State Capture
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How Conservative Activists, Big Businesses, and Wealthy Donors Reshaped the American States—and the Nation

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For Nate, who reshaped my life
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PREFACE

Gene Whisnant is a genial retiree from central Oregon who loves to talk baseball. After 27 years of service in the Air Force, Whisnant decided to get involved in politics. He has served in Oregon’s lower chamber since 2003. Shortly after arriving in the legislature, Whisnant was approached by a former state senator who encouraged him to join a national association of legislators called the American Legislative Exchange Council (or ALEC, for short). Describing his longstanding involvement in that group, Whisnant smiles. While all legislators are automatically members of the non-partisan, non-profit National Conference of State Legislatures, Whisnant eagerly notes, he made the decision to join ALEC on his own. Whisnant readily paid the $50 dues each year to stay involved in the group and now is the state’s ALEC leader.

What makes Whisnant so proud of his participation in ALEC? The first thing to understand, he says, is how many state legislators in Oregon actually serve only part-time, “working their tails off” to get anything done. He is retired, giving him more time to spend on the job as opposed to his younger colleagues. Yet Whisnant does not have much help from expert staffs who could do research for him. His staff consists of his wife, who works half-time, and an aide who works three days per week when the legislature is not in session. Whisnant’s situation is far from uncommon. In recent years, Oregon legislators were paid about $23,500 per year—hardly enough for a family to live on without a second job or another source of income. Oregon, in fact, pays its legislators only a bit less than the national average in states that offer salaries to their members. The state ranks at approximately the national average for the number of staffers working for each state representative and senator as well. Across the United States, many state legislatures are run without either professional lawmakers or staffs.

Without formal help, how does a state legislator like Whisnant get the ideas, research, legislative language, talking points, polling, and expert witnesses that are needed to make policy? That’s where ALEC comes in. For his $50 per year
membership dues, Whisnant gains access to nearly 1,000 prewritten bills on a variety of social, economic, and political issues, ranging from environmental standards to health insurance regulation to tort reform and voting requirements. These bills provide a clear and easy-to-use policy agenda for conservative, pro-business legislators to follow.

But it is not just policy proposals that ALEC offers. As an ALEC member, Whisnant also gains access to a deep bench of policy researchers and experts who would be happy to help him build the case for a particular model bill from the group’s archives. He has had the opportunity to meet those policy experts in person many times at ALEC’s annual conferences. Those convenings, typically held at appealing resorts and hotels across the country, are either free or heavily subsidized for legislators and their families. “We have such limited staff that [ALEC] helps us look at things and consider them,” Whisnant explains approvingly about the group.

Whisnant’s report in a 2011 newsletter nicely explains how the ALEC process works. After attending several annual meetings and reading through the group’s materials, Whisnant decided to take ALEC-inspired action on budget reform. He first hosted a local briefing in the statehouse, which was led by visiting ALEC staffers from Washington, D.C., and also included fifty Oregon legislators, aides, and local business leaders allied with ALEC. Following that convening, Whisnant took model legislation already developed by ALEC and introduced it under his own name. Among other things, those bills would have slashed staff positions and introduced more possibilities for privatizing state services. Whisnant, then, is able to supplement his lack of legislative staff with the private resources provided by ALEC to develop, promote, and ultimately change state policy.

Whisnant isn’t alone in his enthusiasm for the group. ALEC’s membership in recent years numbered at a little under 2,000 public officials, or just under a third of all state legislators. This, of course, should come as no surprise given that legislators in so many states lack adequate resources to develop policy on their own. As a result, through processes similar to the one Whisnant used in Oregon, ALEC can claim credit for hundreds of bill introductions each year. Nearly one in five of those introduced bills, on average, turns into law.

ALEC’s model bills center, with laser beam–like focus, on corporate-friendly and conservative priorities. As we will soon see, the most common proposals ALEC advances disadvantage liberal constituencies; lift environmental, health, safety, and economic regulations on business; cut taxes on wealthy individuals and companies; and privatize state programs and agencies.

But where do those policy ideas come from? And where does ALEC obtain the funds necessary to provide such valuable services to legislators like
Whisnant? For answers to those questions, we must turn to the other half of the group’s membership: corporations and conservative activists.

**Enron’s Pitch in the Big Easy**

Before its leaders were found guilty of massive accounting fraud, Enron was a leader in the resale of electricity. Enron aimed, in essence, to develop a market for buying and selling contracts based on changes in the prices of electrical power. Its growth in this market, however, depended on its ability to buy and sell electricity across state lines and to dismantle local utility monopolies. Those were decisions that largely rested in the hands of state legislators like Gene Whisnant.

Faced with fifty different state legislatures, each with different cultures, lawmakers, and constellations of interest groups, what was a single company like Enron to do? Although Enron invested in building a stable of its own lobbyists across the states, forging relationships with friendly consumer groups and coalitions, and relying on barnstorming by Chairman Kenneth Lay and other close allies, a key element of Enron’s statehouse circuit strategy involved the same group that Whisnant praised so highly.

Enron became active in ALEC in the mid-1990s, participating in the group’s energy and environmental policy task force alongside Koch Industries, another company seeking electrical deregulation. Under Enron’s leadership, that ALEC task force drafted and approved model legislation that would deregulate state energy markets. It also produced several guides and research papers offering policy arguments and evidence in favor of deregulation that legislators could use to persuade their colleagues and constituents. Those bills and materials were then disseminated to all several thousand of the group’s elected members in legislatures across all fifty states.

As a final pitch to ALEC’s membership, Enron underwrote a substantial portion of ALEC’s annual conference the following year in New Orleans. At the 1997 meeting in the city’s Hyatt Regency hotel, Kenneth Lay delivered a keynote welcoming address to the assembled state legislators. In that speech, Lay made the case for deregulation of state electrical utilities and the interstate sale of power. On the next day of the conference, there was also a special session for legislators interested in “Creating a Free Market and Consumer Choice in Electricity” on precisely those themes.

Enron’s aggressive campaign waged through ALEC paid off. Eventually, twenty-four states adopted some form of deregulation between 1997 and 2000 at the behest of ALEC and other groups pushing for loosening electrical rules. “Enron was the only company out there lobbying and they were everywhere,” remarked one environmental policy observer about the state deregulation
Still, Enron didn’t win everything it wanted from all states. In Whisnant’s home state of Oregon, for example, Enron only managed to pass partial deregulation of the state utility marketplace. According to the Sierra Club’s chapter in that state, Enron “came in like a house of fire and we cooled their jets. Once they realized they wouldn’t be allowed to do what they wanted, they lost interest. They came in with a blatant attempt to roll the legislature and impress everyone with how important they were compared to podunk Oregon. We didn’t like it.”

But the Sierra Club’s partial victory in Oregon was not necessarily a big loss for Enron. The company was playing the whole field of states and had already won in many other legislatures. They could afford a few losses so long as there were bigger victories in other statehouses. In fact, ALEC has been emphasizing this point to businesses for some time. “In the states, if you’re trying to get [something] passed and you’ve lost in Kansas, Nebraska and Texas, it’s not a total failure. You may well win in Arizona, California and New York that year. You’ve got 50 shots,” stressed one of ALEC’s early executive directors in making a sales pitch to potential members.

Enron’s strategy in the case of electricity deregulation represents a broader lesson that other large national companies have learned since the 1980s. State governments not only set policies that affect corporate bottom lines. Statehouses also represent multiple battlegrounds where businesses have important advantages. For one thing, state legislators are often highly attuned to corporate demands, especially when businesses raise the prospect of layoffs or relocating to another state. For another, most Americans do not pay much attention to what happens within the halls of state legislatures. Some 40 percent of Americans reported in 2016 that they could not recall the party in control of either their state’s upper or lower legislative chambers. That lack of scrutiny gives businesses more opportunities to shape policy without any opposition. And state legislators, like Whisnant, often are strapped for ideas and research assistance, leaving them open to accepting substantial legislative help from private groups. ALEC lets businesses take advantage of all three of these characteristics of the states.

In this regard, Enron was not unique in its turn to ALEC. The group has boasted a membership of around 200 of the largest and most prominent companies throughout the country. Although membership in the group is not public, in the past, its corporate backers have included businesses such as Amazon, FedEx, Google, UPS, Facebook, Kraft Foods, McDonald’s, Visa, Walmart, and State Farm Insurance. ALEC’s corporate members provide the main financial support for the group’s annual budget of some $6 million to $10 million.

Companies are not the only ALEC backers, however. Although a quick review of the model bills the group has produced reveals many proposals that clearly benefit ALEC’s corporate members, there are still a number of bills not
associated with business interests. It is difficult to identify a business constituency, for instance, for ALEC’s legislative ideas related to curbing abortion access, restricting gay rights, and welfare reform. Instead, we must look to the third set of actors involved in ALEC’s creation and expansion over time: conservative activists and donors.

Conservatives Go Local to Fight Government Spending

For years, conservative activists bemoaned the fiscal profligacy of state and federal governments. Bob Williams is one such budget hawk who has spent the better part of his career looking for ways to restrain the growth of public spending at all levels of government. After receiving his undergraduate degree in business administration from Penn State, Williams spent time as an auditor for the US Government Accountability Office before eventually running for the Washington state legislature, where he served five terms. While in the legislature, Williams was responsible for proposing a number of measures related to state spending. “Without a limited and accountable government, individuals cannot enjoy the freedom and responsibility they need in order to mold a satisfactory life for themselves,” Williams has argued. Williams eventually realized he could have an even greater impact on fiscal policy working outside of the legislature. After he stepped down from office, Williams helped found the Evergreen Freedom Foundation, a state-level free market–oriented think tank operating first out of Washington and more recently in Oregon and California (it has also dropped the Evergreen from its name).

Although the Freedom Foundation focuses primarily on state-level policy, its reach now extends well beyond the Pacific Northwest. Thanks to a close association with ALEC, Williams has had the opportunity to promote proposals to reduce the size of the public sector across the United States as the private-sector chair of ALEC’s tax and fiscal policy task force. In that position, Williams has distributed a number of model bills to ALEC’s legislative membership—including the same proposals that Gene Whisnant used in Oregon. Beyond disseminating specific model bills, Williams has also participated in workshops and trainings for state legislators as part of ALEC’s annual meetings, outlining his perspective on state and federal budgets, as well as how ALEC’s legislative members can more effectively collaborate with state-level free market institutes like the Freedom Foundation “to win more policy battles and lay a foundation for continuing success” in reducing the size of government.

More recently, Williams has assisted one of ALEC’s most ambitious initiatives to date: pushing state legislatures to pass resolutions calling for the convening of an Article V Constitutional Convention, in which state delegates could pursue
amendments to the US Constitution directly, rather than by working through Congress. ALEC’s tax and fiscal policy task force envisions that state delegates to an Article V Convention could promote a “balanced budget amendment” to the Constitution, which would force the federal government, like nearly all states, to pass a balanced budget each year. Many mainstream economic experts believe that such a measure would devastate the federal government’s ability to boost the economy during recessions and spell economic disaster. Thus far, ALEC has obtained the required legislation in 28 states, including 10 passed between 2013 and 2016—only a few states shy of the threshold needed to invoke the Convention. One of ALEC’s early heads emphasized the value of this strategy, arguing that if conservatives wanted to move constitutional amendments—like a balanced budget effort—they’ll have to get 38 states to pass those things. You have to have an active support network in the states when ratification time comes.” ALEC, in her view, offered exactly that kind of support to right-wing activists.

Just like Enron, then, conservatives have found that cross-state advocacy through ALEC has been an ideal way to advance their policy priorities. Despite years of effort and organizing, fiscal hawks, for instance, experienced little success moving balanced budget legislation in Congress. But in the states, they found many more opportunities: failure in one state was not a huge loss, since activists like Williams could simply move on to another one. Casting the states as terrain on which political losers in one battle could simply transition to another was thus a key selling point of ALEC for both corporate and conservative America.

This move, first advanced by ALEC, and later, two other cross-state networks of conservatives, private-sector companies and wealthy donors, amounted to a watershed change in US politics. Together, this advocacy has produced a stark rightward shift across the states, ultimately contributing to a dramatic redistribution of political power. Gene Whisnant has described that shift as ensuring an opportunity for the private sector to check the power of government, a “give and take with the private sector.” Borrowing a term from my fellow political scientists studying developing democracies, I dub it “state capture”—or when small groups of well-resourced individuals and companies shape the political rules of the game to their advantage. The following pages spell out exactly how that capture has unfolded across the United States, one state capitol at a time, and what it all means for American politics.
ACKNOWLEDGMENTS

Achieving durable political change across the US states requires broad coalitions of diverse and committed supporters. The same, I have learned over the past six years, is true for dissertations and books. My graduate school advisers at Harvard—Theda Skocpol, Peter Hall, Cathie Jo Martin, and Kathy Thelen—have each provided their own invaluable mix of encouragement and advice. Kathy helped spark an interest in political economy and inequality during my undergraduate years at Northwestern, and has been a terrific mentor and collaborator ever since. Indeed, it was thanks to her that I saw Peter and Theda in action at a workshop on historical institutionalism in college—and decided to pursue a career in politics and public policy. After I arrived at Harvard, Peter’s generous feedback helped me enormously as I developed the ideas for the dissertation on which this book is based. And Cathie has been a terrific sounding board and cheerleader throughout the whole process.

None of this project, however, would have been possible without my chair, Theda, who has taught me so much about the careful study of political organizations over time. It has been an incredible privilege to learn from—and ultimately collaborate with—her on our research related to the shifting US political terrain. Her model of rigorous and civically engaged scholarship is a standard to which I will continually strive, and as will be apparent to readers, Chapters 5 and 6 draw from our joint work together.

Beyond my committee, I have received the very helpful advice of other scholars in writing this manuscript. Nick Carnes, Lee Drutman, Jake Grumbach, Jacob Hacker, Steve Teles, Rob Mickey, Paul Pierson, and Vanessa Williamson were especially generous with their time and comments. Numerous presentations, including at the State Politics and Policy Conference, Midwest Political Science Association meetings, American Political Science Association meetings, the University of Maine, Stanford University’s Junior Scholar Forum, the University of California, Berkeley American Politics Workshop, the Northwestern
University Comparative and Historical Workshop, the University of California, Santa Barbara American Politics Workshop, the Harvard University Seminar on the State and Capitalism Since 1800, the University of Iowa, the University of Oxford, the Tobin Project, and Yale University’s American Politics workshop all honed the arguments and evidence presented in the following pages.

I have also been lucky in the colleagues I met in graduate school; they have provided me with emotional and intellectual sustenance—and made the whole dissertation and then book writing experience fun. Noam Gidron, Kostya Kashin, Volha Charnysh, James Conran, Leslie Finger, Jeff Javed, Leah Stokes, and Matto Mildenberger deserve special thanks for their generosity of feedback and friendship. Joint work with Kostya informs the text analysis of ALEC model bills throughout the book, and joint work with Leah and Matto, in our 2017 survey of state legislators and staff, informs Chapters 6, 7, and the Conclusion.

I was fortunate to benefit from two book workshops that provided a helpful mix of feedback on the manuscript. In Washington, D.C., Steve Teles generously organized a “murder board” that included Lee Drutman, Mark Schmitt, Shayna Strom, and Vanessa Williamson. At Columbia, the School of International and Public Affairs faculty grants program supported a workshop at which Sarah Anzia, Devin Caughey, Martin Gilens, Matt Grossmann, Nate Kelly, Katherine Krimmel, Justin Phillips, Paul Pierson, Bob Shapiro, Suresh Naidu, and Margaret Weir all offered fantastic advice and reactions.

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At Oxford University Press, I am very grateful for the enthusiasm and patience of Dave McBride, as well as the anonymous reviewers for the manuscript. Their thorough comments and feedback were incredibly helpful in strengthening the book.
Above all, I am thankful for my family, who provided in equal parts support and inspiration. Throughout their careers in political organizing and higher education, my parents, Adriela and Tom, have modeled a commitment to mentorship, teaching, and service to which I aspire. My sister Sarah continues to teach me about the role that civic institutions, especially libraries, play in supporting inclusive communities. And my Minnesotan family—Melissa, John and Anna—has shown me what a commitment to public service looks like firsthand.

Finally, I dedicate this book to my husband, Nate. He has been my best friend, cheerleader, and guide for over a decade—and has made my life whole.

Alexander Hertel-Fernandez  
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ABBREVIATIONS

AALL  American Association for Labor Legislation
ACA   Affordable Care Act
ACCE  American City County Exchange
ACORN Association of Community Organizations for Reform Now
AFL-CIO American Federation of Labor and Congress of Industrial Organizations
AFP   Americans for Prosperity
AFSCME American Federation of State, County and Municipal Employees
ALA   American Legislators’ Association
ALEC  American Legislative Exchange Council
ALICE American Legislative and Issue Campaign Exchange
CASLP Conference on Alternative State and Local Policies
CBPP  Center on Budget and Policy Priorities
CEO   Chief Executive Officer
CPA   Center for Policy Alternatives
CSE   Citizens for a Sound Economy
CSG   Council of State Governments
CSI   Center for State Innovation
EARN  Economic Analysis and Research Network
EPA   Environmental Protection Agency
EPI   Economic Policy Institute
FGA   Foundation for Government Accountability
IRS   Internal Revenue Service
LGBT  Lesbian, Gay, Bisexual, and Transgender
NAACP National Association for the Advancement of Colored People
NCSL  National Conference of State Legislatures
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<tr>
<td>NEA</td>
<td>National Education Association</td>
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<td>NFL</td>
<td>National Football League</td>
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<td>NRA</td>
<td>National Rifle Association</td>
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<td>PAC</td>
<td>Political Action Committee</td>
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<td>PLAN</td>
<td>Progressive Legislative Action Network</td>
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<td>PSN</td>
<td>Progressive States Network</td>
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<tr>
<td>RPS</td>
<td>Renewable Energy Portfolio Standard</td>
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<tr>
<td>SEIU</td>
<td>Service Employees International Union</td>
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<tr>
<td>SFAI/SPP</td>
<td>State Fiscal Analysis Initiative/State Priorities Partnership</td>
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<td>SIX</td>
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State Capture
Introduction

Appearing for a press conference the day after his party had suffered unexpectedly large losses in the 2010 midterm elections, a chastened President Barack Obama conceded that Democrats had taken a “shellacking” in Congress. Most of the attention following those elections centered on the extent to which Obama’s White House would be able to “sit down with members of both parties and figure out how we can move forward together,” as the president had pledged to do. “Deep rifts divide Obama and Republicans,” led *The New York Times*, while *The Washington Post* went with “After midterm wins, GOP vows to block Obama’s agenda.”

To be sure, the 2010 midterm elections did transform the possibilities for Obama’s presidency, effectively ending any hope of additional legislative victories for the rest of his time in office. Yet in hindsight, the 2010 midterms ushered in an even more important consequence for Obama’s legacy. It was a consequence that unfolded miles away from Washington, D.C., running through state capitols from Montgomery to Madison. Before the elections, Democrats were in full control of 16 states and Republicans only 9. After election day, Republicans jumped to 21 and Democrats fell to 11. The GOP’s legislative gains are among the largest that any party has achieved since the New Deal, while the losses endured by Democrats number among the deepest.

As state governments began convening in 2011 with new Republican leaders in charge, a wave of remarkably similar proposals flooded legislative hoppers. Once-blue states like Wisconsin and Maine were now considering measures to cut back the ability of unions to engage in politics and collectively bargain; dramatically scale back access to abortions; retrench social programs like unemployment insurance, Food Stamps, and Medicaid; expand the ability of individuals to buy, carry, and use guns; and lower taxes on the wealthy and on businesses. Perhaps most importantly for President Obama’s immediate policy agenda, these newly Republican-controlled states now had the possibility of stymieing the implementation of his signature legislative accomplishment: the passage of comprehensive health reform through the 2010 Affordable Care Act.
In an era of sharply polarized parties that disagree on nearly every issue, it may not come as much of a surprise that Republicans would pursue a different legislative agenda from Democrats. But what made the 2010 state legislative transition so striking was the speed with which states began introducing and enacting a near-identical set of very conservative policy priorities.

Consider three examples: so-called stand-your-ground, right-to-work, and voter ID laws. Stand-your-ground, or “Castle Doctrine,” laws expand the rights of individuals to use otherwise unlawful—and even lethal—force to protect themselves from perceived bodily harm. These provisions attracted significant attention in the wake of the 2012 death of Trayvon Martin. Martin was a Florida teenager fatally shot by an individual (George Zimmerman) whose ultimately successful defense rested, in part, on the law. State right-to-work laws target labor unions, and remove the obligation of workers at unionized firms to pay union dues, even as unions are still legally required to represent the non-dues-paying workers just as they would dues-paying members. Right-to-work laws thus put pressure on unions’ financial resources and organizing clout. Voter ID laws, in turn, are measures that require Americans to present some form of identification when they head to the election polls. Although cast as neutral measures intended to prevent voter fraud, these provisions have the potential to make it substantially harder for minority, younger, and poorer individuals—who tend to support Democrats—to vote, since they are most likely to lack the required identification. In private settings, some conservative sponsors of these bills admit that their purpose is to indeed reduce turnout of their political opponents.

In short, all three of these bills represent conservative—and often controversial—priorities that have the potential to fundamentally change the landscape of policy across the states. As Figure 0.1 shows, before 2010 not many states had adopted all three measures. But following the GOP takeover of so many states in the 2010 elections, a number of states began adopting all three provisions, nearly simultaneously. The number of states with identical stand-your-ground, right-to-work, and required voter ID provisions jumped from just two in 2006 to eight by 2013. In all, by 2013, seven states enacted strict photo ID laws for voting, six states enacted right-to-work provisions, and four states enacted stand-your-ground laws. Where did this flood of new conservative legislation come from? In particular, how did so many states arrive at these same three proposals at nearly exactly the same time?

The answer lies with a concerted push from a trio of conservative groups operating within and outside of state legislatures. Take the explosion of voter ID laws following the 2010 elections. Of the 62 ID laws states considered during the 2011 and 2012 legislative sessions, more than half were proposed by lawmakers who shared a common affiliation: they were all participants in the American...
Legislative Exchange Council, or ALEC. In exchange for their payments of $50 per year in membership dues, those legislators had access to a draft proposal for strict voter ID requirements that ALEC’s task force on “public safety and elections” had approved two years earlier, in 2009, during a meeting in Atlanta, Georgia.

Minnesota was one of the first states to introduce legislation related to voter ID requirements after the 2010 elections. The bill was sponsored by ALEC’s chairwoman in the state, Representative Mary Kiffmeyer. In interviews with the press, Kiffmeyer strenuously denied relying on ALEC for that bill, arguing that “for people who say this is just ALEC’s bill is demeaning to me as a woman and a legislator—suggesting that we couldn’t write our own bill for Minnesota.”

“I might have a novel brain in my head and have a unique thought,” Kiffmeyer stated defensively. But a careful review by the Associated Press concluded that there were a number of similarities between the bill Kiffmeyer authored and the ALEC model bill. ALEC, for its part, similarly denied in public that it had directly inspired any of the voter ID legislation introduced since 2009. An analyst for the group argued that ALEC has “never campaigned to promote these policies [including voter ID] in the states.” An internal publication from the group told a different story. In that piece, ALEC crowed that voter ID laws were “a strong step toward the prevention of fraud at the polls” and that the group was “uniquely positioned to raise awareness and provide effective solutions to
ensure a legal, fair and open election system” through its proposals, including voter ID laws.17

The dramatic rightward swing in state policy goes well beyond access to the voting booth. As we will see, the advocacy of ALEC and other conservative cross-state networks, buoyed by outsized GOP control of the states, has threatened other accomplishments of the Obama administration, including President Obama’s landmark health reform program, the Affordable Care Act (ACA). ALEC, for instance, has produced extensive materials for lawmakers interested in repealing or stymieing the implementation of the health reform program. These state-by-state efforts to undermine the ACA may wind up being far more consequential than the aborted efforts by the Trump administration to repeal the ACA wholesale in Congress in 2017.

At the same time, however, ALEC was not going up against the Affordable Care Act on its own. While ALEC marshaled opposition to health reform within state legislatures by introducing model bills that prohibited states from accepting new federal funds or enacting policies to implement the ACA, the State Policy Network (SPN), an association of over sixty state-level think tanks focusing on free market and conservative policy, published a steady stream of research and media commentary outlining the reasons why state lawmakers should avoid participating in the Affordable Care Act at all costs. As we will see, despite SPN’s protestations to the contrary, the research and advocacy from its affiliates were anything but home-grown, often featuring the same experts writing similar reports for different states. One of SPN’s Texas affiliates, the National Center for Policy Analysis, released a report arguing that the state should “chart its own course” when it came to Medicaid expansion—ironic phrasing given that the content of that report was not exactly original, recycling many of the same arguments against expansion that other affiliates had produced.18 SPN was, in fact, nudging many of its affiliates to oppose Medicaid expansion by giving them grants to work on this issue, along with technical support.19

SPN and ALEC worked on convincing state legislatures using research, data, and expert commentary. A third cross-state conservative network—Americans for Prosperity (AFP)—adopted a more bare-knuckled approach. Activating over 2 million conservative grassroots volunteers across all fifty states, AFP regional and state staff organized protests and flooded state legislatures and governors’ offices with mailers, phone calls, and emails threatening electoral retribution if politicians dared to touch the new health reform program. One newspaper article describes the blitz that AFP created when Tennessee was contemplating expansion of its Medicaid program as part of the ACA:

AFP has spent about $300,000 on ads opposing Medicaid expansion, hosted around eight town hall meetings around the state and convinced
about 200 local activists to protest at the state capitol wearing red shirts. All six of its full-time staff have been working on the issue this year in some way, according to [AFP] Tennessee Director Andrew Ogles. . . . “When the governor began talking about it over the holidays, we really had to go into rapid-response mode,” Ogles said.20

Beyond grassroots engagement, AFP also deployed its $150 million campaign war chest to run ads against GOP state lawmakers, threatening primary challenges should they cross the party line and participate in the ACA. Together, the three conservative cross-state networks—or the right-wing troika, as I dub them—played an important role in explaining why so many states, especially GOP-controlled states, passed up lucrative federal funds to expand their Medicaid programs and, as a result, left millions of poor adults without access to health insurance.21

Table 0.1 introduces the size, scope, and function of each of the three members of the conservative troika that I will explore in this book. Numbering at around 2,000 state legislators and several hundred large companies, philanthropies, and conservative advocacy groups, ALEC pushes policy ideas, written by politicians, conservative activists, donors, and businesses, on state legislatures. Those ideas are supported, in turn, by the research, communications, and media advocacy of the State Policy Network think tanks, as well as the grassroots activists, electoral contributions, and media campaigns provided by Americans for Prosperity, through its federated presence in over 36 states and volunteer rolls numbering over 2 million.

Where did the conservative troika, anchored by ALEC and supported in more recent years by SPN and AFP, come from? How is it that these cross-state conservative networks have developed such effective strategies of pursuing sweeping changes across all fifty states? What does their success mean for the substance of American public policy and the distribution of political power in an era of growing disparities of income and wealth? And why does the left lack its own cross-state network that could check the power of the troika?

This book answers those questions. It explains how, over decades, conservative activists, supported by corporate interests and individual wealthy donors, constructed the trio of political organizations that culminated in the post-2010 shift in state policy we are living through today. As I will document, these organizations were established well before the shellacking that President Obama and his fellow Democrats endured in the 2010 midterm elections and long before Donald J. Trump’s election to the White House in 2016—dating back to 1973 in the case of ALEC. These groups also enjoyed significant political success throughout the 1990s and early 2000s even before the 2010 rout. Yet unlike other recent assessments of the right, this book argues that
the troika’s policy victories were not inevitable. There was no “master plan,” “blueprint,” or “skeleton key” that ALEC, SPN, and AFP could draw upon, to quote from other recent accounts, and it would be a big mistake to read history backward and assume that the troika’s present-day success was preordained from the start.12

Instead, conservative leaders had to learn as they went along, drawing from both their successes and missteps. That tricky and time-consuming process of building and maintaining coalitions of activists, donors, businesses, and politicians sheds important light on a broader debate on the relationship between interest groups, elected officials, and political parties. The troika, as we will see, illustrates how organized interest groups can reshape the policy priorities individual politicians—and even an entire party—end up pursuing.

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<th>Table 0.1. Introducing The Right-Wing Troika.</th>
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<td><strong>The American Legislative Exchange Council (ALEC; $8-10M per year)</strong></td>
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<td>- Thousands of state legislators, hundreds of large companies, and conservative activists/philanthropists</td>
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<td>- Develops and disseminates legislative language through policy task forces</td>
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<td>- Disseminates examples of introduced/enacted bills to lawmakers (100–200 bills based on ALEC models enacted each year)</td>
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<td>- Uses regular convenings and the provision of expert advice to encourage lawmakers (who often lack staff) to support the ALEC legislative agenda</td>
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<td>- Created in 1973</td>
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Businesses, Donors, Ideological Activists, and Party Coalition-Building

A long tradition in political science considers political parties to be creatures formed by, and made up of, teams of office-seeking politicians trying to win elections. In particular, this line of thinking views parties as solving certain dilemmas faced by ambitious politicians, including how to select and support the best-qualified candidates for office, how to mobilize potentially apathetic voters by creating a strong party “brand” and raising the resources to communicate that brand to the electorate, and how to decide which legislation to develop and vote on once in office. In this view of the political world, political parties are driven by electoral pressures to formulate policies that cater to the median (middle) voter. Party platforms, then, should hew closely to what middle-of-the-road voters prefer to maximize votes and win elections.

Typically excluded, or at best neglected, in this picture, however, are the array of other activists, interest groups, and wealthy donors that also come to mind when we think about contemporary politics, like the highly politically engaged members and staff of deep-pocketed groups like Planned Parenthood on the left and the National Rifle Association on the right, or outsized campaign givers like billionaires Tom Steyer (who gave over $91 million in disclosed federal contributions to liberal candidates in 2016) or Sheldon Adelson (who gave over $82 million to conservative candidates in the same cycle). Where do they fit in? Faced with this question, a group of political scientists has recently argued that we should think of “intense policy demanders”—well-resourced political activists and organizations seeking to change public policy—as forming the real base of political parties. Parties are best seen not as teams of politicians hoping to win and hold office (as in the older view), but rather as coalitions of activists and groups trying to change public policy. Party policy platforms, in turn, flow not from what voters necessarily want, but rather from the positions staked out by the various interests represented in the partisan coalition.

The organized interest-centered perspective offers a much more realistic assessment of party politics in the United States. For one thing, it corresponds to a broad body of research showing that most individual voters only have a murky view of government policy and tend to follow the cues given to them by politicians. For another, it acknowledges the central role that interest groups and activists play in elections and, above all, in trying to change the substance of what government does and does not do. Still, as political party scholars Katherine Krimmel, Nolan McCarty, and Lawrence Rothenberg have all pointed out, constructing alliances between groups and parties is no easy task—and it is one that the organized interests-as-parties perspective tends to underplay.
To be sure, interest groups, activists, and politicians all benefit from a close alliance with one another: organized interests and activists get to define party agendas to match their priorities, and politicians get electorally valuable resources, like grassroots volunteers, campaign cash, and policy expertise. But organized interests and activists sometimes have good reason to go at it alone and remain outside the orbit of any one given party. First, groups and activists may want to maintain ties to both parties to maximize their access when control of government switches. Second, organized interest groups banding together to support a party have to find ways of reconciling their diverse—and possibly divergent—preferences into a consistent platform. And lastly, organized interests might be wary of alienating their supporters or the general public by affiliating especially closely with one party over the other. All these concerns are especially acute for large businesses and trade associations. Not only do private-sector interests face a big downside risk of backlash from disgruntled customers or shareholders when they align themselves too closely with one party, but they also have good reason to play both sides so that they can retain access to policymakers regardless of the party in control of government.

In a similar vein to organized interest groups and companies, politicians also have good reasons to play the whole field of activists and groups and avoid a permanent coalition with any one set of outside interests. Individual politicians might want to work with activists, businesses, and groups that their party coalition does not support (such as when a Democratic politician wants help from a pro-life group, or when a Republican politician gets assistance from a labor union). Politicians might also want to shift the set of interest groups with which they work because of changes in the political agenda or other electoral pressures. Perhaps most importantly, when entering into a long-term coalition with organized groups and activists, politicians have to give up control over their legislative platform to policy-demanding interests in return for the resources such groups offer.

Faced with these competing pressures, how can organized interests and activists—and especially private-sector businesses—form enduring coalitions with one another and with politicians? A close study of the troika, and especially ALEC, reveals fresh answers to this question. Tracing ALEC’s changing organizational form over the years, we will see that it is indeed difficult for activists, donors, and businesses to enter into an enduring coalition with one another. Activists, donors, and businesses often want different things from government, and the pursuit of some goals by one camp may alienate others. ALEC, for instance, would need to come up with specific mechanisms to reconcile differences between ideological donors and activists, on the one hand, and more mainstream and risk-averse businesses, on the other.
Examining ALEC leaders’ roll-out of these organizational strategies to get activists, donors, and businesses all on the same page adds important qualifications to the party-as-organized interests theory. In particular, it shows the specific steps that political entrepreneurs need to take to get coalition members to overcome different (and possibly opposing) preferences. These strategies include creating structures that let coalition members most invested in particular policy areas set agendas in those areas, establishing clear decision rules for who prevails in conflicts between coalition members over different policy priorities, and keeping coalition activities and membership secret. The latter is especially important for publicity-shy corporate managers who might want the policy benefits of participating in a close alliance with activists and politicians—but not the potential reputational costs of angering customers, suppliers, or investors who might find companies’ partisan ties unseemly.

As we will see, when this secrecy is breached, companies face a big risk of backlash and pressure to cut their ties with conservative activists and donors.

A second lesson that emerges from the troika’s development involves strategies for shaping legislators’ stands on issues. The party-as-organized interests theory puts significant weight on party nominations as the main way policy-demanding groups and activists will try to shape the positions of a party. To get a party to support the issues that a coalition of activists and interest groups prefers, the theory goes, it is most effective to identify office-seekers who already agree with those positions and support their candidacy. Activists and interest groups can, of course, lobby already elected officials or try to sway candidates with promises (or threats) of campaign contributions and voter mobilization. Still, the authors of the parties-as-organized interests theory expect these tactics to be less effective than nominating allies right from the start. As the authors argue, “Lobbying works reliably only for policy demands that officials already favor,” and efforts to sway candidates often falter because activist and interest groups “can never be sure they are getting what they bargain for.”

To be fair, the troika, mainly in the form of AFP, has sometimes made party primaries a priority. But ALEC in particular shows a powerful alternative approach for interest group coalitions to redefine a party’s legislative priorities. While the parties-as-organized interests theory proponents are right that it is hard to get members of Congress or presidents to change their minds on policy positions once in office, the picture looks entirely different at the state level.

While state legislative candidates may run as liberals or conservatives, in many cases they have not yet identified which specific policies they favor and oppose. Many state legislators, and especially incoming legislators, simply do not have the experience in government that might otherwise be necessary to formulate concrete positions on a range of issues. For instance, about 44 percent of state legislators surveyed in 2002 said that they had never held elected office...
before, and 41 percent said that they had never served in an appointed position either (about 35 percent had served in neither kind of position).\textsuperscript{37}

The lack of clear policy positions is readily apparent when perusing the campaign platforms of state legislative candidates. Take the example of the 2016 elections for the Iowa state senate, in which Republicans finally gained a majority in that chamber, granting them full control over Iowa government. As we will see later in the book, that transition had enormous implications for the direction of Iowa state policy—yet discussion of policy issues was virtually absent from the campaign discourse of the six GOP senate candidates who ultimately flipped control of the chamber. Reviewing the platforms on their campaign websites, the six candidates scarcely provided any policy content, instead listing generic conservative principles like “our families have to live within our budgets. We need to ensure that our state and federal government does the same,” or emphasizing the need to “peel back needless regulations that hurt small businesses, kill jobs, and stop economic growth,” and renewing a commitment to “making our communities better, healthier places to live and raise families.”\textsuperscript{38} Even once elected, moreover, many state legislators simply lack the time or staff help to formulate political platforms or agendas on their own. On the same 2002 legislative survey, only 23 percent of legislators reported that they spent the equivalent of a full-time job on legislative work.

The troika—and above all, ALEC—have learned to take advantage of this lack of concrete legislative preferences and capacities.\textsuperscript{39} As we will see in more detail in the coming chapters, ALEC made an effort to provide precisely the legislative ideas, research, and political resources that many state legislators would have otherwise lacked. This has had the immediate consequence of reducing the cost to state legislators of pursuing ALEC model bills. But it has also meant that the businesses, activists, and wealthy donors participating in ALEC could, over years, define what it meant to be a conservative, pro-business state legislator. Put differently, when conservative state legislative candidates found themselves elected to the legislature, ALEC increasingly became their first resource to supply the ideas that those legislators should be promoting. This is a different, though equally important, avenue for interest group and activist coalitions to define the policy platform of a party compared to the nominations process emphasized in the parties-as-organized interests theory. In so doing, my narrative documents how interest groups like the troika may have contributed to mounting state partisan polarization and the nationalization of state politics.\textsuperscript{40} And lastly, my account shows how efforts like ALEC’s to provide model bills, research help, and political advice can not only subside the efforts of legislators who are already supportive of the same policy positions as lawmakers, but can also redefine the priorities and preferences those legislators hold in the first place.\textsuperscript{41}
Understanding the Right Turn in US Politics Across States

Aside from shedding light on the relationships between activists, donors, interest groups, and parties, the picture I provide of ALEC, and later, SPN and AFP, contributes to our understanding of the “rightward turn” in American politics since the 1970s. A number of other scholars have tackled the question of how and why conservative activists, sometimes supported by allies in the business community and wealthy benefactors, began to mobilize into politics over this period. But this book offers a distinctive, cross-state perspective on those developments. Panning out from the happenings in Washington, D.C., is important not only because it offers a wider set of cases of conservative and corporate alliance-building to examine. It is also important because right-wing activists and business leaders recognized that they could have even greater influence on American politics by pushing proposals simultaneously across the states, rather than only adopting the all-or-nothing tactic of new congressional legislation or executive action.

States, conservative organizational architects discovered, were potentially much more receptive to their proposals because of particular features of the state policy process—such as the fact that overworked and underpaid state lawmakers are often strapped for ideas for legislation and the assistance necessary to turn those bills into laws.

Focusing on the states also meant that conservative activists and business leaders could get a second shot at promoting policy ideas that failed to stick at the federal level, or that were complete nonstarters to begin with. The US states thus offered fifty different alternative arenas for the troika to pursue their objectives. As the State Policy Network put it in a recent guide for their affiliate think tanks to retrench the power of labor unions, “The only way to curb union influence is through systematic reform efforts targeting multiple states” (my emphasis). What is more, in recent times, these right-wing policy activists and corporate representatives could use legislative control of state government to stymie the progressive policies passed by liberal cities in those red states—for instance, blocking efforts by urban areas to raise minimum wages or enact paid family and sick leave programs.

By documenting the various ways that conservative activists, wealthy donors, and big business have become increasingly focused on cross-state political strategies, this book reaffirms the importance of the states as sites of policymaking. Observers of US politics and policy have all too often written off the states as trivial players on the American political scene—describing them as legislative “backwaters” or the mere “junior partners” to the federal
government. Indeed, some scholars have argued that the party in control of a state matters only a little for public policy outcomes. Progressive activists, for their part, have all too often followed those conclusions to their logical ends, deciding to focus most of their energy on Congress and the White House, rather than the states.

The following chapters tell a different story. Far from being the second-class partners of Congress and the president, I find that the states have become heated battlegrounds over important policies with real stakes for ordinary Americans. In areas as diverse as employment rights, access to health insurance, the quality of schools for children, and climate change, it is the US states—and not the federal government—that are taking action. This book also shows that partisan conflicts—spurred on by cross-state advocacy groups like ALEC, AFP, and SPN—mean that who controls the states has large and enduring consequences for American politics. As we will see, some of the troika’s most significant legislative victories—like cutting back union rights—have had knock-on effects that permanently disadvantage the liberal opponents of ALEC, AFP, and SPN for years to come. Corporate and conservative cross-state advocacy has also standardized the legislation pursued by Republican-controlled governments. The work of the troika means that the legislation passed by GOP legislatures and signed into law by Republican governors looks increasingly similar, often based on identical model bill language.

Beyond illuminating the important and growing role of the states in American governance, the analysis in this book puts earlier work on the development of the conservative movement in context. There are now a number of excellent biographical narratives of right-wing individual donors, especially the billionaire industrialists Charles and David Koch. My approach in this book is to foreground the organizations that these donors, and especially the Kochs, have created and funded, explaining how these groups have evolved and why they have been so successful in changing policy in some states and not others. To understand the lasting political influence (or lack thereof) of wealthy donors like the Kochs, we have to focus on their organizations. It is ultimately these organizations, and not the donors themselves, that are recruiting political candidates, supporting political campaigns, and lobbying legislatures.

Understanding What Businesses Want—and Get—from Politics

This book has something to contribute to debates over the role of business in politics, too. Ask campaign finance reformers or activists if there is too much corporate money in politics and they are likely to shake their heads vigorously
in affirmation, explaining to you all the ways that businesses use their financial clout to buy legislation that helps their bottom lines. But ask a political scientist the same question and you will probably get an entirely different response. In fact, one group of political scientists published a paper provocatively asking the reverse of my hypothetical question: “Why is There So Little Money in U.S. Politics?” (my emphasis).49

In that piece and others, political scientists have struggled to show a clear link between corporate political spending and policy outcomes. Some scholars, focused on individual policy battles, have shown cases where it is clear that business’ political activities have lowered taxes, slashed regulations, and maintained important subsidies.50 But other quantitative work has failed to establish a systematic relationship between business’ political spending, on the one hand, and Members of Congress’ votes on the other, or between the stands of major trade associations, like the US Chamber of Commerce, and the fate of federal policy.51 And it is challenging to detect a clear-cut relationship between the organizational heft of interest groups and their ultimate policy successes and losses.52

One important reason why it is so difficult for scholars to pin down exactly how business shapes policy is that corporate interventions often occur early on in the legislative process, shaping the agenda of alternatives that are considered by lawmakers and specific language that is drafted within a bill.53 That means studies focusing on the later stages of policymaking, and especially roll call votes, will have difficulty detecting traces of business power.

In the following pages, I am able to take advantage of the operation of the anchor group within the troika—ALEC—to move beyond roll call votes and pin down precisely how troika policy proposals, including many corporate-drafted priorities, end up in state law. Because ALEC relies on model bills to lobby state legislatures, I can compare those proposals with actual legislation to see when and where state lawmakers borrowed text from ALEC proposals. This process offers a much richer picture of where businesses, operating through the troika, got their way in state policy. It shows that businesses are, in fact, getting quite a bit for their political investments.54 It also underscores the importance of looking beyond traditional—and often crude—measures of business clout, such as counting up disclosed campaign contributions from businesses, to focus on long-term, enduring relationships between individual lawmakers and intermediary organizations, like ALEC, that grant corporate managers access to the policymaking process.55

A closely related payoff of this study of the troika, and especially ALEC, is that it shows how US businesses often keep their most controversial and ideological political participation off the public’s radar. That, of course, is a deliberate strategy on the part of businesses to shield themselves from consumer or investor backlash. But it means that researchers inferring the political positions
of businesses who look at companies’ most public involvements, like political action committee contributions or disclosed federal lobbying expenditures, will necessarily miss out on corporate participation in groups like ALEC and SPN that represent more hardline stances and strategies.\textsuperscript{56} Echoing the work of political scientists Jake Grumbach and Paul Pierson, this book thus underscores how some political observers may have too quickly assumed that big businesses are generally politically moderate.\textsuperscript{57} As we will see, many of the largest and most prominent Fortune 500 companies with relatively anodyne electoral giving were also heavily supporting ideologically-supercharged ALEC and SPN state affiliates over the 1990s and 2000s.

Lastly, this book shows how companies deal with the fragmented American political system, in which major policies can be pursued at multiple levels of government. Businesses are often torn between an impulse to push policymaking down to the lowest possible level of government and a preference for uniform, national action. To the extent that decentralization of public policy, especially tax and regulatory policy, forces states to compete with one another to attract capital and reduces public scrutiny of corporate lobbying, businesses may prefer leaving those obligations to the states.\textsuperscript{58} But, on the other hand, large companies that do business across state lines—say, a major retailer or health insurer—may actually prefer national legislation over a hodgepodge of disparate state rules. Enter a troika member like ALEC, which lets businesses have the best of both worlds when it comes to federalism: individual companies can pursue policy at a level of government where lawmakers are especially attuned to the threat of footloose capital, all while pursuing a relatively more uniform set of rules across the markets in which managers do business.

Previewing the Rest of the Book

The oldest of the three troika members, ALEC, continues to be the most important of the three cross-state networks in generating policy proposals and reaching lawmakers. Yet despite its prominence, the organization remains poorly understood. Against conventional wisdom, as Chapter 1 lays out, ALEC is best understood as a coalition of politicians, businesses, conservative activists, and wealthy donors—one that combines the sometimes conflicting preferences of all four sets of actors. Drawing on archival evidence and interviews with organizational architects and state lawmakers, I trace the historical development of ALEC from its origins in 1973 to the present day. I highlight the key players involved in its creation, and track the various strategies—both successful and unsuccessful—it has deployed over the years to attract and retain its diverse constituencies.
Detecting the influence of a particular organization, or set of groups, on public policy is no easy task. Thanks to ALEC’s strategy of pressing prewritten policy proposals on state legislatures, however, we can get a sense of the legislative reach of the right-wing troika by searching for instances of “policy plagiarism.” Those are cases where state lawmakers, like college students facing down a last-minute deadline, have copied and pasted some or all their bills from ALEC models. In Chapter 2, I describe how I have compiled an original dataset that includes nearly all state legislation introduced or enacted since the mid-1990s, along with digitized versions of about 1,000 model legislative proposals drafted by ALEC. Using new methods of text analysis, I map out where individual lawmakers and states introduced and voted on bills that plagiarized from ALEC model legislation.

Having laid out the landscape of the troika’s model bills over the past two decades through the lens of ALEC, I next turn to explain when and why legislators rely on ALEC for policy ideas, and even specific legislative language, in Chapter 3. I argue that ALEC recognized early on that many part-time and inexperienced state legislators lack the resources to develop legislation on their own. The organization could thus have great success by providing precisely the proposals, research assistance, and political support that many state elected officials would otherwise lack. I show that states were more likely to introduce and enact ALEC model bills when legislators were paid less, had fewer staffers, and were more pressed for time. I find similar results looking at the level of individual legislators, too: more inexperienced lawmakers were more likely to directly copy from ALEC model bills. Partisanship, ideology, and business pressures—though not campaign contributions—play a central role as well. Chapter 3 thus helps to explain ALEC’s patterns of success across some states and not others, and lends broader insights into lobbying and policymaking in the United States by emphasizing the importance of policy capacity for where and when policy advocates can translate their ideas into law.

Whereas Chapter 3 examined the appeal of ALEC to lawmakers, Chapter 4 switches to another constituency of this anchor in the right-wing troika: individual companies. Chapter 4 asks why companies would want to invest the resources necessary to participate in ALEC. I draw out both the costs and benefits of participation for a given business, and then explore a range of potential explanations for why some companies decide to use ALEC to shape public policy across the states while others do not. An especially important explanation for corporate participation, I show, includes policy threats that cross state lines. Businesses were especially likely to join when they were faced with the risk of government regulation or taxation across many states at once—precisely the sort of access to cross-state lobbying that ALEC was selling to corporate executives. Case studies of the healthcare and IT industries further illuminate
the importance of these cross-state policy threats to business participation in ALEC. The final section of the chapter assesses the factors that led companies to either retain their membership in the group or cut ties following public backlash in recent years. Altogether, Chapter 4 helps us to better understand how companies decide to participate in politics beyond the tactics that tend to receive the most attention in news coverage, like campaign contributions and hired guns from K Street, and how these tactics intersect with corporate characteristics and the broader political climate.

The first four chapters dedicate special attention to ALEC because of its centrality in the troika. But in more recent times, ALEC has not been acting on its own. Chapter 5 describes the evolution of, and interplay between, the two other members of the right-leaning troika of political organizations focused on the states: SPN, the network of state-level think tanks buttressing ALEC’s proposals, and AFP, the new grassroots federation established by the Koch political network. Leveraging newly compiled organizational data and records for both groups, I describe how AFP and SPN have formed alongside ALEC and pursue complementary policy objectives.

What effect has the conservative troika had on public policy—and ultimately, real-world political outcomes? Chapter 6 draws on in-depth case studies of two policies—Medicaid and government employee labor relations—to trace how ALEC, SPN, and AFP have worked hand-in-glove with one another to reshape state policies. Each case study begins with a cross-state analysis, showing the relationship between measures of the strength, organization, and coordination of the troika groups and changes in public policy. I then explore legislative battles for each policy within key states in more detail. These examples illuminate the precise roles that each organization played in promoting a common agenda of policies—including opposition to the expansion of Medicaid as part of the Affordable Care Act and support of measures to curb the bargaining rights of public employees. These case studies also show the ways in which the troika has deliberately used public policy not just as a means of achieving narrow technical objectives, but also to reshape the political landscape in ways that bolstered their own position and weakened their opponents. And lastly, the case of the Medicaid expansion battles illustrates how the troika sometimes finds itself going up against more mainstream business interests supportive of certain government programs. In these instances where the business community is internally divided, the troika often finds it harder to appeal to GOP politicians.

Switching from the right to the left, Chapter 7 poses the following question: Why were left-wing policy advocates caught so flat-footed after conservatives established and expanded the right-wing troika and began reshaping state policy? One inescapable refrain is that there is simply not enough money for liberals to fund their own cross-state networks. As I show, drawing on archival evidence,
Interviews, and surveys of state organizations, this easy lament from the left is only half right. Looking across major foundations and donors, I show that at least until recently, the aggregate resources available to progressive causes were roughly comparable to those on the right—so it was simply a matter of those resources being concentrated on national politics and local service delivery, rather than on cross-state organization-building. Funding from foundations and elite donors to progressive troika counterweights was spotty and inconsistent, and often encouraged the formation of competing groups that merely duplicated one another’s functions. Public employee unions—perhaps the most natural left-wing counterweight to the troika—were indeed powerful cross-state lobbies in some regions, but their geographic reach was never as deep as the troika’s. In addition, many government employee unions are now in decline across one-time strongholds thanks to advocacy by ALEC, SPN, and AFP and recent judicial decisions.

More generally, I also show that liberals were slow to even start considering the construction of their own cross-state networks because they had taken for granted the participation of conservatives in older bipartisan, national networks of government officials and focused their energy mainly on Congress, the White House, and, increasingly, the cities—but not the states. By contrast, right-wing political entrepreneurs realized that they could be more effective advancing their legislative agenda by building their own set of alternative state policy networks. Chapter 7 is therefore a story of incomplete and delayed political learning—one that shows how political entrepreneurs draw from their opponents to construct new strategies and organizations, but also the obstacles that those entrepreneurs can face in putting lessons from the other side into practice.

In the concluding chapter, I review the evidence presented in the preceding chapters. I next lay out the implications of my analysis for citizens and advocates who are concerned about the role of money in politics, as well as rising economic and political inequalities. In particular, I focus on the implications of troika-backed legislation for the quality of American democracy, and the ways that troika priorities—and even the troika’s strategies for pursuing those priorities—might run up against goals of political equality. The troika dampens the representation of ordinary Americans in politics and also makes it harder for citizens to hold those politicians accountable.

On the other hand, I also discuss how the troika’s activities are well within the constitutional rights enjoyed by citizens, businesses, and advocacy groups. As a result, efforts to legally ban either the money or participation of the troika are likely to be unsuccessful. Instead, I emphasize structural changes in the policymaking process that would open up the process to a broader set of actors who would bring different (and opposing) perspectives to state governance. I end the book with a call for opponents of ALEC, SPN, and AFP to construct
their own organizational counterweights to the troika—rather than merely seeking procedural reforms to shut the troika out of politics.

What This Book Leaves for Future Work

Understanding the emergence, evolution, and impact of the troika is a tall order. As a result, I leave several important issues for future work. I do not, for instance, assess the economic and social effect of troika bills, instead focusing on their political causes and consequences. No doubt ALEC, AFP and SPN’s advocacy has shaped important areas of life for Americans in different states, but it is beyond the scope of this book to consider how they have changed outcomes like poverty, economic growth, unemployment, and inequality.60

Closely related, I leave open the role of racial and ethnic politics as they intersect with the troika. Many of ALEC, AFP, and SPN’s policies surely have outsized effects on minorities—like ALEC’s past advocacy of voter ID requirements, punitive sentencing laws, tighter enforcement of undocumented immigration, and cuts to major social welfare programs. But for the purposes of this book, I leave an assessment of their disproportionate impact on African Americans and Hispanic Americans—and the role of racial resentment in potentially promoting their spread—mostly to the side.61

And finally, although I zoom in on a number of legislative battles in the states throughout the book to show how ALEC, AFP, and SPN operate, this book is not primarily about individual states. I do not tell the story of any one particular state. (Though there are excellent books that do – like Dan Kaufman’s *The Fall of Wisconsin*, *Janesville* by Amy Goldstein, and *Collective Bargaining and the Battle of Ohio* by John T. McNay.) Instead, I focus on how nation-spanning organizations on both the left and the right have used state politics to change American policy over time.

A Note on Methods

The methodological approach I pursue in the following pages is problem-driven; rather than tackling questions from any one particular methodology, I select the procedures and evidence best suited to the puzzles at hand. Accordingly, I employ diverse data and methods in each chapter, ranging from an analysis of archival materials, to new methods of text analysis imported from computer science, to more familiar methods of linear regression, and interviews with state legislators and political leaders. To ensure that the book is as readable as possible to all audiences, I refrain from presenting lengthy discussions of methods or raw
quantitative output in the main text, placing such material in appendices to each chapter.

Another methodological point is in order regarding my ability to make claims about causality. Social scientists are becoming increasingly mindful of the difficulties in arguing that one factor causes another. The gold standard for identifying such a relationship is the randomized control trial often deployed in medicine. While political scientists have successfully imported this model to study the effects of different interventions on important political outcomes (like how different campaign tactics might affect voter turnout), the model of randomized control trials is more poorly equipped to answer questions about political development, especially those focused on political organizations.

In the case of this book, I cannot go back in time to establish whether a different strategy that the troika pursued would have resulted in a different path of organizational development or political clout. Instead, I rely on a combination of strategies to pin down causal relationships. In some cases, I employ a close reading of the historical narrative, deploying counterfactuals based on the content of firsthand materials, like organizational memos and interviews. Those primary sources help to illuminate the strategic choices that key actors faced, and permit me to make qualified assessments of what might have happened to the troika if one choice had been taken over another.

In other cases, I examine causal relationships while attempting to control for factors that might otherwise account for the relationship. And lastly, in still other cases, I attempt to test causal mechanisms at different levels of analysis—for instance, demonstrating that a relationship holds across the fifty states at a single point in time, within individual states over time, and across legislators within states over time. The fact that I find the same relationships at each level of analysis helps me to be more confident that the correlations do indeed reflect causal relationships, and not necessary spurious associations. The claims I make in this book thus necessarily rely on a range of evidence, and so I encourage readers to make assessments about the plausibility of these causal claims looking at the totality of these analyses, rather than on the results of any one analysis or piece of evidence on its own. Just as the story of state capture encompasses a diverse array of actors—politicians, donors, activists, and businesses—so too does it require a diverse array of evidence.