State Party Organizations, Independent Expenditures, and Spending Strategies

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Abstract

Recent changes in the campaign finance legal landscape have led to a proliferation of new types of organizations eager to participate financially in American elections. The influx of new groups, many of whom share similar goals (and donors) of state and local party organizations, have to varying degrees become part of what scholars have called the Extended Party Network (EPN). In this paper, we use a novel dataset of campaign donations and independent spending undertaken by three groups in particular: party organizations; party-affiliated groups; and partisan coalition groups. We address the differences between these groups in their makeup, their motivations, and their financial behavior in state elections from 2006-2016. Specifically, we demonstrate that groups in this “inner-circle” of the EPN are all motivated by variance in two crucial contexts: campaign finance laws at the national and state level; and partisan electoral competition at the race and state legislative chamber levels. However, these groups often react in different ways, suggesting a coordinated approach to campaign finance strategy in some cases, and a more parallel, independent approach in others.

If you wish to cite this paper, please note that it is a working draft subject to change.

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Introduction

Together, the Supreme Court’s decisions in *Citizens United vs. Federal Election Commission* (2010) and *SpeechNow v. Federal Election Commission* (2010) resulted in a skyrocketing of independent expenditures (IEs) in federal elections. In 2008, IEs in U.S. House and Senate elections (other than by formal party committees) amounted to $51 million. In 2018, the total was over $1 billion – more than twenty times the level of 2008 (Malbin and Glavin 2020). State elections have seen smaller increases, but still significant increases in independent expenditures (Hunt et al. 2020; Stepleton 2018).

Formal party committees have been able to make unlimited independent expenditures since the Supreme Court’s 1996 decision in *Colorado Republican Party v. Federal Election Commission*. Whether they have done so has depended upon their resources, incentives, and the rules under which they operate. Previous research demonstrates how parties adapt to changes in campaign finance laws to ensure their relevance in elections, including making more independent expenditures after the Bipartisan Campaign Reform Act (Dwyre 2018; Malbin et al. 2011).

Following the *Citizens United* decision, some raised concerns that it would weaken party organizations (e.g., Persily 2010). It does not appear this is the case, but the ability of allied non-party groups in the extended party network to make independent expenditures in support of the party’s candidates post-*Citizens United* has likely affected party organizations’ electoral involvement and spending strategies (Dwyre 2018; Dwyre and Kolodny 2014; Kolodny and Dwyre 2018; Malbin 2014). However, much of the previous research on the spending strategies of the extended party network have focused on national elections, leaving a gap in our knowledge about their electoral activities.
We seek to evaluate state party organizations’ electoral spending strategies across elections to help understand what type of spending parties prioritize (e.g., campaign contributions vs. independent expenditures) and how electoral incentives and rules affect these decisions. For example, states with limits on how much parties can contribute to candidates should see more independent spending by party committees. We find evidence supporting this expectation in a previous paper (Hunt et al. 2020), but there is still much to explore regarding state parties’ spending strategies, particularly when also considering the strategic spending decisions of groups allied with party organizations. In other words, how does the spending of actors in the extended party network (e.g., Desmarais, La Raja, and Kowal 2015; Koger, Masket, and Noel 2009) aid state party committees in their electoral activities? We argue that the increasingly shared incentives and goals of parties and allied groups (particularly ones closely connected to party organizations) - among them gaining or retaining partisan majorities in legislative bodies (Lee 2016) - require a more nuanced analysis of the electoral relationship between these actors.

Studying state elections provides an opportunity to evaluate party spending across political and legal contexts. Moreover, it allows us to study party organizations’ electoral spending in relation to the spending of other groups in the extended party network, helping us better understand party networks. Additionally, by examining group-level spending instead of state-level spending, we can better understand their spending strategies and decisions. In this paper, we begin to examine party organizations’ and key allied groups’ electoral spending and strategies in state elections, the first step in a larger project on parties’ electoral spending. We also establish our framework for this analysis and present some preliminary results on campaign
finance strategies of parties and their related allies, as well as the potential drivers of these strategies, and how they differ across groups within the extended party network.

**Extended Party Networks**

As party organizations have changed and adapted over the past half-century, the definitions of parties proposed by scholars have understandably changed. Moving away from an exclusive focus on the formal organizations of parties (e.g., Cotter et al. 1989), many party scholars now conceptualize and study parties as a coalition of actors cooperating to achieve related goals (e.g., Bawn et al. 2012; Desmarais et al. 2014; Grossman and Dominguez 2009; Herrnson 2009; Koger et al. 2009; Schwartz 1990). The extended party network (EPN) that comprises parties includes non-party groups that ally with the formal party organizations (national, state, local party organizations) and members holding elected office. Extended party networks likely developed at least partly in response to constraints on party organizations, including campaign finance laws, which we discuss in the next section.

Actors in the EPN cooperate in an effort to attain their own goals connected to the mutual goal of electoral success for the party and control of government (Herrnson 2009; Schlesinger 1994; Schwartz 1990; Skinner et al. 2012). Research that focuses on only the formal organizations of parties misses the contributions and activities of these party allies, resulting in a limited view of parties’ influence. To best understand the electoral activities of parties, we need to consider the electoral spending of party organizations and the other actors that are part of the extended party network.

That being said, we do think it is important to distinguish between the layers and types of actors present in the extended party network. Different sectors of groups, even those that may be
part of the EPN, pursue some diverse goals in their electoral spending (Hunt et al. 2020). As a result, we should expect different motivations even across the groups part of the extended party network. Scholars usually consider the formal party organizations and party leaders to be the core of the party network or coalition, perhaps guiding the actions of other actors in the extended party network (Dwyre and Kolodny 2014; Herrnson 2009; Kolodny and Dwyre 2018). Groups more closely connected to party organizations, particularly entities essentially controlled by officeholders and their staff, surrogates, or associates, are more likely to be driven by the same goals as the party organizations and spend in a manner to assist the party’s candidates. Allied interest groups in the EPN include groups and actors that support and aid one party, sometimes through “independent-spending coalitions” (Malbin 2014, pg. 101). However, while these allied interest groups contribute important resources, they likely have limited influence on party goals and their spending is at least partly driven by their own objectives (Herrnson 2009).

Therefore, we focus on the groups in the extended party network that are essentially controlled by office-holders, party leaders, or other actors closely connected to party organizations. These groups are those most likely to strongly align with the party organizations’ own goals and strategies. In this research, we study two types of groups that are closely connected to the party organizations within the extended party network: party-affiliated and partisan coalition groups.

- **Party-affiliated groups** are organizations comprised of elected officials or their surrogates, including the Democratic and Republican Governors’ Associations. This category also includes organizations receiving a significant portion of their funding from a party-affiliated organization.
• *Partisan coalition groups* are organizations that traditionally support the Democratic or Republican parties, but have their own identities. These entities are financially supported by a coalition of partisan groups and pre-existing left-leaning or right-leaning organizations. They are usually single-state organizations.

We propose that party organizations, party-affiliated, and partisan coalition groups should be those in the EPN working together most closely to achieve the party’s goals.

Scholars have studied extended party networks using a variety of methods, including campaign endorsements (Cohen et al. 2009, Grossman and Dominguez 2009), the sharing of donor and mailing lists (Koger et al. 2009, 2010), campaign finance transactions (Grossman and Dominguez 2009; Skinner et al. 2012; Desmarais et al. 2015), and outside spending in elections (Kolodny and Dwyre 2018). By examining these connections between party actors, these scholars have been able to identify the allied actors that work closely with formal party organizations to achieve shared goals. In this project, we build upon this previous research and contribute to our understanding of extended party networks by evaluating their electoral spending activities in state elections, including independent expenditures.

**Campaign Finance Laws and Party Organizations**

To ensure their continued influence in politics, national and state party organizations have been successful at adapting to campaign finance regulations in order to maintain a key role in campaigns and elections (Dwyre 2018; La Raja 2002, 2008; Skinner et al. 2013). For example, before the Bipartisan Campaign Reform Act (BCRA), national parties used transfers for soft money to help state parties become more active and build stronger organizations (La Raja 2003). After BCRA prohibited soft money in federal elections after 2002, the parties successfully
increased their hard-money fundraising (Corrado 2006; Dwyre and Kolodny 2006) and benefited from the rise of 527 committees (Skinner et al. 2013). The parties also increased their independent spending (Magleby 2011), becoming dominant spenders in the final weeks in competitive congressional elections (Malbin et al. 2011). The *Citizens United v. Federal Election Commission* (2010) decision allowed allied non-party groups in the extended party network to make independent expenditures in support of the party’s candidates. These allied non-party groups spend money in the same races targeted by parties, suggesting some party orchestration in their spending (Dwyre and Kolodny 2014; Kolodny and Dwyre 2018).

These developments make it important to include independent spending in studies of parties’ financial activities in elections. Otherwise, it is difficult to understand the full scope of parties’ involvement in elections. Plus, changes in campaign finance laws make it necessary to reexamine party organizations’ financial habits. However, including party allies in studies of the parties’ electoral spending is clearly also important since changes to campaign finance law have also influenced other extended party network entities, which affect what party organizations do.

The time period covered by this paper provides an important cross-section of state-level group-level campaign contributing and spending that took place both before and after the *Citizens United v. FEC* decision that was handed down in 2010. Although independent spending has substantially increased over the last decade in nearly every context, previous work has demonstrated that the *Citizens United* decision had particularly tangible effects in states that had previously prohibited unlimited spending on the part of outside groups (Hamm et al. 2014; Hunt et al. 2020; Spencer and Wood 2014). This has left organizations looking to influence state elections on a more even playing field: whereas prior to *Citizens United*, only party organizations
could spend unlimited amounts of money on independent expenditures, now all group types are able to fully execute strategic activities involving outside spending.

Now, however, parties, party-affiliated, and partisan coalition groups can all independently spend in unlimited quantities. These unrestricted actions of each of these groups can be paired with theoretical expectations and observations about each. These groups’ spending strategies reveal much about how they see themselves within the extended party network, if and how they cooperate with other groups in the network, and whether they and other groups within the network are motivated to act by the same contextual forces.

**Theory and Expectations**

By analyzing the factors and contexts that predict changes in spending for these differing party network groups, we can paint a more complete picture of the parties’ relationships with the groups with whom they have the closest ties, as well as the extended party network generally. Given the previous research (e.g., Dwyre and Kolodny 2014), we can expect the spending of these actors to shift in relation to each other. After all, the three group types of interest in this paper—party, party-affiliated, and partisan coalition groups—all share an underlying goal of electoral success for the party. This may lead us to believe that all three groups react in the same ways to the same forces, be they core characteristics of the groups themselves; campaign finance legal frameworks; and electoral competition that affects the party’s power and future.

We argue, however, that there are better reasons to expect these groups’ campaign finance strategies to differ in ways that fit each of their motivations, and also try to best serve the parties’ electoral goals. All three groups are invested in party outcomes, and are often helmed by party or party-adjacent individuals plugged into state politics. As a result, they can in many instances be expected to utilize *complementary* rather than *parallel* strategies for contributing
and spending in state elections. As a result, our broad expectation is that the three groups will demonstrate different campaign finance patterns and strategies in reaction to what each expects the others to do. As a first assessment, we will examine descriptive patterns of non-party IEs depending on the extent of spending and contributing activity of official state and local party organizations.

But which specific sets of factors are most influential for which types of party network groups? We can more closely see how these groups interact with and react to each other by observing how each of them in turn reacts to two crucial contextual changes founded in the literature.

The first important context on which we focus our attention for how EPN groups spend and share their resources is the area of campaign finance legal restrictions and allowances. Earlier we addressed the more recent changes particularly in the national campaign finance landscape. Here, we argue that because parties and their allies constitute different organizational structures—both conceptually and legally—they should react in different ways to changes in what kinds and amounts of financial activity is allowed in state campaigns. Analyzing these legal changes both over-time and cross-sectionally across states, as well as how these changes impact financial activity, offers a window into meaningful similarities and differences between these organizations within the EPN.

An initial area of analysis in the campaign finance legal arena concerns over-time spending patterns of party actors: Specifically, how has the balance of spending between party organizations, party-affiliated organizations, and partisan coalitions changed since 2006? By examining these groups alongside their state-level party organization counterparts, we can learn more about state party networks, including how state party organizations have adjusted to their
allies’ new abilities to spend unlimited resources in recent election cycles. The timeline of our data crucially allows us to evaluate the extent of independent spending before and after the *Citizens United* decision, and which party network group types have reacted more strongly to these legal changes over time. We anticipate that as a result of these national decisions, non-party (yet party-allied) groups within the EPN will engage in a much greater share of independent spending compared to contributing activity; and likewise, that these changes have allowed parties to redirect their own resources elsewhere—perhaps towards direct candidate contributing (*Hypothesis 1a*).

However, we also know that states vary cross-sectionally based on what they do and do not allow in the area of campaign contributions to and from candidates, parties, individuals, and other outside groups. Some states, for example, place limits on the amount that the parties can contribute to candidates and/or other groups; others place limits on the amount that can be donated to the parties; others still (in fact, most states) limit the amount that individuals and non-party PACs can donate to candidates. By limiting parties’ contribution habits—and the habits of those who contribute to the parties—these laws undoubtedly affect how parties distribute their financial resources, either through contributing (and to whom they contribute) or direct spending. Likewise, we argue that these limits are likely to impact party-affiliated and partisan coalition groups directly, by limiting how much they can contribute to parties or candidates; and indirectly, by in some cases limiting the official parties’ activity and inducing non-party allied groups to “pick up the slack.” As such, we argue that these state-level contribution limits are important conditioners of EPN spending and contributing behavior (*Hypothesis 1b*).

The second broad context in which these relational spending patterns may emerge is in response to partisan electoral competition. The literature, as well as descriptive observation, has
made clear that competitive elections between the two parties tend to attract the most campaign cash from both candidates and outside groups (Jacobson and Kernell 1983), mainly because these are the races in which an extra dollar can theoretically have the greatest impact on outcomes.

Parties and their allies have traditionally applied this principle to two areas: race-level competition between the two parties’ nominees; and chamber-level competition for state legislative majorities (Lee 2016). Groups in the EPN have a vested interest both in how well individual party candidates perform in their elections against the other party, and in winning and retaining functional majorities in state legislatures (Hunt et al. 2020). These interests go beyond just the party organizations. In fact, many IE groups that have sprung up following *Citizens United* have been expressly devoted to the cause of winning party majorities on behalf of coalitions of party-allied organizations.¹ As a result, we broadly expect all three EPN groups to react not just to levels of race- and chamber-level competition, but also to engage in some coordination with each other about how best to spend financial resources to notch partisan victories in these areas *(Hypothesis 2)*.

**Data and Methods**

The data we use, which covers all available independent spending and contributing behavior on the part of these organizations from 2006-2016, enables us to accurately and completely measure the impact of these two major contexts—partisan competition and campaign finance laws—both over-time and cross-sectionally. The extensive variation of these crucial contexts across the states in our sample allows us to examine how parties, in comparison with

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¹ These groups often have names that overtly reference their cause: “Senate Majority PAC”, for example.
non-party groups in the extended state party network, react to shifts in both electoral competition and both national- and state-level campaign finance legal frameworks. We will also look at these cross-sectional shifts as they relate separately to state legislative elections on the one hand, and gubernatorial elections on the other.

In order to identify independent spending groups allied with the parties (i.e., part of the extended party network), we needed to categorize the organizations by sector. We began with data supplied by OpenSecrets\(^2\). This data includes independent expenditure records from all states requiring IE disclosure that had accessible IE records. It also includes codes for which office each dollar was spent on, allowing us to separate out results based on state legislative versus gubernatorial races. States were only included in the analysis if they had a consistent run of data either for the full 2006-2016 period of our study (15 states) or from the post-*Citizens United* cycles of 2012-2016 (another 11 states).\(^3\) For this project, we coded every entity that spent a total of $150,000 or more cumulatively in 2006–2016 in legislative and gubernatorial elections. The result was categorized sectors for 1,730 organizations that accounted for 97% of all IEs in these races. We are currently working on updating our dataset to include independent spending in the 2018 and 2020 elections.

In order to code these entities, we did group-by-group research on their funding sources, as well as their apparent goals and motivations discussed either in official communications from these groups (for example, on their website), or in reputable news publications about these groups’ activities. In the end, we developed eight new sectors of group types that span from

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\(^2\) Previous work on this subject by the authors used data from the National Institute on Money in Politics (NIMP). In 2021, the Center for Responsive Politics (CRP) and NIMP merged to form OpenSecrets. The same datasets are being used, but the name of the source organizations has changed.

\(^3\) The 15 states with consistent 2006-2016 data were AZ, CA, CO, ID, MA, ME, MI, MN, MO, NC, OH, OK, TN, TX, and WA. The 11 additional states with consistent 2012-2016 data were AK, CT, IA, KY, MT, NH, RI, VA, WI, WV, and WY.
Labor-centric organizations to groups created solely to advocate for a single issue. In this paper, however, we’ll be focusing on the three aforementioned sectors that fit under the umbrella of the extended party network: parties, party-affiliated organizations like the RGA and DGA, and partisan coalition groups. The party category includes official state and local party committees and legislative caucus campaign committees.\textsuperscript{4}

We next collected data pertaining to our two broad sets of independent variables of interest. The first of these pertains to state and federal campaign finance laws. One goal is to examine the dynamic reactions of our three party and party-allied independent spending groups before and after the \textit{Citizens United} Supreme Court decision in 2010. This analysis requires only a simple cutpoint after the 2010 elections. State-level cross-sectional variation in campaign finance legal frameworks, however, require a more complex dataset. Here, we use the Campaign Finance Institute’s Historical Database of State Campaign Finance Laws (CFI 2018). This database includes hundreds of variables for each state every two years since 1996, including the limits on contributions to candidates, PACs, and political parties. Although the CFI database includes exact amounts for the limits in each state, we follow Hunt et al (2020) and instead a set of binary indicators for whether a state had contribution limits in place in a particular year.\textsuperscript{5}

Our second set of independent variables, partisan competition, required a few different measures to assess both gubernatorial and legislative race-level competition, as well as chamber competition. To measure competition in governors’ races, we created a scale based on professional race ratings assigned before most independent spending in these races took place, thus avoiding potential problems of endogeneity. This ordinal scale, by state-year, is coded as

\textsuperscript{4} For additional details on coding procedures, please see Hunt et al (2020).
\textsuperscript{5} We do so because most states with contribution limits have relatively low limits, while only a few have limits greater than $10,000.
0=no gubernatorial race; 1=uncompetitive gubernatorial race; and 2 = competitive gubernatorial race. To measure race-level state legislative competition, we considered individual races competitive when the winner received 55% or less of the top-two candidate vote. We then created an ordinal variable indicating whether the state was in the bottom third, middle third, or top third in terms of the percentage of competitive legislative races.6

Although these measures account for race-level competitiveness, we also know from Lee’s (2016) research on congressional and state legislative chambers that majority status is perhaps just as important to modern, polarized parties at the national and state levels. Parties and their allies do care about winning individually close races; but they care even more when those races are pivotal (or close to pivotal) to clinching majority status in a legislative chamber. As such, we use Hinchliffe and Lee’s (2016) measure of the number of shifts in majority control of either legislative chamber in the states since 2000, providing a measure of partisan competition for control of legislative chambers. We expect groups with such close affiliations to the parties and their extended network to invest more heavily in states where majority control is up for grabs.

The primary analyses in this paper will be descriptive in nature, measuring dollar totals in spending and (in some cases) contributions for our EPN sector types across differing fixed values of partisan competition and campaign finance laws to chart their effects. We analyze in this way for several reasons. First, because our first dependent variable is total dollar amounts, this makes linear regression inconsistent since the distribution of dollars across state-years is very uneven. Corrective measures like using the natural logarithm of dollars, while useful in many cases, prevents us from directly comparing real-life totals between sector types. Using descriptive

6 For more information on more nuanced coding procedures for gubernatorial competition, see Hunt et al.’s (2020) coding explanation.
statistics avoids these issues, and allows us to remain as close as possible to the on-the-ground realities of how and how much these groups spend in state elections.

Even so, we will also include a set of multivariate models estimating the controlled impacts of our primary independent variables on total spending by party, party-affiliated, and partisan coalition groups separately in state legislative and gubernatorial elections. Here, we also control for factors like the size of the state voting-age population and urban populations, as well as whether the state has a traditional party organization system. For state legislative models, we control for state legislative professionalization; total number of seats in both chambers; and the use of multi-member districts.\footnote{All of these control variables courtesy of Lee (2016) at the state level, except for the multi-member district calculation. Here, we utilize Niemi et al’s (1991) pseudo-SMD approach; see Hunt et al (2020) for more details.} For gubernatorial models, we control for the importance of the governor’s office using the gubernatorial power score from Beyle (2007). These multivariate models utilize OLS regression with random effects at the state level. They are intended mainly as a robustness check, and largely confirm the findings of the descriptive models to come.

**Results**

Do campaign finance legal frameworks and partisan competition—either as a whole, or in a more nuanced fashion—affect state election spending behaviors? And just as importantly, do they induce parties and their allied groups in the EPN to behave the same way, or in a complementary fashion to accomplish overarching electoral goals? First, we tackle the campaign finance question.

Given the importance of *Citizens United* and related decisions over the last 10-15 years, it is important to first examine whether the campaign finance landscape of the extended party network in the states has substantially changed during that time. In previous work, Hunt et al
(2020) found that state party organizations spent roughly the same amount in legislative elections each year during this time period, but declined substantially as a proportion of all legislative IEs following *Citizens United*. Although that paper largely examined IEs in the aggregate, here we take a closer look at how party-affiliated and partisan coalition groups in particular, as clear parts of the extended party network, reacted to legal changes like *Citizens United*, and specifically whether they increased party activity in the spending space in ways that official party organizations did not. We anticipated in Hypothesis 1a that the post-*Citizens United* era would see more significant spending behaviors on the part of non-party IE groups, complemented by a likely decline for party organizations themselves, which should redirect their dollars towards direct contributing.

Figure 1 displays the spending totals for parties, party-affiliated, and partisan coalition groups separately in the available states for each year from 2006-2016. Since the *Citizens United* decision in early 2010, outside groups have joined parties in their ability to spend unlimited dollars on political campaigns. The growth in spending that we might expect from these groups is manifest in a fairly clear fashion in the years following the Supreme Court’s decision. Total sector spending by party-affiliated and partisan coalition groups has grown by significant percentages, whereas spending by official party organizations has remained stagnant or even decreased. In 2006, outside groups in the extended party network made up less than a quarter of total IEs in this wider group; by 2016, they made up more than 80%. Groups within the extended party network, but separate from the parties themselves, have clearly exercised the new financial freedoms that *Citizens United* and other recent court rulings have offered them. Given the skyrocketing cost of campaigns and elections, particularly since 2010, it is notable that spending on the part of state and local parties themselves has not risen in nominal terms.
Could it be that the official party organizations are relying—directly or indirectly—on independent spending from these other allied organizations? To ascertain this in more depth, we can examine not just total IEs, but rather total IEs as a percentage of all outgoing dollars, which also include direct campaign contributions to candidates as well as formal party organizations. Figure 2 shows sector trends from 2006-2016 of the percentage of outgoing dollars dedicated specifically to IEs, and the results suggest that our suspicion is correct. Although party-affiliated and partisan coalition groups have always independently spent more than they contributed (particularly relative to the parties themselves), in the post-*Citizens United* era, outside party allied groups have dedicated 95% or more of their dollars towards IEs rather than contributions. Partisan coalition groups in particular spend close to zero dollars on contributions to the parties or candidates themselves, opting instead to spend independently. The official party organizations, on the other hand, have pursued a reflective strategy, spending less and less of their dollars directly on IEs: In 2006, party organizations divided their money between IEs and
contributions almost evenly; by 2016, parties spent less than 20% of their total funds on IEs themselves, opting instead to contribute directly to candidates, or in some cases offloading excess funds to other state and local party organizations.

These findings strongly support the argument in Hypothesis 1a: that parties are increasingly letting party-affiliated and partisan coalition groups do the heavy lifting in terms of IEs, while the parties focus on helping candidates directly. Does this back-and-forth behavior extend to state-level campaign finance laws, as we argued it might in Hypothesis 1b? To determine this, we split our sample of state-years up based on whether they had limits of various sorts in place during an election cycle, and summarized the group-level spending totals for each condition.

Figure 3, for example, shows us that different groups appear to have nuanced and dynamic reactions to legal limits on how much individuals and groups can contribute directly to

![Figure 2: Sector-level percentage of total outlays made on independent expenditures for party, party-affiliated, and partisan coalition groups by year, 2006-2016.](image-url)
candidates. First, party-affiliated and partisan coalition groups are clearly far more active spenders in electoral circumstances in which they are prevented from contributing as much as they’d like to candidates. Figure 2 showed us that these groups tend not to engage in very much contributing regardless of legal circumstance; however, parties clearly enjoy a great deal more support from these EPN groups when they are limited in what they can donate directly to their preferred candidates. This reflects findings in previous research showing how the electoral spending of other political committees have helped party organizations adapt to changes in campaign finance laws (e.g., Dwyre and Kolodny 2014, Skinner et al. 2013). Meanwhile, party organizations themselves spend similar amounts regardless of candidate contribution limits. Figure 4 displays similar patterns, demonstrating the reactions these groups have when state laws limit the amounts that individuals and other organizations can contribute to parties rather than candidates. Parties unsurprisingly have fewer funds to spend when contributions to them are limited; party-affiliated groups, refrained from contributing to state parties, engage in significantly more independent spending; partisan coalition groups, meanwhile, appear comparatively unaffected by this particular legal stricture.

![Figure 3: Total independent expenditures for party, party-affiliated, and partisan coalition groups by state-year, split by states with and without limits on contributions to candidates, 2006-2016.](image)
As argued in Hypothesis 1b, state-level campaign finance laws do appear to be significant conditioners of EPN spending habits. But examining these relationships in further detail, and through the lens of partisan competition, can help us further elucidate the broader picture. Are these three groups a complementary cohort of party-allied organizations, reacting in tandem to legal and electoral contexts? Or are they acting more independently, even if they are driven by similar factors? Correlation coefficients between the spending habits of these groups offer some answers that comport with the campaign finance results. The spending of parties and party-affiliated groups, for example, are slightly negatively correlated (-.15 Pearson correlation), suggesting that parties are spending where party-affiliated groups are not, and vice versa. Meanwhile, partisan coalition group spending is positively correlated with both other groups (.28 and .21 respectively), suggesting that while PC groups are driven to spend in similar places and times as their other EPN cohorts, they are more detached spenders from the closer network.

We can shed more light on these suspicions by breaking down these findings further, incorporating covariates for electoral competitiveness, and also by briefly analyzing IEs.
dedicated to state legislative races compared to those spent on gubernatorial contests. As members of the extended party network, we expect all three group types to be responsive to partisan competition. All three groups are directly invested (in many cases literally) in the future success of the party and its candidates, and as such will focus their resources where they can do the most good and have the most substantive effect: competitive contests and state legislative chambers.

Our findings indicate that parties and their allied outside groups in the extended network all are responsive to electoral competition, but in different and meaningful ways. Figures 5, 6, and 7 display these sectors’ average IE totals in state-years with low, average, and high race-level state legislative competition; chamber-level majority competition in state legislatures; and gubernatorial competition, respectively. Several notable trends emerge.

First, both parties and partisan coalition groups are highly responsive to both types of state legislative competition: race-level, and majority control status. State-years with the highest percentage of competitive state legislative seats attract the highest IE totals from both sectors, as do states with the most volatile majorities in their upper and lower state legislative chambers. Partisan coalition groups are also more active than average in competitive gubernatorial races. In all cases, these looser coalitions of party-allied individuals, groups, and the money that comes with them almost uniformly follow electorally competitive states and contests.
Figure 5: Average spending per state-year for party, party-affiliated, and partisan coalition groups based on race-level state legislative competition.

Figure 6: Average spending per state-year for party, party-affiliated, and partisan coalition groups based on state-level chamber majority competition in state legislatures.
Partisan coalition groups appear straightforward in their responses to both legislative and gubernatorial competition. Party-affiliated groups, however, follow a much more nuanced path, focusing almost exclusively on gubernatorial elections, and even then, on the most competitive ones. Both parties and their party-affiliated national counterparts spend only nominal amounts on gubernatorial contests when they are either not happening in that election cycle, or if they are happening but are highly uncompetitive. But parties actually spend less money in competitive gubernatorial races than they do in uncompetitive races. This, we believe, is certainly not because parties don’t care about the outcome, even amidst a razor-thin margin of victory or defeat; it is rather because, as suspected, party-affiliated organizations like the RGA and DGA are picking up the slack in dramatic fashion. In fact, nearly 80 percent of party-affiliated group spending on gubernatorial contests occurred in state-years with competitive governor’s races, despite the fact that these races accounted for only about a quarter of the state-years in our sample.

Figure 7: Average spending per state-year for party, party-affiliated, and partisan coalition groups based on race-level gubernatorial competition.
Table 2. Effects on Total Independent Spending by EPN Groups

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<tr>
<td></td>
<td>(1.98)</td>
<td>(5.62)</td>
</tr>
<tr>
<td>Limits - Any to Party</td>
<td>2.67</td>
<td>-23.0***</td>
</tr>
<tr>
<td></td>
<td>(2.80)</td>
<td>(7.95)</td>
</tr>
<tr>
<td>Limits - Party to Any</td>
<td>2.42**</td>
<td>16.1***</td>
</tr>
<tr>
<td></td>
<td>(0.95)</td>
<td>(2.70)</td>
</tr>
<tr>
<td>Race-Level Competition</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>(N/A)</td>
<td>(N/A)</td>
</tr>
<tr>
<td>Chamber Competition</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>R-Squared (Between)</td>
<td>.55</td>
<td>.62</td>
</tr>
</tbody>
</table>

Note: Results found using random-effects GLS regression; Coefficients pictured in increments of 100,000.

*p < .1, **p < .05, ***p < .01

Finally, Table 2 displays multivariate results using total gubernatorial and legislative spending totals by the three group types by state-year as the dependent variables. The first four variables concern national and state-level campaign finance legal factors; the last two track race-level competition at the gubernatorial and state legislative levels, and chamber-level legislative competition in the states (the other control variables discussed earlier are not pictured). Although the directionality and statistical significance of these variables in many cases reflect the descriptive findings, these results emphasize that it is the party organizations themselves that
appear most affected by contribution limits, at least in state legislative election spending; that party-affiliated groups do appear to be the main players in gubernatorial elections; and that race-level competition appears to be a much more significant driver of spending habits across the EPN in gubernatorial rather than legislative elections (although party organizations are clearly highly engaged with chamber-level competition for state legislative majorities). Although many variables do not reach traditional levels of statistical significance, this is likely attributable to the small sample size (N=138).

Conclusion

This paper includes preliminary analysis for the first stage of a bigger project on parties’ electoral spending. This initial step examines spending by party organizations and key allied groups in state elections, helping expand our understanding of extended party networks. We found some preliminary evidence that *Citizens United* and related decisions have had monumental effects on the extended party network and its campaign finance strategies at the state level, spurring much greater spending from allied non-party groups, in many cases to make up for stagnant or decreasing spending from the official party organizations. Instead, the parties themselves have significantly increased their contributing activities to candidates, understanding perhaps that they can rely more and more on party-affiliated and partisan coalition groups to pick up the slack in terms of IEs.

Additionally, we found that IEs undertaken by all three group types are conditioned significantly by electoral competitiveness at both the state legislative and gubernatorial levels, though in different ways that reveal much about these groups’ strategies, motivations, and incentives. Although spending activity from partisan coalition groups appears to be driven
almost uniformly by partisan competition at all levels, parties themselves and their national party-affiliated counterparts appear to have a more symbiotic relationship, particularly in gubernatorial elections. Party-affiliated groups spend the vast majority of their money on only a small number of competitive gubernatorial elections per year, whereas parties redirect their own resources into either direct contributions to candidates, or to independent spending on competitive state legislative races, and particularly in state legislatures where chamber majorities are up for grabs, as suggested by Lee (2016).

The next steps for this project include using multivariate models to better understand the descriptive trends described in this paper and adding data for the 2018 election. In doing so, we can more rigorously control for the mediating factors discussed in this paper, as well as other important state-year specifics like state legislative chamber size, professionalization, and campaign finance legal structures, to name a few.

In addition to further developing the analysis presented in this paper, we plan to address several additional research questions in the future. One additional question focuses on the involvement of national groups in state elections. How do the spending strategies of these EPN actors vary depending on the involvement of national-based groups? We know national groups are selective in which campaigns they support. Moreover, it is likely that national-based groups and state-based groups think differently about competition, resulting in different spending decisions despite a shared broad goal to support the party. For example, even without competitive races, state party committees still have an incentive to spend money, while national groups may opt to abstain from spending in the state.

Other questions we seek to answer in future research include: How do intra-party divisions or factions affect the spending of actors in the EPN? Do states with more intense
factional fights within parties see different spending behavior? How does polarization interact with competition to affect spending? When polarization is higher, do we see more general spending and/or more outside groups spending in the state’s elections? Do we see different strategies across state party organization types (e.g., state party organizations, state legislative caucus campaign committees)? Additionally, what happens when you have a high-profile governor? How does that affect groups’ spending?

References


