

# Capturing Business Power Across the States with Text Reuse

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## Summary

- When does business have more power to influence the policy-making process?
- When do legislators introduce and enact legislation that is drafted by the business interests affiliated with the American Legislative Exchange Council (ALEC)?
- Using text analysis, measure the degree to which state legislation introduced or enacted from 1995 to 2012 matches ALEC proposals drafted by firms
- Estimate that legislators derived 10,370 introduced bills and 1,573 enacted bills from ALEC proposals (0.8% and 0.7% of all bills, respectively)
- States with lower levels of legislative professionalism are most likely to introduce and enact ALEC proposals

## About ALEC

- The "[t]he nation's largest, non-partisan, individual public-private membership association of state legislators"
- Founded in 1973 by conservative political leaders
- Nearly 2000 state legislators and around 200 private sector members
- Produces and disseminates model bills and policy ideas, and more generally lowers the cost of passing business-friendly bills with research, policy, and political assistance
- Model bills are a good proxy for business's policy preferences:
  - Weakening environmental regulations (ExxonMobil)
  - Preventing tobacco regulation (Tobacco industry)
  - Loosening gun regulations (NRA/Wal-Mart)
  - Privatizing prisons (CCA)

## Data

- Model legislation
  - Approx. 1000 legislative proposals from ALEC
  - 312 progressive model bills from CPA and ALICE
- 2.4 million introduced and enacted bills from 1995-2013 for 50 US states
- 131 bills identified as ALEC-derived by watchdog groups

## Forms of Text Reuse

VA H.B. 1331 (2010)  
a proposal to outsource having a projected cost of more than 10 million in any fiscal year shall require 1 an initial business case analysis conducted by the state agency and submitted to the council the governor the president of the senate and the speaker of the house of delegates...

Council on Efficient Government  
a proposal to outsource having a projected cost of more than ten million dollars in any fiscal year shall require 1 an initial business case analysis conducted by the state agency and submitted to the council the governor the president of the senate and the speaker of the house of representatives...

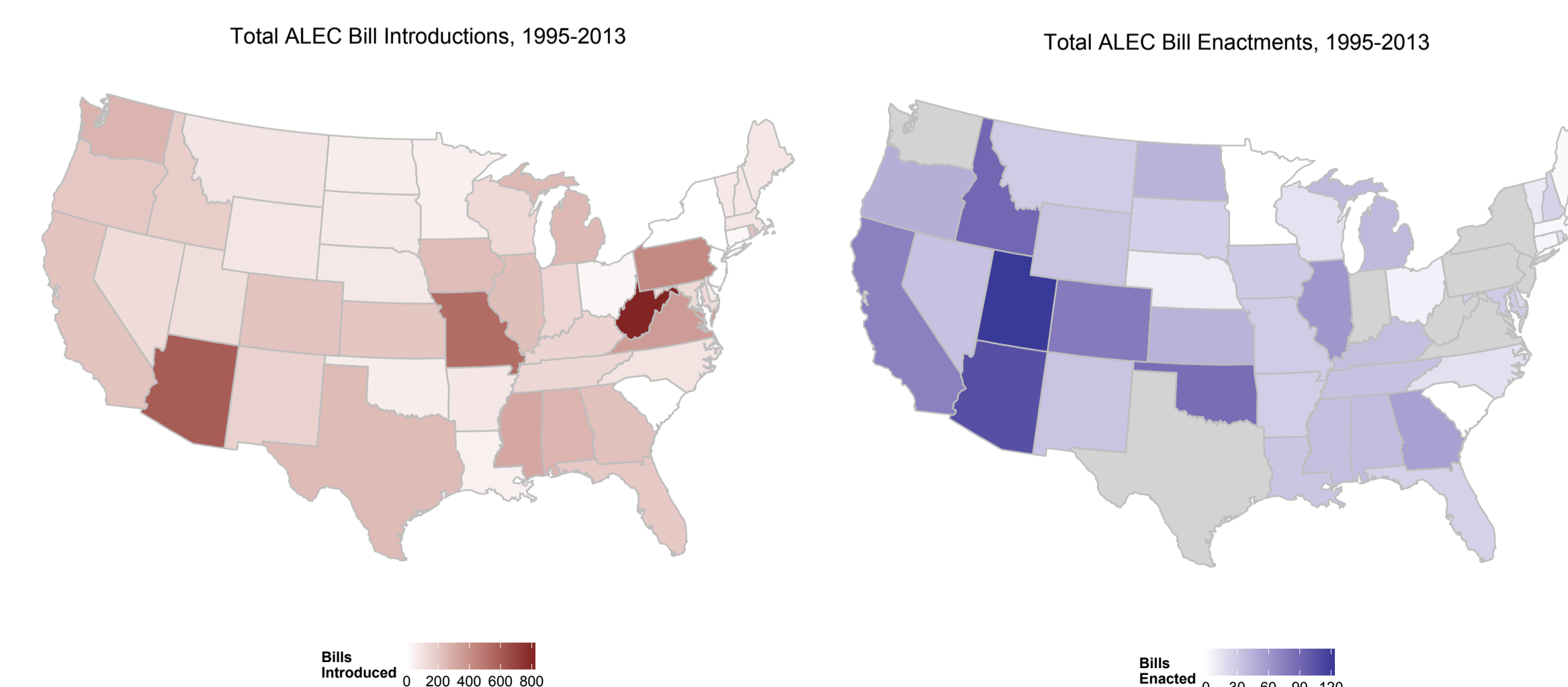
VA H.B. 10 (2010)  
No provision of this title shall render a resident of this Commonwealth liable for any penalty, assessment, fee, or fine as a result of his failure to procure or obtain health insurance coverage.

Freedom of Choice in Health Care  
The legislature may not require any person to participate in any health care system or plan, nor may it impose a penalty or fine, of any type, for choosing to obtain or decline health care coverage or for participation in any particular health care system or plan.

## Supervised Learning

- Features
  - Lexical similarity using bigrams & trigrams
  - Topical similarity: topics estimated using LDA
  - ALEC language: discriminative power of overlapping words
- Radial kernel SVM tuned using 5-fold cross-validation
- Performance: recall=100%, precision=84%

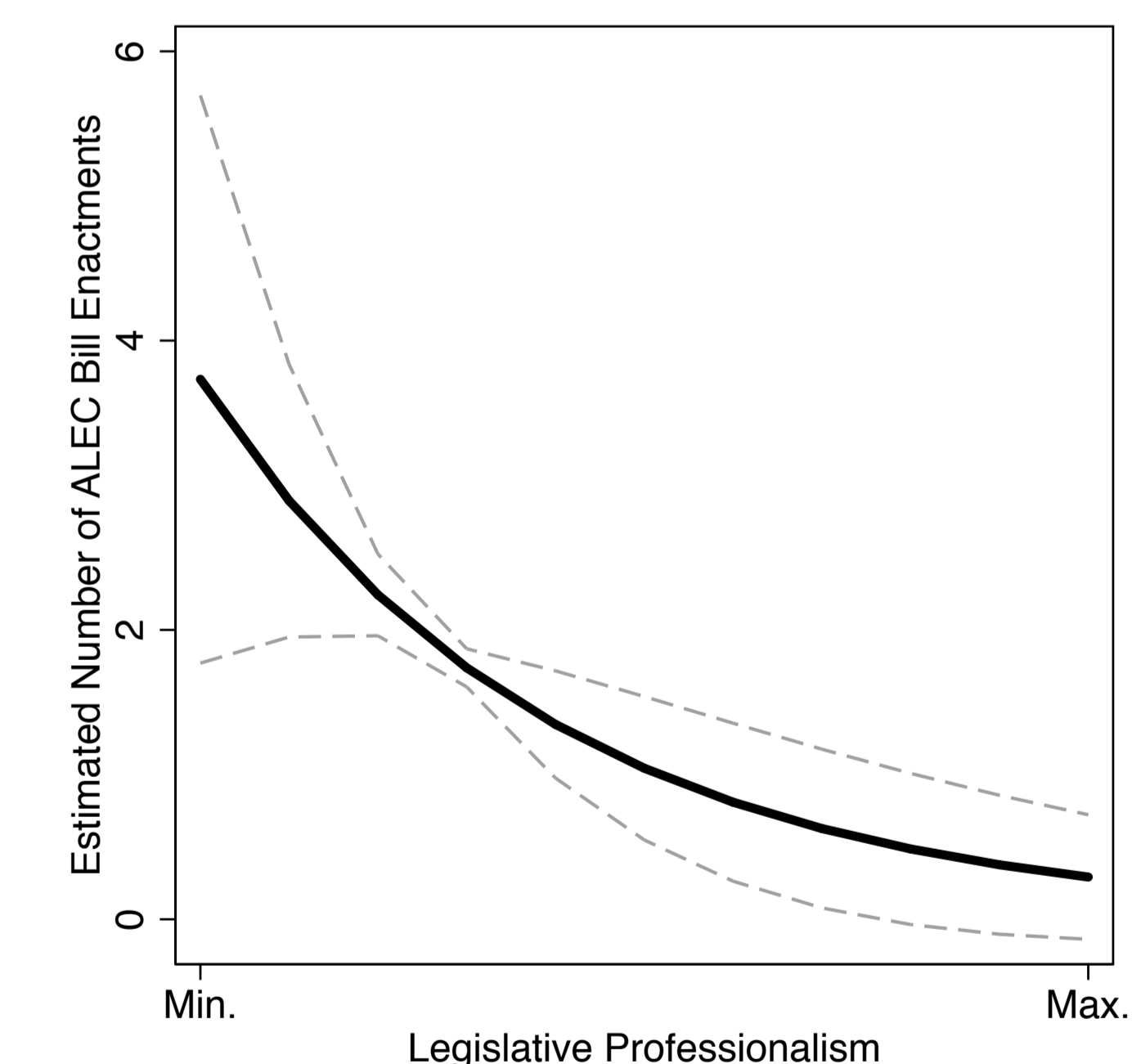
## Introduced and Enacted ALEC Bills



## Explaining ALEC Bill Reuse

- What state-level characteristics explain when legislators introduce and enact ALEC model bills?
- Test theories of business power corresponding to:
  - Power Resources
  - Economic Conditions
  - Legislative Capacity
  - Media Coverage
  - Campaign Contributions
  - Venue-shopping
- Estimate negative binomial models of counts; similar results using shares (fractional logit models)
- Most consistent explanation was legislative capacity; minimal support for other explanations.
- Consistent with past qualitative and quantitative research on ALEC (Hertel-Fernandez 2014)

## Effect of Legislative Professionalism



## Substantive Effects of ALEC Bills

- Test the substantive effect of the enactment of ALEC bills
- ALEC bill enactments (but not introductions) → lower state income tax rates and higher inequality
- ALEC mobilization may help to explain rising inequality