on record to do so (Steinhauer 2009). Again, a stalemate between a Republican governor and a Democrat controlled legislature lingered past the constitutional deadline. This crisis forced the state into an extended limbo that not only halted normal state operations, but also spooked investors, causing the state’s bond rating to fall and subsequently increasing the cost of borrowing money for California (Luhby 2009).

Similarly, in October 2013, the Federal Government of the United States of America shuttered its doors for 16 days. Hundreds of thousands of federal employees were placed on indefinite unpaid leave, severely hindering government operations as diverse as tax collection, educational programs, and national parks (Shear 2013). Initial estimates put the cost of lost government services alone at US\$3.1 billion during the roughly two-week hiatus (Lowery and Shear 2013). According to some estimates, the cost of the shutdown to the U.S. economy writ large totaled about US\$24 billion (Schoen 2013).

These members of Congress paid a heavy price for their intransigence, with a full 80% of Americans saying they disapproved of the shutdown (Balz and Clement 2013). That displeasure extended not only to a majority of Republican voters, but even to a majority of those currently supporting the Tea Party (Balz and Clement 2013). Also, like their federal counterparts, lawmakers in California bore significant ill will from the general public following these protracted shutdowns. So, given the low favorability of the shutdown even among antigovernment voters, what would motivate a poll-driven political actor with single-minded pursuit of reelection to pursue such unpopular actions?

As this article will illustrate using the data from California, extremist outliers in a polarized legislative body dance to a different tune to their more mainstream counterparts. Whereas extremists normally pay a price for their aberrant behavior, periods of intense political impasse play to their strengths. For as long as the turmoil lasts, their electoral fortunes of these extremists are reversed. These intensely partisan moments may produce differing reactions in political elites who respond with the cash contributions so desperately needed in increasingly expensive modern campaigns.

Government shutdowns and other such political impasses at the state and federal level begin to take on a new logic in this context. Increased polarization in American government is causing the tails at each end of the ideological distribution to grow longer. Following this trend, a growing number of legislators find themselves distant from their copartisans. While these members may lurk on the fringes of the political establishment during the more mundane parts of the legislative session, these extremists thrive during political impasse. This facet of increased polarization has alarming

implications for the kind of collegiality and compromise required to pass legislation at the state and federal level. Furthermore, as this cadre of extremist legislators does better during times of crises, the threat that they might provoke such impasses is worrisome especially as trends in polarization see the number of extremist legislators growing at both the state and federal level.

Relevant Literature

Extremism presents problems not only for politicians seeking to pass legislation but also for political scientists attempting to model the behavior of legislative bodies. Models of institutional behavior conceptualize legislative bodies as either unitary blocs (e.g., Kiewit and McCubbins 1991) or a continuous spectrum of ideological distribution from which deals can be brokered based on points of cleavage (e.g., Krehbiel 1998; Romer and Rosenthal 1979). Legislation is a result of aligning policy to the preferences of “pivotal” members who can provide the necessary majorities required to move legislation away from the status quo. Parties are more or less monolithic entities (see Aldrich 1995; Cox and McCubbins 2005) that move with varying degrees of coordination in pursuing shared legislative goals.

Although these theories were convenient models of the era of Democratic congressional hegemony that lasted for about five decades following World War II, their efficacy falters in explaining the variation seen thereafter. Party control of the U.S. Congress has switched three times in the House of Representatives and four times in the Senate in the two decades following the Republican Revolution of 1994. This epoch of congressional volatility has coincided with a period of increasing polarization in both the U.S. Congress (see Poole and Rosenthal 2000) and in many state legislatures (Shor and McCarty 2011). Political polarization has also increased among the American voting public—with voters on each side of the political spectrum drifting toward their respective ideological corners (see Abramowitz and Saunders 2008; Bafumi and Shapiro 2009). It should be noted, however, that scholars are divided about the actual extent and motivation for these empirical trends (see Fiorina and Abrams 2008).

Recent works have examined political extremism in the context of political behavior and electoral outcomes. Ansolabehere and Snyder (2000) find that political candidates take extremist positions when they lack in some other aspect that would make them attractive to voters. Groseclose and McCarty (2001) find similarly, showing that candidates facing an opponent with some sort of advantage over them will drift away from more moderate positions. Bafumi and Herron (2010) show that members of Congress are often more extreme than their constituents and that the ideological disconnect is simply turned in the other direction when a member of a new party is elected. Finally, Hall (2015) finds that when extremists edge out moderate candidates in close primaries, their party's chances of holding the congressional seat drop substantially as the incumbency advantage the party holds is lost for several election cycles.

Less studied is how the new politics of extremism interact with the institutional characteristics of state legislatures. While state legislatures vary in professionalism,

very few concede total budgetary authority to the executive branch, keeping specialized staff on hand for independent fiscal analysis (Rosenthal 1998). In about a quarter of the states, the legislature has a large influence over the budget-making process (Squire and Moncrief 2010); California being one of them. Like in Congress, partisan voting has come to dominate in statehouses (Yamane and Oldmixon 2006) and becomes much more pronounced in states where one party holds a slim lead over the other in the legislature (Jenkins 2006). Wright and Schaffner (2002) find that the presence of a party leads to a clear division in voting behavior among legislators that disappears in Nebraska, a state with nonpartisan unicameral legislature. Gray and Lowery (1996) find that a greater number of interest groups in a state increase the chances of legislative gridlock, but a later study by Bowling and Ferguson (2001) find that the gridlock is not evenly distributed and appears mostly in areas that are typified by conflict between the parties. Yackee (2009) finds that increases in interest group numbers actually improve policy responsiveness and congruence.

Given the costs of extremism, why do so many legislators find themselves drifting past their party's median ideological position? One explanation is that these lawmakers are simply expressing genuinely held beliefs. Either these lawmakers come from districts farther askew than those of their centrist counterparts and are channeling the will of their constituents through themselves, or they are acting as a Burkean trustee by holding to their ideological convictions.

However, one is remiss if one solely considers voters when modeling the calculus of a lawmaker intent on reelection. Concurrent with an increased polarization in American politics come tectonic shifts in the campaign finance landscape that has made the business of raising money for election almost indistinguishable from the scenes observed by classic congressional scholars like Mayhew and Fenno. The need to raise ever-increasing amounts of money—with some members spending 30 hours per week on fundraising alone—means that building a strong war-chest has become a prerequisite for electoral competitiveness in the eyes of some members of congress (Warren 2014). In light of this, legislators may find themselves needing to go “home” to an entirely new constituency.

As many scholars have observed (e.g., Jacobson 1989) only a small slice of the electorate give money to political candidates and even when they do give, the average donation is quite small (Ansolabehere, de Figueiredo, and Snyder 2003). Although but a small portion of voters writ large, political donors are generally a much more active constituency, possessing higher degrees of political knowledge and being much more active in other political facets such as volunteering for political campaigns or persuading those they know to vote a certain way (Verba et al. 1993). Furthermore, these engaged individual donors, rather than large political action committees (PACs), tend to favor extremist candidates over moderate ones (Barber 2016).

As longtime congressional watchers Thomas Mann and Norm Ornstein observed, obstructionism has developed a new cachet in very recent years not seen before in history. Trends in polarization among the American electorate (see Bartels 2000) among other features of the new political landscape have led to the minority party adopting tactics more emblematic of a political party in a parliamentary system than the

American separation of powers arrangement. This new obstructionism makes it more difficult for majority parties to legislate (Mann and Ornstein 2012).

As political parties in the modern era have begun seeking wedge issues that highlight major cleavages between them to voters (Lee 2009), the penalties for reaching across the aisle have become harsher and harsher. Once routine, budget votes in the new political climate have become yet another avenue for lawmakers to highlight partisan division. And while a majority of voters may disapprove of politicians who chart extreme courses such as shutting down the government, the most hyperpartisan members of the base—who are incidentally the most active voters and most active donors—reward this behavior (La Raja and Wiltse 2011).

Theory

Extremist lawmakers—and particularly conservative extremists—will benefit from periods of government dysfunction in ways that will escape their more moderate counterparts. Periods of confrontation between factions in a legislative body play particularly to the strengths of extremists as their vastly divergent positions on issues are highlighted by the divisiveness of the issue at hand. During these periods of conflict and confrontation, these lawmakers will enjoy the support of extremists outside of the legislative body.

In particular, I put forth that during politically charged events—such as the government shutdown of 2013—extremist lawmakers will see a fundraising boost. Exactly why is difficult to ascertain using available data sources. Either these extremist politicians use their extremist stances as fodder for fundraising solicitations—making these pleas more effective—or else hyperpartisan donors take notice of these stances during increased media attention to the legislative body and decide independently to reward them. Whatever the exact causal pathway, extremist lawmakers should expect increased fundraising hauls during periods of legislative gridlock.

These fundraising bonuses are but a tangible measure of support from the politically active cohort of political donors. While support for these lawmakers could increase via other venues, (positive blog postings, encouraging of friends to visit the lawmaker's website, etc.), political giving is both an easily obtained and easily quantifiable metric for support among politically active individuals. In addition, a political contribution is perhaps the most concrete measure of support available—one where donors literally put their money where their mouth is.

Conservative lawmakers are especially privileged during these periods of legislative confrontation in that the majority of polarization in American politics has come on the conservative side (see Bonica et al. 2013; Voorheis, McCarty, and Shor 2015). This added polarization among Republicans means that there will be more points of cleavage in the GOP camp over a range of policy issues in which subfactions can form. An increased number of factions spells a greater potential for conflict and thus, greater fundraising.

Campaign donations offer us a good measure of support across time as they are logged daily and filed on a semiannual basis with the relevant government agency

regulating money in politics. Unlike votes, which are only counted during election years, and polls, which often lack the sample size to accurately measure sentiment within each jurisdiction, campaign dollars are a relatively objective measure of how much support a politician has with the elite segment of the populace that generally funds political campaigns.

As Powell (2012) describes, not all days of the year are created equally when it comes to politicians raising money. Politicians can get more mileage from their donor solicitations or fundraising events depending on where in the session a state legislature is, especially if key votes are forecast (Powell 2012, 36). Politicians use the imminency of key decisions on policy issues near and dear to interest groups to extract fundraising leverage.

Likewise, all fundraising days may not be the same for extremist lawmakers. An ideological outlier is hardly given room to shine on a vote naming a post office, for example. However, given a polarizing topic, an extremist politician can command attention as his or her ideological position becomes quite distinct from those of more moderate colleagues. Politically charged legislative debates on particularly polarizing issues are when extremists are able to take strong stances on issues of great salience to the body politic. These stances push them to the forefront of these debates, giving them great standing among the hyperpartisan members of their base who write campaign checks.

A Case Study in California Gridlock

While the federal government endured only two lasting shutdowns in its history, the state of California enjoyed a lapse in governance on a nearly annual basis for about 30 years. Between 1986 and 2010, California effectively “shut down” its government 23 times (Goldmacher 2010). Prior to the passage of Proposition 25 by voters in November of 2010, lawmakers were hamstrung by both a supermajority vote threshold to cross and a hard deadline before which they had to gather those votes. The California constitution mandated that any appropriations from the state’s general fund must have the approval of two thirds of the votes in both the Assembly and state Senate, meaning that the state’s majority Democrats were unable to muster the votes solely within their own party (see Decker 2009). California during this period generally possessed a Republican legislative delegation too small to pass legislation on their own, but large enough to stymie any budget plan put forth by Democrats.¹ Finally, the constitution mandates that for the fiscal year beginning in July, the legislature must have approved a budget by no later than June 15. While the constitution does not spell out any specific penalties for missing this deadline, it prohibits the legislature from sending the governor “any bill appropriating funds for expenditure during the fiscal year for which the budget bill is to be enacted.”²

Like the federal government shutdown, California’s forays into the life beyond the leviathan resulted in government agencies shuttered, furloughed state employees, and severe financial costs as credit-rating downgrades pushed up the state’s borrowing costs (Christie 2009). Also similarly, the 2009 California government shutdown,

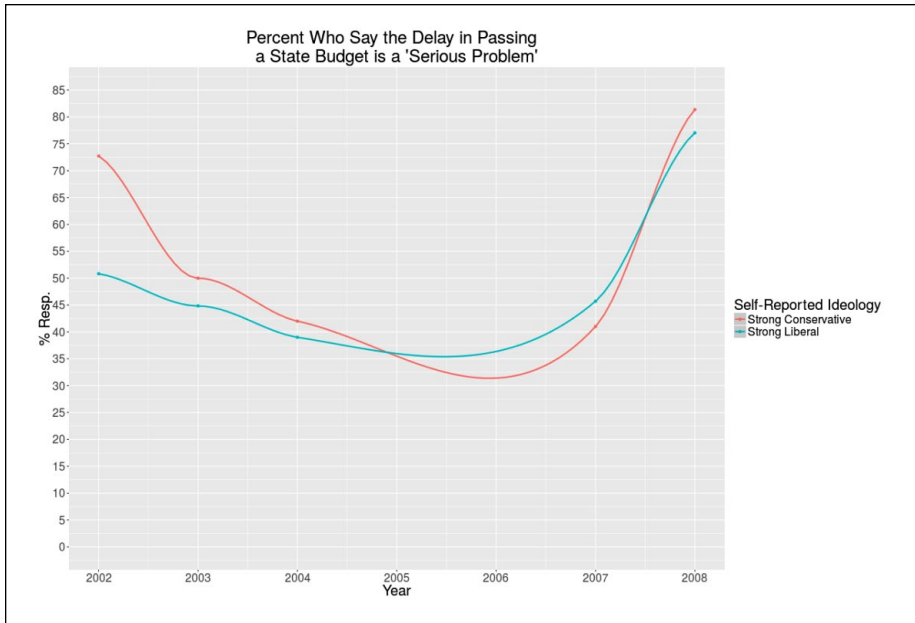


Figure 1. Field poll data on California budget delays.

which lasted nearly four months, led to strong disapproval for the California legislature, with approval ratings at just 16% for registered voters (Baldassare et al. 2009).

Field poll data echo the unfavorability of the protracted budget stalemates among all slices of California's electorate, (see Figure 1). Several polls conducted during the 2000s found that voters across the political spectrum held strongly unfavorable views about the budget delays. Across that decade, a plurality of all political ideologies described the gravity of the budget delays as "very serious."

Key to California's experience is the California legislature's status as a full-time body. Unlike legislatures in some states, California lawmakers are employed year-round and receive salaries far above the state's median income. While lawmakers in other states may feel pressure to quickly tend to the fiscal affairs of the state so that they might return to their normal work (see Kousser and Phillips 2012), California lawmakers continued to receive a paycheck no matter how protracted budget negotiations become. This practice, however, was curtailed by voters in a separate provision of Proposition 25, the same initiative that removed the supermajority threshold to pass a budget. In fact, former California State Controller John Chiang withheld paychecks for state lawmakers on the first year of the new law's enactment after they failed to turn in a balanced spending plan by the June 15 deadline (Goldmacher 2011).

Compiled fundraising data on all 120 members of the California Assembly and Senate between the years 2000 and 2010 are available from the California Secretary of State's Office, the legal custodian of such records. These data are parsed out to the

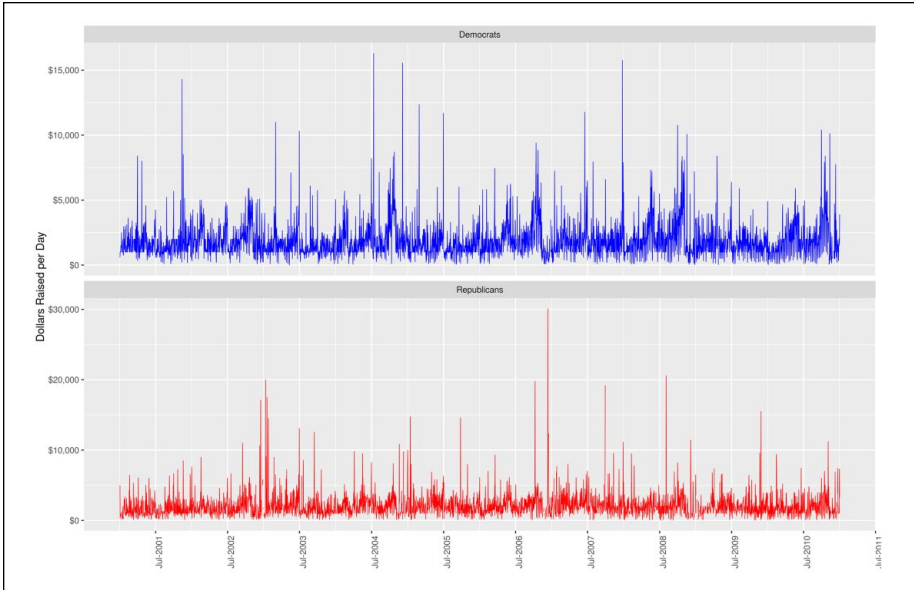


Figure 2. Daily fundraising averages: 2000–2010.

individual donor level and collected by Maplight,³ a nonpartisan research group studying money in politics. Germaine to this study, the data contain information about the date on which each donation was made, the amount of the donation, and the ultimate recipient of the money. (The last item greatly aids in ensuring that one knows the correct sum total of campaign contributions made to each legislator as some elected officials set up many campaign committees during the course of a single election (see Figure 2). For the dependent variable in this analysis, I used a logged value of total amount raised by a given lawmaker on a given day.

Although California’s constitution requires a budget be passed by June 15, all shut-downs technically begin on July 1, the first day of the fiscal year. Thus, I code donations received during a shut-down as any campaign contributions received on July 1 or later in a year when no budget was passed by this date. To operationalize when the shut-downs ended, I use the date the governor signed the budget of that fiscal year into law, which is available on the website of the California Department of Finance.⁴ Whereas progress in budget negotiations is sometimes leaked to the media who report on an impending solution sometimes days in advance of the governor’s signature, using this official date that the budget is enacted provides methodological consistency.

To measure lawmaker ideology, I rely on the spatial model derived by Shor and McCarty (2011). Like other spatial models before it (e.g., Poole and Rosenthal 2000), this measure plots the ideology of lawmakers on a one-dimensional left–right axis. This allows for ready comparisons between the relative “liberalness” or “conservativeness” of a lawmaker based on negative or positive values, respectively. As is

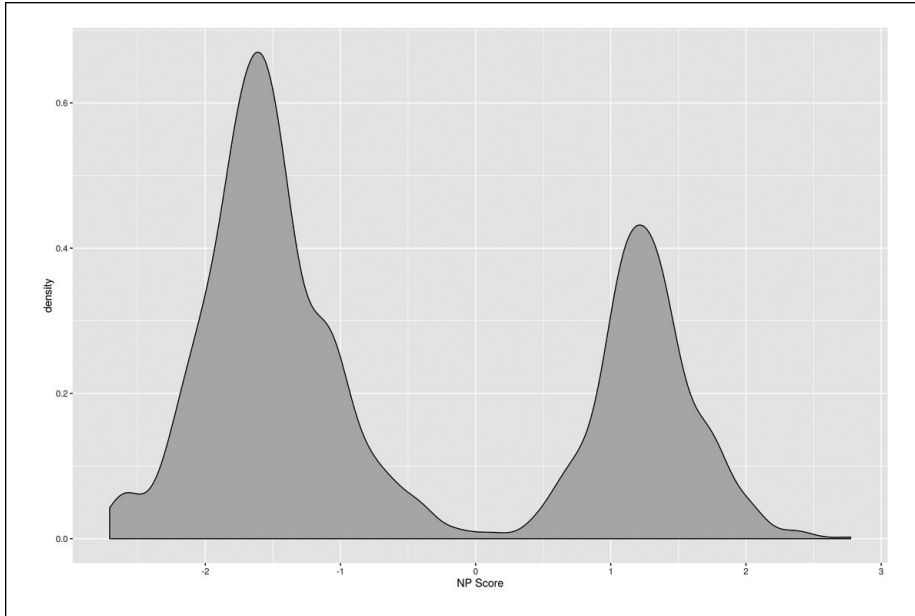


Figure 3. Ideological distribution of the California legislature: 2000–2010.

unsurprising, California’s legislature during the 10-year period studied here leaned noticeably toward the political left, (see Figure 3).

Next, I calculate an “extremism score” that I define as a lawmaker’s distance from the party median in their chamber of the legislature. In this measure, a positive score always denotes a legislator who is more conservative than their chamber party median, while a negative score indicates more members more liberal than their chamber party median, (see Figure 4). Expressed as an equation, the extremism score is calculated as such:

$$\begin{aligned} \text{Extremism Score}_{(\text{Legislator}, \text{Year})} &= \text{NP Score}_{(\text{Legislator}, \text{Chamber}, \text{Year}, \text{Party})} \\ &- \text{median}(\text{NP Score})_{(\text{Chamber}, \text{Year}, \text{Party})}. \end{aligned} \quad (1)$$

The length of the shutdown may factor into how active extremist donors become. For instance, a shutdown lasting just a few weeks may not garner the attention of a shutdown that lasts months and pushes state finances to the brink of collapse. To account for this variation, I create a continuous variable that measures the length of the budget shutdown from the July 1, start of the fiscal year. I then divide this measure by seven to calculate a “weeks of shutdown” measure.

It is possible that lawmakers are not responding just to geographically amorphous political donors but also to ideologically extreme constituents (see Caughey and Warshaw 2014; Lax and Phillips 2012). A lawmaker representing a geographic space where ideological extremists congregate may not be playing to donors, but quite

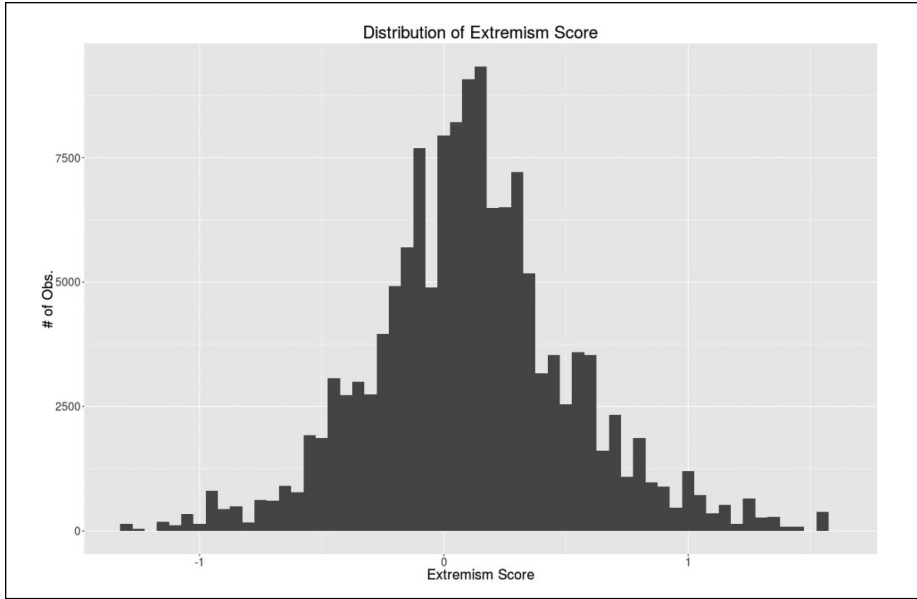


Figure 4. Distribution of extremism score among California legislators: 2000–2010.

sensibly to voters who would expect this kind of representation. To account for this, I create a variable using the district ideology measure created by Tausanovitch and Warshaw (2013).

Because of the difficulty involved in computing a common space measure that can directly compare a lawmaker with their district (see Bafumi and Herron 2010; Gerber and Lewis 2004; Kousser and Phillips 2012; Warshaw and Rodden 2012), I use an alternate approach that measures the distance and direction from the median value of the Shor and McCarthy party and chamber ideal point divided by the distance and direction from the Tausanovitch and Warshaw district ideology median value of the state. Using the ratio of standard deviations away from the median, I am able to construct a crude measure of how closely a legislator represents the ideology of their district. Although there may be measurement issues involved in using the median of a polarized legislative chamber versus the median of all California legislative districts, the attenuation of the measure ensures that relatively moderate legislators who represent relatively moderate districts will have values closer to zero. In addition, I input a value of zero for all cases at the median district value ($n = 2,488$), where division by zero would result in an irrational number. Mathematically, the “extremism/district ratio” measure is calculated like so:

$$\begin{aligned}
 & \text{Standardized Legislator Extremism Score}_{(District, Year)} \\
 & = \frac{NP\ Score_{(Legislator, Chamber, Year, Party)} - median(NP\ Score)_{(Chamber, Year, Party)}}{\sigma(NP\ Score)_{Chamber, Year, Party}} \quad (2)
 \end{aligned}$$

$$\begin{aligned} & \text{Standardized District Extremism Score}_{(District, Year)} \\ &= \frac{\text{Dist. MRP Mean}_{(District, Year)} - \text{median}(\text{Dist. MRP Mean})_{(District, Year)}}{\sigma(\text{Dist. MRP Mean})_{District, Year}} \end{aligned} \tag{3}$$

$$\text{Extremism / District Ratio}_{(District, Year)} = \begin{cases} \frac{\text{Standardized Leg. Extremism Score}_{Legislator, District, Year}}{\text{Standardized Dist. Extremism Score}_{District, Year}}, & \text{if Standardized Dist. Extremism Score} \neq 0. \\ 0, & \text{otherwise} \end{cases} \tag{4}$$

Finally, an alternate hypothesis may contend that what’s driving the increase in donations is not the shutdown itself but the increased media coverage surrounding the budget. This coverage might mobilize donors, who already tend toward the political extremes (Schlozman, Verba, and Brady 2012; Verba et al. 1993). To account for this variation, I create a “media coverage” variable. Taking the combined archives of the *Los Angeles Times* and the Associated Press via LexisNexis newspaper database,⁵ I search for articles that include both the terms “state budget” and “California” between January 1, 2000, and December 31, 2010. While not exhaustive of all statewide coverage, the Associated Press and *Los Angeles Times* have both long maintained large reporting staffs in Sacramento and share coverage with smaller, more local periodicals. During the period mentioned, a combined 953 unique articles were found. The media coverage variable measures the number of these stories that were published by either source during a given month, (see Figure 5). Although not a perfect measure, this variable accounts for both natural fluctuations in media coverage of the state budget (due to the introduction of the governor’s budget in January, for instance) and external events such as ballot initiatives regarding taxes during a given time period.

Summary statistics for all variables used in this paper are displayed in Table 1. Fully expressed, the relationship of daily fundraising to the above mentioned variables is as such:

$$\begin{aligned} \log(\text{Total Fundraising})_{i(day)j(year)k(lawmaker)} &= \beta_0 + \beta_1 \text{Extremism Score}_k + \beta_2 \text{Weeks Shutdown}_{ij} \\ &+ \beta_3 \text{Weeks Shutdown} \times \text{Extremism Score}_{ijk} \\ &+ \beta_4 \text{Extremism Ratio}_k \\ &+ \beta_5 \text{Media Coverage}_{ij} \\ &+ \gamma_{year} + \gamma_{lawmaker} + \epsilon_{ijk}. \end{aligned} \tag{5}$$

I control for fixed effects on the year to account for natural variations in the fundraising cycle as well as election-year effects. In addition, I control for individual legislator fixed effects to account for unmodeled heterogeneity in lawmaker seniority, race, and gender, among other factors. I also cluster standard errors on the day to account for correlation between different fundraising seasons in the calendar year.

As one can see from the following two plots, fundraising patterns follow a cyclical pattern in both election, (see Figure 7) and nonelection years, (see Figure 6). In these graphs, I have subsetted members of the California legislature into four distinct populations: Moderate Democrats and Republicans and extremist Democrats and

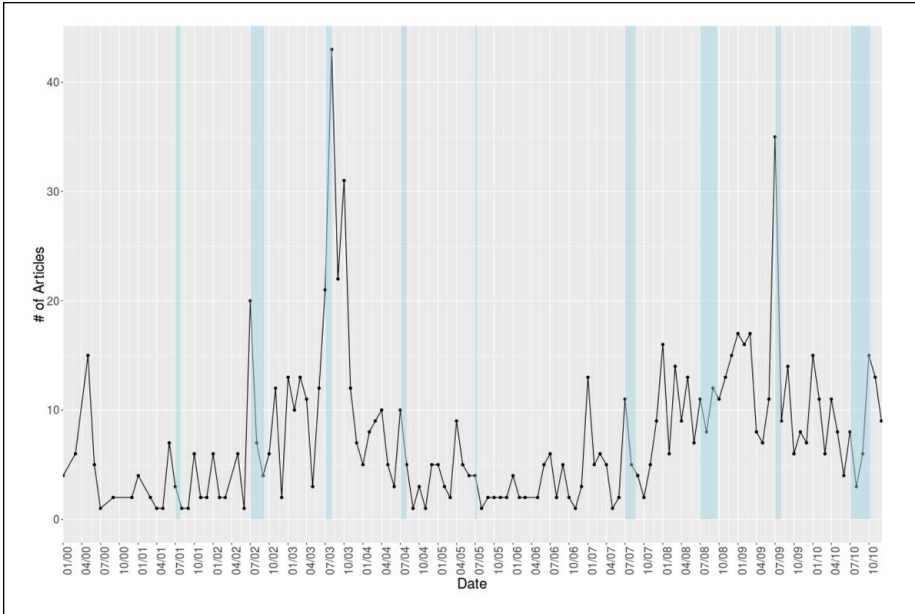


Figure 5. Count of stories on California state budget published by month: 2000–2010.
Note. Light blue indicates period of budget shutdown.

Republicans. Moderates I have categorized here as those with a Shor and McCarty score of either higher or lower than zero, (depending on whether the lawmaker in question is a Republican or a Democrat), up until the 75th percentile of that lawmaker’s party as a whole.

In both election and nonelection years, lawmakers of all stripes take in a bit more around the start of the legislative session in January and see a second bump toward the final months of the year. As is probably not surprising, during election years, lawmakers also tend to raise more money as the November election date draws closer.

Results

Below are results from three models testing varying iterations of the equation described above.

These results, (displayed in Table 2), point to an intriguing picture of fundraising during periods of intense partisanship in the California legislature. During this 10-year period of California government shutdowns, these periods of fractious government produced slightly higher fundraising hauls than other parts of the legislative session, although those effects disappeared once legislator and year-level fixed effects were introduced. Lawmakers to the right of their respective party medians took in less daily on average than their more moderate counterparts. Although the difference is

Table 1.

Statistic	<i>n</i>	<i>M</i>	<i>SD</i>	Minimum	Maximum
Shor & McCarty NP score	138,555	-0.562	1.411	-2.707	2.774
Daily fundraising	138,555	4,692.157	22,034.740	1.000	4,972,186.000
GOP dummy	138,555	0.352	0.477	0	1
Senate dummy	138,555	0.284	0.451	0	1
Assembly median	138,555	-1.306	0.090	-1.418	-0.953
Senate median	138,555	-1.151	0.028	-1.202	-1.014
Assembly Democrat median	138,555	-1.668	0.060	-1.735	-1.338
Assembly GOP median	138,555	1.257	0.059	1.206	1.362
Senate Democrat median	138,555	-1.541	0.096	-1.664	-1.386
Senate GOP median	138,555	1.368	0.040	1.329	1.426
Assembly Democrat σ	138,555	0.068	0.003	0.060	0.071
Assembly GOP σ	138,555	0.029	0.002	0.025	0.032
Senate Democrat σ	138,555	0.081	0.007	0.071	0.092
Senate GOP σ	138,555	0.038	0.003	0.034	0.042
Tausanovitch and Warshaw MRP district <i>M</i>	138,033	-0.200	0.283	-1.122	0.309
Tausanovitch and Warshaw MRP district <i>M</i> σ	138,033	0.064	0.013	0.039	0.097
Extremism	138,555	0.113	0.418	-1.299	1.610
Weeks in shutdown	138,555	0.687	2.298	0.000	14.143
Standardized extremism	138,555	-0.002	1.161	-3.883	4.536
Standardized district <i>M</i>	138,033	-0.316	5.054	-18.485	10.057
Extremism/district ratio	138,555	-5.015	67.298	-1,080.576	86.092
Media coverage	138,555	7.186	6.383	0	43

minuscule, lawmakers who strayed far to the right of their districts took in less money than those whose ideologies more closely matched their constituents. Enhanced media coverage has a similarly negligible negative effect on daily fundraising totals (Table 2).

The key variable in this analysis, the interaction between one's extremism score and the number of weeks in shutdown, has a positive coefficient, meaning that more extreme lawmakers increased their daily fundraising hauls by about 1.5% per each additional week California went without a budget. The difference in extremism, however, is quite vast to merit this small increase. For instance, a Republican Assembly member would have to travel the ideological distance from Abel Maldonado, a moderate Republican from rural Santa Barbara County who in later years as a state senator crossed the aisle to vote in favor of a Democratic tax increase and faced significant conservative backlash for it (McGreevy 2016) to Raymond Haynes, who in 2016 served as a California delegate for Republican presidential candidate Donald Trump (Miller 2016).



Figure 6. Daily fundraising by lawmaker type: 2005.
Note. Vertical lines indicate period of government shutdown.

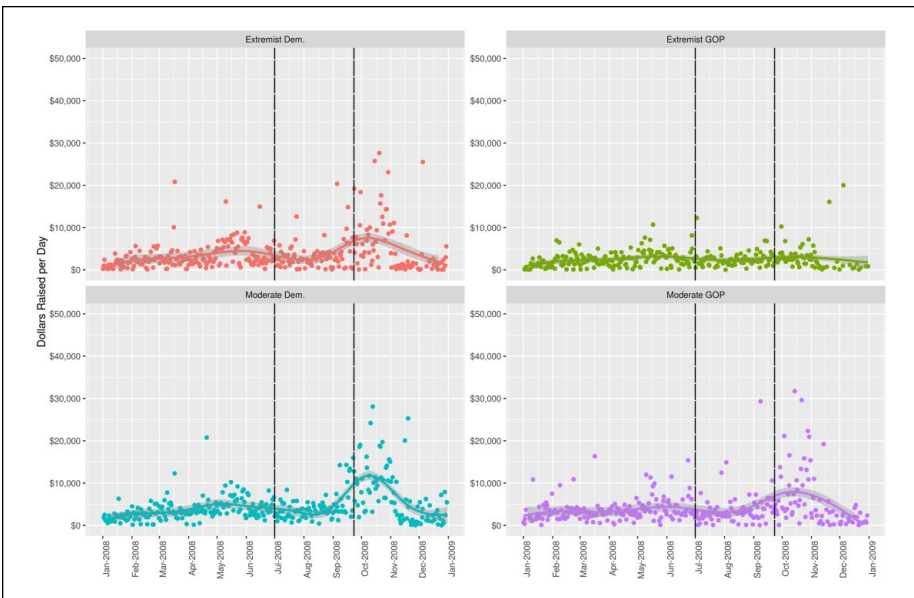


Figure 7. Daily fundraising by lawmaker type: 2008.
Note. Vertical lines indicate period of government shutdown.

Table 2.

	Dependent variable		
	log (daily fundraising)		
	(1)	(2)	(3)
Weeks of shutdown	0.011*** (0.002)	0.009* (0.005)	-0.0001 (0.005)
Extremism	0.008 (0.009)	-0.008 (0.010)	-0.081*** (0.012)
Extremism/ratio	-0.0002*** (0.0001)	-0.0002*** (0.00004)	-0.0003*** (0.0001)
Media coverage	-0.008*** (0.001)	-0.008*** (0.001)	-0.010*** (0.002)
Extremism × Weeks of Shutdown		0.021*** (0.003)	0.015*** (0.003)
Constant	7.589*** (0.006)	7.591*** (0.019)	
Fixed effects?	No	No	Lawmaker and year
Observations	138,555	138,555	138,555
R ²	.002	.002	.111
Adjusted R ²	.002	.002	.108

* $p < .1$. ** $p < .05$. *** $p < .01$.

This difference between extremist and moderate lawmakers is better understood through first-differences plots highlighting the change in expected fundraising per day a hypothetical lawmaker would see as they deviate further to the right or the longer a session goes without a finalized budget.

As is evident by the above graph, (see Figure 8), during an extremely protracted shutdown, an extremist lawmaker like Haynes would take in about 40% more during the last week of a 14-week shutdown (like the shutdown of 2010) than he would in the absence of one. By contrast, a moderate like Maldonado would receive only about an 11% bonus during this prolonged impasse.

Given the differential in fundraising between moderates and extremists, one can see where the incentive to compromise may be lacking. Separating extremists by those lawmakers whose Shor McCarthy ideological scores fall at the 75th percentile or higher of their respective party distribution, we find that on average, both moderate Democrats and Republicans raise more than their extremist counterparts, (see Figure 9). Thus, these periods of protracted budget stalemates hold more cachet for extremists as they can make up for previous fundraising famines with the relative feasts that gridlock provides.

The effects, however, are less pronounced during shorter budget crises. In the case of a two-week government shutdown, (see Figure 10), the 40% increase in daily fundraising totals for an extremist falls to about only 6%. Thus, the duration of the stalemate has a major effect on how much extremist lawmakers stand to gain by holding firm.

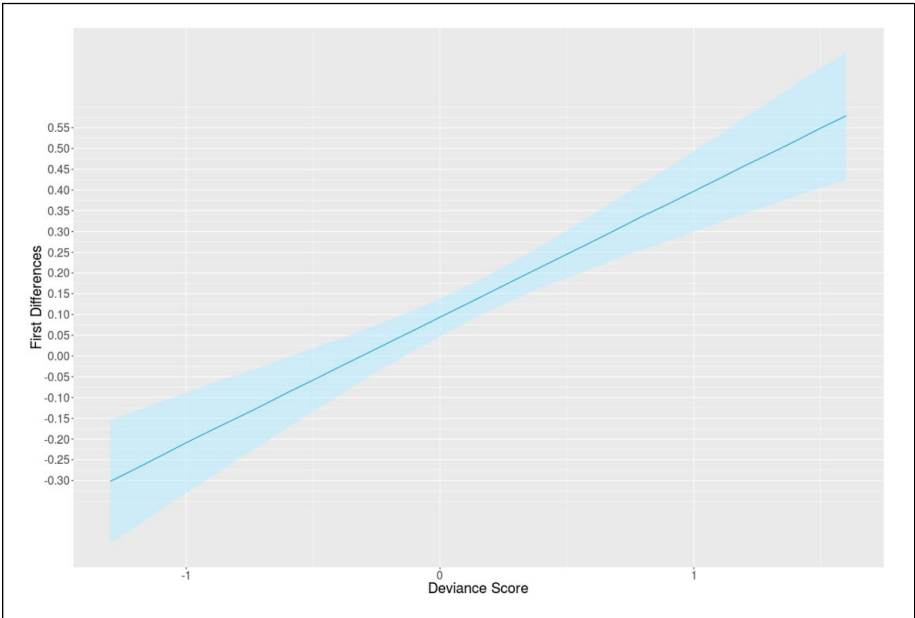


Figure 8. First differences of lawmaker fundraising during a 14-week government shutdown. Note. Shaded area represents 95% confidence interval.

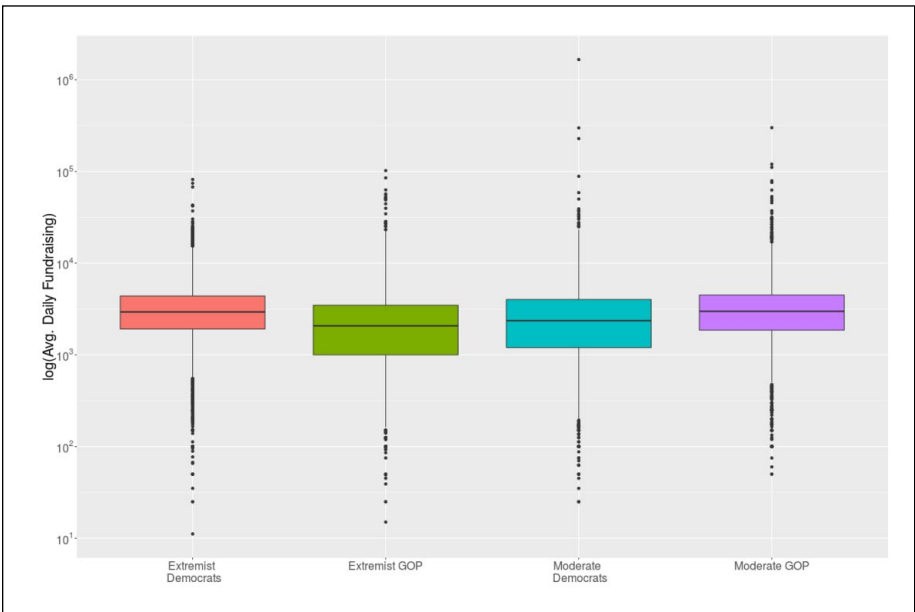


Figure 9. Average daily fundraising by lawmaker by ideological grouping: 2000–2010.

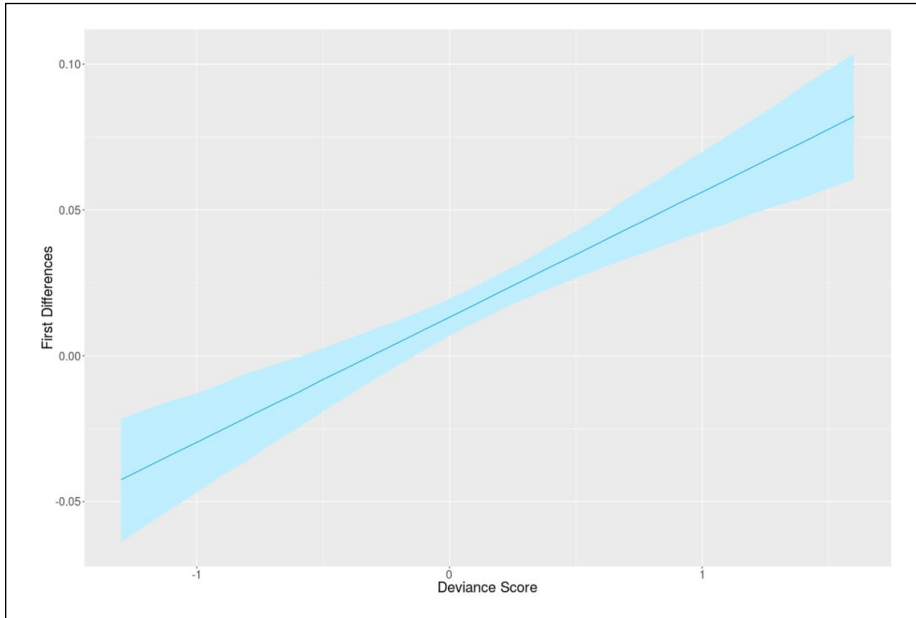


Figure 10. First differences of lawmaker fundraising during a two-week government shutdown. Note. Shaded area represents 95% confidence interval.

Party effects may play a role as well. Subsetting the data to include just Republican lawmakers during the same period, (see Table 3), we find coefficients with the same directional effects as in our model that included lawmakers of all parties. Although comparisons of coefficients across models are invalid, we see positive effects where we previously saw positive effects and negative effects as before. Importantly, the key interaction between a lawmaker's extremism score and the number of weeks in the shutdown remains positive.

Similarly, subsetting to just Democrats yields positive results on the interaction between extremism and the weeks of a shutdown, (see Table 4). As extremist Democrats have negative extremism scores, this finding suggests that Democrats closer to the ideological center fare better during a budget crisis than their extremist counterparts. This may reflect a division between the ideological camps of donors, with Democrats rewarding more members closer to the ideological center while, during a budget crisis, Republican donors choose to reward those farther to the right than their party median.

These results provide an intriguing story of how politicians raise money during periods of government shutdown in California and the rancorous political climate that came with them. Shutdowns as a whole were bad for the campaign coffers of incumbent lawmakers, but better for Republicans farther to the right of their party median. For Democrats, however, more moderate members saw greater fundraising hauls during a shutdown than did their far left counterparts.

Table 3.

	GOP legislators only		
	log (daily fundraising)		
	(1)	(2)	(3)
Weeks of shutdown	0.005* (0.003)	0.005 (0.004)	0.004 (0.005)
Extremism	-0.286*** (0.018)	-0.289*** (0.020)	-0.122*** (0.017)
Extremism/ratio	-0.007 (0.006)	-0.007 (0.006)	-0.021 (0.014)
Media coverage	-0.008*** (0.001)	-0.008*** (0.001)	-0.010*** (0.002)
Extremism × Weeks of Shutdown		0.004 (0.007)	0.016** (0.007)
Constant	7.594*** (0.009)	7.594*** (0.020)	
Fixed effects?	No	Lawmaker and year	Lawmaker and year
Observations	48,705	48,705	48,705
R ²	.009	.009	.101
Adjusted R ²	.008	.008	.098

* $p < .1$. ** $p < .05$. *** $p < .01$.

Most interestingly, these results suggest that extremist Republicans benefit uniquely during times of government shutdowns. When government shutdowns in California focus public attention on the legislature, Republicans and especially Republican extremist lawmakers get a fundraising boost as opposed to the hit their centrist counterparts take. Although government shutdowns may be semicataclysmic events for municipalities, public employees, and California's credit rating, at least for certain lawmakers, government shutdowns were the salad days of fundraising. Such a finding has troubling implications for questions of effective political stewardship and representation. It may also, in part, provide a motivation for why government shutdowns were a perennial summer event until the abolition of the supermajority requirement to pass a state budget.

Conclusion

The results from this analysis of California fundraising history points indicate that there indeed may be a payout for the type of intransigent behavior described by Mann and Ornstein. While failing to pass a budget caused major disruption to both government services and the economy writ large in California, lawmakers engaged in this obstructionist tactic year after year for several decades. Even though this behavior may have

Table 4.

	Democrat legislators only		
	log (daily fundraising)		
	(1)	(2)	(3)
Weeks of shutdown	0.016*** (0.002)	0.010* (0.005)	-0.002 (0.006)
Extremism	0.128*** (0.011)	0.107*** (0.013)	-0.093*** (0.018)
Extremism/ratio	-0.0002*** (0.0001)	-0.0002*** (0.00004)	-0.0003*** (0.0001)
Media coverage	-0.008*** (0.001)	-0.008*** (0.001)	-0.010*** (0.002)
Extremism × Weeks of Shutdown		0.030*** (0.004)	0.014*** (0.004)
Constant	7.560*** (0.007)	7.564*** (0.020)	
Fixed effects?	No	No	Lawmaker and year
Observations	89,850	89,850	89,850
R ²	.004	.004	.118
Adjusted R ²	.003	.004	.115

* $p < .1$. ** $p < .05$. *** $p < .01$.

borne costs to the legislature in terms of voter esteem, there appear to have been very tangible monetary benefits for some conservative members of the California state legislature.

Yet, fundraising dollars may only be an easily accessible and quantifiable metric for elite support, an even more precious commodity to campaigning lawmakers than money. As the 2010 *Citizens United* decision has thrust the idea of money in politics into the national consciousness, evidence has emerged of a disconnect between the policy preferences of those who vote in elections and tiny economically elite subset of those who fund them (see Bartels 2010; Gilens 2012). Were the persistent and protracted shutdowns of California state government a symptom of this disjunction between the desires of wealthy extremist donors and voters writ large? The evidence from this study raises troubling conclusions.

The fact that this phenomenon appears confined to just California extremist Republicans does not necessarily mean that government shutdowns could have been precluded simply by electing Democratic supermajorities as some around Sacramento suggested during the time. If intransigence and extremism is a one-sided one-party affair, then the types of compromise needed to pass legislation and enact budgets that require more than a simple majority vote are equally as difficult to obtain as if both sides pulled away from the center. Over the 10-year period analyzed here, an extremist

contingent existing only in the minority party was more than enough to derail budgets by holding to outlier views on a myriad of political issues. However, any cohesive block of extremists that denies the majority party a needed supermajority can have the same deleterious effect on the legislative body. Thus, while Democrats maintained their majority status in the California legislature, a state where Republican lawmakers hold the majority may see similar behavior from Democrats. As 20 states⁶ currently have a supermajority requirement to either pass a budget or increase taxes, blocks of intransigent outliers can find power outside their numbers during protracted budget discussions.

Along this vein, that extremism benefited Republican legislators in California more so than Democrats speaks to a second logic of obstructionism as well. When one party finds itself lacking the means to pass legislation—as was certainly the case in the decade studied in California—obstructionism perhaps has cachet in signaling efficacy to voters. When politicians cannot credit claim by passing laws or steering budgets because they lack the institutional capacity to do so, perhaps blocking legislation becomes just as useful a method to signal potency to their donor base. The fact that certain Republican members were able to gain a specific fundraising boost greater than that of Democrats during times of shutdown indicate that these periods of intense partisanship played well at least to those members of the constituency that donate to political campaigns.

Certainly, this analysis would benefit from the inclusion of more states and more years of data, but the picture that emerges from this admittedly small slice is troubling. As about 50% of a U.S. representative's time is currently spent fundraising (Warren 2014), new models of understanding the relationship between political giving and the behavior of elected officials have become more relevant than ever. Furthermore, as 22 states⁷ shut down their governments in the absence of a budget, understanding whether this dynamic governs legislative conduct beyond the Golden State is crucial in better designing supermajority rules to avoid the disastrous effects of government closure.

As brinkmanship has become the order of the day in Washington and in many state capitols, understanding the motivations of lawmakers to adopt extremist stances and engage in obstructionism has gained newfound importance of late. Given the financial incentive to move to the extremes, what happens when the wealthy donors of one party prefer gridlock to compromise? Will lawmakers of that party vote in accordance with the median voter of their party, will they act—à la the Burkean trustee—in the best wishes of the greater polity or will they cravenly bend toward the will of those whose money they need to remain in office? Evidence from California seems to indicate that pleasing donors comes before even maintaining the basic functions of the state for some lawmakers. California's two-decade long history of budget impasses that paralyzed state agencies and damaged the state's fiscal position may be the manifestation of what happens when the incentives to govern become misaligned with the incentives to fund raise. Far from a parochial story of west coast dysfunction, the implications for good government nationwide are grave as lawmakers find amassing ever larger campaign coffers as a necessary condition for survival in the political reality of the contemporary United States.

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Notes

1. The exception during this period was the chaotic 1995–1996 session marked by the recall of one Republican Speaker of the Assembly and the ascension of a second who won the position based on the support of outgoing speaker of the California legislature, Willie Brown. For more, see Howard (2006).
2. See Paragraph (c)(4) of Section 12 of Article IV, accessible via the California legislature's official website http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=CONS&division=&title=&part=&chapter=&article=IV.
3. The data used for this study were collected from the following url: <http://maplight.org/data/get/california-money-and-politics-dataset>.
4. See <http://www.dof.ca.gov/budget/historical/>.
5. The Boolean search term was “state budget’ AND California,” queried through the LexisNexis Academic database.
6. See <http://www.ncsl.org/research/fiscal-policy/supermajority-vote-requirements-to-pass-the-budget635542510.aspx>.
7. See <http://www.ncsl.org/research/fiscal-policy/late-state-budgets.aspx>.

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