

**“The Horizontal and Vertical Dimensions of Policy Delegation:
Institutional Politics and American Federalism, 1947– 1998”^{*}**

George A. Krause[†]
University of South Carolina

and

Ann O’M. Bowman[‡]
University of South Carolina

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[†] Associate Professor of Political Science, Department of Government and International Studies, University of South Carolina. Columbia, South Carolina 29208. E-mail: George.Krause@sc.edu.

[‡] James F. and Maude B. Byrnes Professor of Government, Department of Government and International Studies, University of South Carolina. Columbia, South Carolina 29208. E-mail: bowman-ann@sc.edu.

Abstract

The study of American political institutions has focused on policy delegation within a single level of government (horizontal delegation). In this study, we extend this body of work by claiming that vertical relationships between levels of government are important for understanding the federal government's willingness to delegate policymaking to subnational governments. We analyze content coded data pertaining to the degree of federal government policy centralization from both public laws and executive orders sources for the 1947–1998 annual period. Consistent with the descriptive case study literature on American federalism, we find that partisan differences between Democratic and Republican elected officials within a single (federal) level of government matter in its subsequent willingness to delegate policymaking authority to state and local governments. Contrary to the existing empirical evidence on policy delegation, interbranch partisan conflict at the federal level does not affect this level of government's willingness to devolve policymaking authority to the subnational level. Instead, electoral institutions at the federal level strategically delegate authority depending upon the extent to which their partisan policy preferences are in sync (or conflict) with state level political institutions based on overall policy and those coming from public laws. These findings demonstrate the importance of intergovernmental relationships in understanding the balance of power between levels of government.

“The question of the relation of the states to the federal government is the cardinal question of our constitutional system. At every turn of our national development we have been brought face to face with it, and no definition either of statesmen or of judges has ever quieted or decided it. It cannot, indeed, be settled by the opinion of any one generation, because it is a question of growth, and every successive stage of our political and economic development gives it a new aspect, makes it a new question.”

Woodrow Wilson, *Constitutional Government in the United States*. (1908: 173)

1. Introduction

The “cardinal question” raised by Woodrow Wilson nearly a century ago has not lost its relevance in the American political system. The distribution of power across governmental levels remains a fundamental issue in our democratic system of governance. Even the Tenth Amendment to the U.S. Constitution, which assigns powers not delegated by the Constitution to the national government nor prohibited by it to the states, to the jurisdiction of state governments, fails to clarify the situation. Indeed, it has intensified debates over the distribution of power within the federal system (Tolley and Wallin 1995). The U.S. federal system is characterized by a tension involving the proper balance of power between these governmental planes. As a result, the distribution of power across governmental levels is not immutable; instead it shifts in response to institutional politics, as Woodrow Wilson noted.

This issue begs the question – What causes policy (de)centralization in a federalist system? Posing this question provides a new angle for understanding the effect of institutional politics on public policy. It goes beyond investigating the distribution of power among institutions at a single level of government by requiring that the relationship between political context and the balance of powers is viewed across layers of government. On a broader normative level, this has become an increasingly vital topic of scholarly inquiry as more nations seek to restructure their systems of

governance in a federalist direction (Saunders 1995). We concur with Wildavsky's (1998: 9) sentiment on American federalism that, "Among the conundrums of centralization versus decentralization, none is hoarier, more common, or more in need of sage advice than the extent of and conditions under which delegation of power is appropriate." Unfortunately, there is a lack of systematic empirical research addressing this important question pertaining to the functioning of American government.

Our investigation attempts to provide an explanation for intergovernmental policy delegation. Specifically, our purpose is to analyze the core issue raised separately by Wilson and Wildavsky in a systematic manner by focusing on the partisan and institutional politics at both the national and state levels of government. The main theoretical innovation proposed in this study is the importance attached to the vertical dimension of institutional politics for understanding policy delegation of an intergovernmental nature. This dimension pertains to the degree of partisan-based intergovernmental conflict between federal and state political institutions. In addition, we also consider bottom-up state level partisan political influences that are capable of shaping the federal government's decisions concerning intergovernmental policy delegation. Existing studies of policy delegation focus squarely on horizontal institutional relations between the chief executive and legislature at a single level of government for policymaking occurring either at the national (e.g., Epstein and O'Halloran 1999; Lupia and McCubbins 1994) or state level (Huber, Shipan, and Pfahler 2001; Volden 2001). The approach undertaken here is a necessary refinement given that a single unit of government (national) is making such policy decisions that have direct ramifications for other levels of government. Analyzing the vertical dimensions of policy delegation can provide a more realistic account of the strategic behavior underlying

intergovernmental relations in the American federal system. For instance, one might expect the national government to be less willing to delegate policy authority when its partisan composition differs from that of state government electoral institutions. This is because rational politicians at the federal level, concerned with maximizing policy influence, prefer to devolve such authority when its policy interests are going to be faithfully represented by state political actors, all else being equal. To the best of our knowledge, existing scholarship on the subject has yet to make such a claim.

2. Partisan Politics and American Federalism

Policy delegation within an intergovernmental context is rooted in defining the proper balance of power between the central government and its decentralized counterparts. Since the infancy of the Republic when Federalists and Antifederalists shared different philosophical views concerning the proper balance of power between national and subnational levels of government, political parties have been important for understanding the practice of intergovernmental relations (U.S. ACIR 1986). Democratic (left-of-center) politicians prefer to centralize policymaking authority, Republican (right-of-center) politicians wish to decentralize policymaking authority, *ceteris paribus*.

These partisan distinctions have been valid during the post-war era, and harken back to the New Deal period of “sustained centralization of activist policymaking under the guidance of a new majority party [the Democrats] and its leadership” (Walker 1995: 117). Electing Democrats to national office came to mean national policy solutions (Palmer and Pattakos 1984; Bowman and Pagano 1994). The Republican response was to initiate policy decentralization, albeit only

nominally during the Eisenhower years (Kincaid 1998). Later “New Federalism” initiatives advanced by both Presidents Nixon and Reagan were ideologically motivated attempts to decentralize federal government authority by investing this authority in state and local governments (Conlan 1998). Thus during the post war period Democrats became associated with policy centralization, and Republicans with policy decentralization.¹ This view is supported by descriptive case studies in specific policy programs such as General Revenue Sharing (Wallin 1998), or specific policy areas such as environmental protection (Scheberle 1997). Therefore, a rise in the partisan balance of national electoral institutions favoring Republicans (Democrats) will result in less (greater) federal policy centralization, *ceteris paribus*.

The previous discussion views policy delegation in a federalist system as the product of partisan differences involving the proper balance of power between national and subnational governments. While this might prove to be a useful start for understanding the transmission mechanism underlying the conduct of federalism, it is inadequate by itself since it omits the strategic context by which policy delegation decisions are made at the federal government level concerning multiple levels of government. The next section discusses the importance of intergovernmental partisan conflict (*vertical delegation*), as opposed to interbranch partisan conflict (*horizontal delegation*) that occurs at the level where the decisionmaking locus lies, for understanding this phenomenon.

3. Distinguishing Between Horizontal versus Vertical Policy Delegation

Horizontal policy delegation refers to the decisionmaking process that leads to the delegation of policymaking power within a single level of government. These political decisions

consist of deciding how much policymaking authority to delegate to a different set of policymakers within the same level of government. This perspective views strategic behavior as being based on interbranch partisan conflict, where the decision to delegate is commonly based on the interaction of partisan policy preferences between the chief executive and legislative branch at a single level of government. The concept of horizontal policy delegation has received increasing scholarly attention in recent years. For instance, Epstein and O'Halloran's (1999) pathbreaking work on policy delegation in the U.S. national government focuses on how interbranch partisan conflict affects the willingness of Congress to delegate policymaking responsibility to the executive branch of government. Likewise, recent work by Huber, Shipan, and Pfahler (2001) and Volden (2001) separately examine the same general issues as Epstein and O'Halloran, but only at the state level. The latter works provide additional statistical leverage; thereby, allowing them to consider the theoretical implications of policy delegation when comparing split versus unified partisan control of state legislatures.

When applied to the intergovernmental context, the horizontal policy delegation perspective has two inherent limitations that inhibit our understanding of the federal government's delegation of policymaking authority to subnational entities. One notable limitation is that a conceptual mismatch exists between the locus of decision-making and the content of the public policy being constructed from the political process. Simply, the policy in question has an intergovernmental nature, while the locus of decision-making is confined to a single level of government in which such choices are being made. As a result, one can glean a partial, and thus biased portrait of the political processes that determine the extent to which policymaking authority is delegated. Another problem with a horizontal delegation focus for intergovernmental

policies is that it omits any potential “bottom-up” influence emanating from state political institutions to the president and Congress. This problem is of consequence to scholars since public policy is produced at the intersection of “top-down” and “bottom-up” forces (Sundquist and Davis 1969; Goggin, et al. 1990; Baumgartner and Jones 1993). Thus, it is imperative that both levels of government are examined when considering a federal system where each have constitutionally-protected rights and roles.

Vertical policy delegation pertains to the decision to devolve or centralize policymaking authority across levels of government. These political decisions are not only predicated on the partisan composition of state level political institutions, but also the extent to which intergovernmental partisan conflict between national and subnational political institutions occurs. Thus, inquiry into the devolution or consolidation of government authority from one level of government to another, such as intergovernmental public policies, the strategic context centers on the relationship between national and subnational level political institutions. It is true that these decisions are determined by national level political forces (e.g., federal mandates), and thus federal level electoral institutions serve as the decision-making locus. This, however, does not mean that these decisions are made in isolation within the federal government, independent of the state political context.

Let us assume that (i) national level elected officials are making policy decisions that alter the balance of government power between itself and regional governments, and (ii) the former’s goal is to maximize its policy influence. *Based on this information, we hypothesize that the federal government will be more (less) willing to devolve authority when its partisan composition mimics that of (deviates from) the partisan balance of state executive and legislative institutions,*

ceteris paribus. This vertical policy delegation hypothesis is consistent with strategic political behavior insofar that the extent to which the federal government (de)centralizes policymaking authority to subnational governments is conditional upon intergovernmental partisan conflict/concordance. This differs from the common horizontal policy delegation perspective that focuses on interbranch partisan conflict on a single level of government where such decisions are made.

Using the language of principal-agent theory, this hypothesis suggests that a principal (national government) is more willing to delegate to an agent (state governments) if the latter's policy (partisan) preferences are more in line with those of its own electoral institutions. As the partisan balance of the national government shifts in favor of the Republican (Democratic) party, it will be less inclined to devolve policymaking responsibility to subnational government when the partisan composition of state-level political institutions become increasingly Democratic (Republican). Thus the existence of partisan congruence between the national and subnational political institutions is likely to affect the extent to which policymaking authority is shifted between levels of government (i.e., vertical policy delegation). There is an empirical basis to this claim. For example, President Eisenhower advocated policy decentralization during his first term in office when the state political institutional landscape was strongly Republican with 23 states exhibiting unified Republican control (up from 16 in the previous biennium), only 14 were unified Democratic. He was substantially less supportive of decentralization by the end of his second term when unified Republican control had decreased substantially (5 states) amid a surge by the Democrats (23 states).

Accounting for the vertical dimensions of policy delegation decisions requires focusing on

the intergovernmental context in which these political decisions are made. How power is allocated—and how that allocation changes over time—cuts to the heart of American democracy. The horizontal distribution of power is important, of course, but in a federalist system, the critical consideration is intergovernmental, not inter-branch where these decisions are determined. We contend that single governmental level analyses, exclusively concentrating on presidential-congressional or governor-state legislative relationships, are problematic when analyzing issues of delegation concerning public policies of an intergovernmental nature. When it comes to American federalism, national-level institutions do not function in a vacuum, instead they operate in a multi-level, constitutionally-grounded context. The same is true, of course, for state-level institutions. Next, we direct our attention towards the data, variables, and hypotheses empirically tested in this manuscript.

4. Data and Measurement

The phenomenon under study here – the degree of policy centralization—is most appropriately gauged through actions of the legislative and executive branches, more specifically, federal statutes and executive orders.² These actions reflect the extent to which the federal government (de)centralizes policymaking authority between itself and subnational governments. The sample consists of annual observations for the 1947–1998 period. The descriptive statistics for the variables used in this analysis appear in **Table 1**.

[Table 1 About Here]

The dependent variable measures were created by examining every U.S. public law and executive order enacted from 1947 through 1998 to determine whether it possibly contained an

intergovernmental component.³ The 491 public laws and 95 executive orders with such a nature were content coded for both substance and scope. Substance refers to the extent to which the statute or order shifted power between the federal government and its subnational counterparts. It was defined and coded in the following manner: *unconstrained centralizing* = +2 (i.e., the federal government consolidated power away from state and local governments without any substantive slack), *constrained centralizing* = + 1 (i.e., the federal government consolidated power away from state and local governments yet provided them with some substantive slack), *neutral* = 0 (i.e., the net effect of the power shift toward (away from) the federal government was proportionally offset by subnational [federal] government level), *constrained decentralizing* = - 1 (i.e., the federal government devolved authority to the state and local governments with substantive restrictions), *unconstrained decentralizing* = - 2 (i.e., the federal government devolved authority to the state and local governments without any substantive restrictions). The scope concept pertains to the geographic breadth that the item contained and was coded as: *narrow* = 1 (i.e., covering a single state or local area contained therein), *moderate* = 2 (i.e., covering two or more states)⁴, and *broad* = 3 (i.e., encompassing all U.S. states). The aggregate measure for a given year was coded as:

$$Sum\ Net\ Policy\ Centralization = \sum_{i=1}^n Subs\ tan\ ce_i \times \sum_{i=1}^n Scope_i \quad (1)$$

where the sum net policy centralization score is simply a function of the multiplicative relationship between the policy's substance and its scope that is summed across all n items.

The maximum possible score for any single item is + 6, while the minimum possible score is - 6. The advantage of this measure is that gauges the *absolute* degree of policy centralization by the federal government since it takes into account the volume of such activity. The

aforementioned measure, however, does not say much about the *relative* extent to which the federal government is typically willing to centralize policymaking authority for a given statute or executive order. In order to assess this phenomenon we compute an alternative measure:

$$\text{Average Net Policy Centralization} = \frac{\text{Sum Net Policy Centralization}}{n} \quad (2)$$

where the sum net policy centralization score is weighted by the number of cases in each year.

This latter type of dependent variable has the attractive feature that it is not a function of the volume of legislation or executive orders in a given year, which varies considerably.⁵ More information on the construction of this scale and content coding of the data can be found in the

Appendix.

All of the key theoretical independent variables are related in one form or another to differences that exist between political parties. The first set of independent variables represents the partisan politics thesis which views policy centralization as a “political philosophy”. We capture this with two distinct sets of measures. The first, called “national partisan balance,” is a simple aggregate-based measure of institutional control coded +1 in years in which Republicans control the presidency and both houses of Congress, + 0.5 when the President is Republican and there is split partisan control of Congress, cases of pure divided government are coded 0, this variable equals – 0.5 when a Democrat occupies the White House and the Congress is split, and it takes on a value of – 1 when Democrats occupy the White House and possess majorities in both chambers of Congress. In addition, federal-level partisan differences in federalism are captured for the chief executive and legislative branches separately. Congressional partisan seat share is operationalized as the difference between the number of Republican seats and the number of

Democratic seats across both chambers weighted by the size of each chamber (congressional partisan seat share). Positive values indicate Republican seat shares are greater than Democratic seat shares, and vice-versa. This variable provides more information than the simple “majority party” variable frequently used in congressional research. With regard to its effect on the national government’s effort to centralize, the expectation is of a negative relationship since federal policy centralization should be associated with a declining balance of Republicans in electoral institutions. Political parties’ impact on federalism should also be felt through presidential administrations. Presidential partisanship is operationalized as a dummy variable that equals one during a Republican administration and zero otherwise. This coefficient is also hypothesized to exhibit a negative sign since Republican administrations will prefer less policy centralization (greater policy decentralization) than Democratic presidents, all else being equal.

Decisions by the national government, we contend, may be influenced by the state political environment consistent with bottom-up theories of the policymaking process (Anton 1989). Each model specification includes a second set of variables that reflects partisan control of state executive and legislative institutions. The first measure is state partisan balance that is measured the same as national partisan balance: +1 indicates unified Republican control, +0.5 is applied in instances of Republican governor with split partisan control of the legislature, 0 for instances of “pure” split branch divided party government are coded 0, – 0.5 in states with Democratic governors and split partisan control of the legislature, – 1 signifies unified Democratic control.⁶ States with a greater balance of Republican (Democratic) elected officials will prefer greater devolution (centralization) of policymaking authority by the federal government, thus suggesting an inverse relationship between this variable and the net policy centralization dependent measures.

Because states vary in their political importance to federal level elected officials, we weight these raw partisan scores by the population in a given state at that particular point in time. Each state's partisanship score is multiplied by the state's proportion of the U.S. population to create the variable, state partisan balance. Thus, if Republicans have unified control of 25 states and Democrats have unified control of 25 states, their partisan balance is not necessarily equal because, in all likelihood, the population is not distributed equally across each subset of 25 states.

Institutional differences of a partisan nature pertaining to Congress and the president must also be considered. The divided/unified government distinction comes in two distinct variable operationalizations. The first is the "folded" national partisan balance measure described above that is equal to the absolute deviation of this value from zero in the pure divided government case. More positive values of this variable represent less partisan interbranch conflict than either less positive or negative values of the original measure that it is based upon. The other divided/unified government measure is an interaction term. In it, partisan seat shares are multiplied by + 1 during Republican administrations and - 1 by Democratic administrations in order to keep the sign changes consistent with such partisan differences. More positive values indicate greater partisan convergence between the legislative and executive branches of government, and more negative values reveal greater partisan divergence. Thus, higher (positive) values should result in greater policy centralization, while lower (negative) values should produce increased policy delegation to the subnational level. Conditions of partisan congruence at the national level increase the probability of achieving preferred outcomes thus there is little incentive to shift power.

Most importantly, the three remaining partisan-based variables are interaction terms that account for the vertical dimension of policy delegation explained by intergovernmental partisan

conflict between national and state level political institutions. We anticipate finding that partisan synchronicity will prevail among institutions across levels of government. That is, when federal-level Democrats scan state institutions and find Democrats in control, they are more willing to shift power. Similarly, when the federal-level Republicans are in ascendance, their willingness to decentralize will be increased when Republicans control state institutions. This can be captured by three interaction variables accounting for the vertical dimension of policy delegation through institutional politics. State partisan balance is multiplied by national partisan balance to create a comprehensive national-state partisan interaction term, and also by congressional partisan seat (legislative-specific interaction term) as well as by a presidential partisanship (presidential-specific term interaction term). Each of these measures taps into the partisan congruence between national and state level political institutions. These variables help clarify the importance of party synchronization between levels of government that will allow us to assess the strategic context by which such decisions are made. Simply, we anticipate finding that partisan synchronicity is a crucial condition for federal policy delegation to take place. Thus we expect each of these three variables to be inversely related to the policy centralization efforts of the federal government.

In addition we control relative federal government growth's impact on policy centralization since it might affect the federal government's willingness to concentrate or diffuse power to state and local governments. We hypothesize that as federal government spending growth rises relative to gross domestic product in the previous year, national-level political institutions will prefer to acquire policymaking power at the expense of subnational governments. This is because the widening relative size of government enables it to exploit economies of scale for policymaking functions, and hence, provides it with a greater appetite for engaging in such

activities at the national level. In a different vein, greater institutional centralization has been shown to be associated with an expanding public sector because it will lack sufficient veto points to thwart desires for increased public expenditures (Cameron 1978; Lowery and Berry 1984). Therefore, we hypothesize that enlarging the capacity of the federal government will result in a greater desire for it to undertake policymaking. Also, an annual average presidential approval (based on the Gallup job approval rating) is incorporated into the executive order issuance models of intergovernmental policy delegation that reflect unilateral presidential action. We hypothesize that more popular presidents will be more apt to take policy matters into their own hands compared to less popular presidents who will be apt to delegate policymaking activities to subnational governments so that they can handle “bread and butter” issues such as the economy and foreign policy where their electoral fortunes typically rest.

5. Empirical Findings

Times series graphs of the federal net policy centralization index from 1947 to 1998 appear in Figure 1. Both the average and sum scores are plotted for the total data set as well as for public laws and executive orders. The patterns reflect the flexibility of the U.S. federal system: centralization behavior ebbs and flows. Figure 1 also suggests differences in the use of public laws and executive orders as instruments of centralization.

[Figure 1 About Here]

The statistical results examining variations in both average and sum of total net policy centralization indices appear in **Table 2**. These dependent measures are comprised from both public laws and executive orders. Preliminary analysis revealed instances where extreme outlying

observations occur. We report the models that do not control for these outlying observations, and also those that do account for this idiosyncratic variation that can potentially result in biased statistical inferences.⁷ In addition, a heteroskedastic–autocorrelation consistent estimate of the covariance matrix proposed by Newey and West (1987) is employed in those models experiencing a residual correlation problem.⁸ The “horizontal” political variables pertaining to the locus of decisionmaking on the federal level of government are shaded in light grey in Table 2, while the “vertical” political variables capturing bottom–up influences from state political institutions as well as the degree of partisan conflict between national and state institutions are shaded in dark grey.

These findings clearly show that interbranch partisan conflict, which is thought to be of vital importance in the study of policy delegation, is generally not a significant predictor of the degree to which the federal government devolves or concentrates its policymaking power. In only a single instance do we obtain any evidence suggesting that the degree of interbranch partisan conflict has a statistically meaningful impact on policy delegation decisions made at the federal level (Model 6). Hence, overall these results indicate that the horizontal dimension of federal policy delegation grounded in federal-level partisan differences does not noticeably affect the actual balance of policymaking authority between the national government and the states.

[Table 2 About Here]

These results, however, reveal that the vertical dimension of policy delegation, in the form of the degree of intergovernmental partisan conflict between national and state level political institutions, is crucial for understanding policy delegation in a federal system. For instance, each one unit increase in the partisan synchronization between federal and subnational partisan

executive and legislative institutions across models (1) and (2) yields about three-fourths ($-.11 \times 4.86 \approx -.54$) of a decline in total average net policy centralization in a given year. This impact is considerably larger for the unbounded sum total net policy centralization measure for obvious reasons. When national institutions are broken down, the conditional effect of a one standard deviation increase in the partisan balance of Congress favoring Republicans with a one standard deviation increase in the Republican balance of state executive and legislative institutions yields about a one-half point ($-.004 \times 25.19 \times 4.86 \approx -.49$) unit drop in the average total net federal policy centralization index. Likewise, we observe that the conditional effect of a Republican president with a one standard deviation increase in the Republican balance of state electoral institutions yields about an eight ($-1.638 \times 4.86 \approx -7.96$) unit decline in the sum of the total net federal centralization index. These results support our theoretical argument concerning the strategic behavior of “vertical-minded” politicians by demonstrating that the degree of intergovernmental partisan conflict plays a notable role in the federal government’s choice to consolidate or diffuse its policymaking authority.

Consistent with anecdotal evidence on American federalism (Bowman and Pagano 1994; Palmer and Pattakos 1984; Walker 1995; Conlan 1998), partisan political differences involving federal electoral institutions have a significant effect on the extent to which it is willing to decentralize authority to subnational governments. For instance, the difference between unified partisan control of government and pure divided party government (where one party controls Congress and the other the White House) yields about a 1.4 unit (Average model) and 21 unit (Sum model) per annum difference respectively in federal government total net policy centralization. Each one standard deviation shift in the partisan balance favoring Republicans in

Congress will lead to a seven-tenths ($-.028 \times 25.19 \approx -.71$) unit drop in equation (4) and nearly an 18 unit fall ($-.714 \times 25.19 \approx -17.99$) in equation (6) with respect to total average and sum policy centralization, respectively. The substantive impact of the former result is not trivial given that it is almost one-half the size of the standard deviation in this measure that is theoretically bounded between -6 and $+6$. Moreover, the federal government centralizes average policy making authority to state and local governments on an annual basis by about -1.61 units during the sample period.

At the same time, however, we obtain mixed evidence that the partisan balance of state-level electoral institutions play a vital independent role in federal policy (de)centralization efforts. In three out of four instances, we observe that as state-level elected officials become more Republican in aggregate, the federal government becomes more willing to decentralize policymaking authority *on average* for a given piece of legislation or executive order. It should not come as a surprise that the force of state political influence on federal policy delegation is more so indirect (or conditional on national partisan landscape) than it is direct. After all, the locus of decision-making power lies with the federal government as to whether it wishes to delegate or centralize policymaking authority in relation to subnational governments.

Disaggregating the data set into its two components, public laws and executive orders, allows us to further explore the relationships. **Table 3** presents the analysis regarding the passage of public laws. These findings closely resemble the total net policy centralization results discussed in the preceding paragraphs. Once again, federal interbranch partisan conflict does not generally seem to influence the extent to which the federal government delegates policymaking authority to state and local governments. Conversely, intergovernmental partisan conflict is

[Table 3 About Here]

vital for understanding whether the federal government wishes to devolve policymaking responsibility to the subnational government level, or augment its own policy authority at the expense of the latter. As we observed in the preceding statistical analysis, intergovernmental partisan conflict between federal and state political institutions is important for understanding variations in the amount of policy centralization by the federal government via legislative statute. Moreover, this also holds true for both Congress and state executive and legislative branches (Average models) and the president and state institutions (Sum models) variables regarding the creation of public laws. These results uncover a vertical dimension to policy delegation decisions that reflect the extent to which partisan politics are synchronized between federal and state level democratic institutions, as well as the state (partisan) political context in isolation. This holds true for both sets of operationalizations capturing the vertical dimension of federal policy delegation. Thus, the horizontal dimension to intergovernmental policy delegation is not centered on the partisan conflict among national-level elected officials, but instead reflects the partisan composition of federal level executive and legislative institutions.

Specifically, national level partisan politics exerts a noticeable impact on policy centralization through distinct policy preferences. This is true for the omnibus partisan balance measure of national electoral institutions as well as the Congress and president variables analyzed separately. In the latter situation, one finds that congressional partisan seat balances have an important impact on both the average and volume of federal government policy delegation. This pattern in the data is consistent with the results obtained with the analogous public law and executive order combined dependent measures. In addition, state partisan balance variables show

support for the importance of state level differences in partisan preferences concerning the extent to which the federal government *typically* centralizes policy authority via the statutes it creates. This latter finding uncovers the direct influence states have on the federal government's decision concerning the extent to which it wishes to consolidate or devolve policymaking authority to subnational entities.

The final analysis involves variations in policy centralization by the federal government appearing in the form of executive orders issued by presidents. These results appear in **Table 4**. The partisan balance of national executive and legislative institutions exerts a potent effect on both the per annum average amount of (de)centralization contained in a given executive order as well as its volume. The partisan balance of national political institutions in aggregate or disaggregate formulations influences the policy content of executive orders issued by presidents. For instance, each one standard deviation rise in the national partisan balance of executive and legislative institutions variable results in almost a sixth-tenths ($-2.297 \times .60 \approx -1.38$) unit decline in average amount of decentralization contained in the typical executive order during the post-war period. Furthermore, this effect is slightly stronger for Congress than it is for presidents (e.g., Model 15: $-.063 \times 25.19 \approx -1.59$ and $-2.363 \times .50 \approx -1.18$, respectively). Interbranch partisan conflict among federal electoral institutions, however, does not affect the extent to which presidents choose to shift policymaking power between federal and subnational governments.

[Table 4 About Here]

By and large, the vertical dimension of federal policy delegation does not affect presidents' use of executive orders in order to shape the relative balance of policymaking authority between national and subnational levels of government. This differs from the results based on both total

and public laws net policy centralization, where the state political context plays a vital role in matters of policy delegation. Since executive orders reflect unilateral action by presidents (Moe and Howell 1998), thus one might expect intergovernmental partisan conflict between the president and state governments to only be relevant for explaining the use of this policymaking tool for policy delegation purposes. Presidents have disincentives to use executive orders in responding to intergovernmental partisan conflict by altering policymaking authority between the levels of government. Specifically, presidents face considerable political costs associated with the policy actions that they undertake (Light 1999). If one takes a distributive view of legislative institutions, it is natural to posit that Congress will not wish to have its policymaking power handed over to (or acquired from) subnational levels of government in a unilateral fashion without its consent. Thus, the use of executive orders by presidents for such purposes risks the rapid depletion of their political capital. On another level, while executive orders contain policy substance much like legislation, they are generally used as a complement to legislative statutes, as opposed to being a substitute for such measures (Gleiber and Shull 1992; Gomez and Shull 1995; Krause and Cohen 1997). Thus, this could dampen the president's incentive to employ executive orders. For instance, only a small fraction of executive orders penned by presidents exert a considerable discretionary policy impact (Light 1999:117; Schramm 1977). Further, these actions are viewed as often being short-run solutions that serve as a vital precursor to legislative action (Light 1999: 118). One expects a rational president not to be inclined to employ executive orders as a means to shift the balance of power in the American federal system because the expected costs outweigh the expected benefits from such a course of action.

While relative government spending generally does not affect the shifting of policymaking

authority between the national and subnational levels of government via executive order issuance, presidential approval does have its intended impact. Specifically, more popular presidents are more apt to take actions that centralize policymaking authority than their less popular counterparts are. This implies that presidents experiencing greater job approval are freed up to pursue policymaking activities for the executive branch of the federal government that they otherwise would not be able to undertake during less sanguine times. To sum up, it is clear that the vertical nature of partisan conflict, and not the horizontal dimension, is central for explaining both overall and public-law oriented efforts by the U.S. federal government at defining the contours of American federalism during the postwar era.

6. Implications

Tension between the national and regional governments is a byproduct of the American federalist system. Our aim has been to address this issue by focusing on the national government's decision to centralize or devolve policymaking authority to subnational counterparts. We concur with Woodrow Wilson (1908) that the boundaries defining the sphere of government action by the federal government vis-a-vis subnational governments vary based upon the political context at the particular point in time. In this study, we attempt to statistically analyze the sources of systematic variation in the balance of policymaking authority between these levels of government. Existing scholarship on policy delegation focuses solely on interbranch partisan conflict along a single level of government--the horizontal dimension of this phenomenon (e.g., Epstein and O'Halloran 1999; Huber, Shipan, and Pfahler 2001; Volden 2001). Instead, we argue that intergovernmental partisan conflict (vertical dimension) between national and state level political

institutions and the political context of state entities affected by decisions made by the former are critical for understanding policy delegation of a federalist nature. Our statistical evidence supports our thesis. Furthermore, we also find that vertical partisan conflict among political institutions has increasingly affected federal policy delegation over the past four decades, while horizontal partisan conflict has not.

In addition, our results provide strong support for the proposition that Democrats in the White House and Congress prefer to centralize policymaking authority while their Republican counterparts wish to devolve such responsibility to subnational governments. While this claim has been made in anecdotal or descriptive studies, there has been no systematic empirical support lending credence to this premise in a generalizable fashion.

The empirical findings of this study have several important implications for understanding the essence of American federalism. First, we confirm the casual observations found in qualitative descriptive studies on American federalism that show a fault line exists within electoral institutions between Republican and Democrats as to the proper balance of policymaking authority between the national and regional governments. Partisan politics matters. Electing Republicans has led to greater decentralization, while putting Democrats in office has generated more centralization (Bowman and Pagano 1984; Palmer and Pattakos 1984; Walker 1995; Wallin 1998).

Second, both horizontal and vertical dimensions of policy delegation must be considered when the policies in question are of an intergovernmental nature. This requires not just a focus on the institutional political context at each level of government (horizontal), but also across levels of government (vertical). The vertical dimension, however, leads us to conclude that the federal government employs a strategic decision-making calculus, whereby its willingness to devolve

policymaking authority to subnational counterparts is conditioned by the extent to which federal and state political institutions are in concordance (or conflict) with one another. Thus national level political principals are more willing to grant policymaking discretion to state level political agents when the former's partisan policy preferences are more consistent with those reflected at the national level. This finding makes sense when one considers that a principal will be more willing to grant discretionary authority when it has an agent whose policy preferences more closely mimic his/her own.

Finally, we observe mixed empirical support that bottom-up influence emanating from state level electoral institutions possesses a limited, yet nontrivial impact on the federal government's willingness to devolve policymaking authority to subnational governments. Even as the American federal system has become more centralized over time, states have retained substantial political clout. This is particularly interesting in light of U.S. Supreme Court rulings that have dismissed the Tenth Amendment pleadings of states in favor of more "political" solutions to intergovernmental disputes.⁹ State-level political influence on federal policy delegation is considerably more noticeable when it is indirectly conditioned by national partisan political forces than directly on its own. This is to be expected given that the decision-making locus resides with the federal government in deciding whether to delegate or consolidate its policymaking power. Nonetheless, policymaking in the U.S. federal system is properly conceived of in both "top-down" and "bottom-up" terms.

Two broader lessons can be taken away from our investigation that enhance our understanding of American federalism from a normative perspective. The first lesson is that the federal government's propensity for (de)centralizing policymaking authority goes well beyond a

single administration's pursuit of defining a particular brand of federalism, such as Nixon or Reagan) consistent with their own views on the proper role of national-regional government relations (Conlan 1998). Shifting the balance of power in either direction requires institutional politics that transcends a single individual at a particular point in time.

Another important lesson is that the Constitution allows for considerable political maneuvering in defining the actual balance of power between national and subnational governments. As a result, the dynamics of institutional politics will help bend and shape American federalism to be responsive to the needs of the polity via its elected representatives at any given point in time. This finding validates what is often held out to be one of the fundamental advantages of a federalist system noted by Woodrow Wilson nearly a century ago: its flexibility.

APPENDIX

The dependent measures we constructed here came from a content coding of relevant U.S. public laws and executive orders issued by the federal level of government. Developing a measure of policy (de)centralization involves several considerations, including the items to be measured, the time period, and the measurement strategy. The phenomenon we are trying to capture--the degree of policy centralization--can be gauged through actions of the legislative and executive branches, more specifically, federal statutes and executive orders. These actions demonstrate the federal government's commitment to policy (de)centralization and meet the test of validity. It is essential to account for actions over a sufficient period of time, so that aberrational years are not misidentified as typical. This study extends from the immediate post-World War II period through 1998-- an expanse of 52 years.

The final consideration is the measure itself. The measures proposed here were created in the following manner. First, every U.S. public law and executive order enacted from 1947 through 1998 was examined to determine whether it contained an intergovernmental component. Those found to be relevant by at least one research assistant and both authors were further examined and content coded. The content coding was based on both the *substance* and *scope* of the item discussed in the text of this manuscript. Save for the substance and scope coding, all public law and executive order items coded were weighted equally as single items. We feel that this coding rule decision makes practical sense for two reasons. First, placing differential weights on items that are "more important" than others given the same geographic jurisdiction (*scope*) is highly subjective and potentially misleading. For instance, P.L. 89-754, the Model Cities Act, is a highly salient or visible bill, but P.L. 90-576 which amends the Vocational Education Act of 1963 is of equal or perhaps greater intergovernmental importance even though it is not a salient bill. Also,

there is a precedent for an equal weighting decision in the study of both public laws (e.g., Mayhew 1991; Epstein and O'Halloran 1999) and also for executive order issuance (Mayer 2000). We did not subdivide the items into substantive policy components because we are interested in net policy (de)centralization in the aggregate, and furthermore, many policy areas do not have enough relevant items to construct such a scale with meaningful variation.

Whether the program represented a consolidation of power or instead, a dispersion of power to the states, was a matter of degree. If states were merely granted some leeway in achieving federally-set standards, we coded it as a case of constrained centralization. Many of these actions involved the incursion of the national government into policy territory that had been the states' purview. However, if the federal action empowered the states by letting them create and operate their own programs, it was considered a case of constrained decentralization. Over the study period, there were far more unconstrained centralizing actions (e.g., President Eisenhower's Executive Order 10730 that sent federal troops to a high school in Little Rock, Arkansas to enforce a federal court order) than there were unconstrained decentralizing actions (e.g., President Reagan's Executive Order 12612 that established "fundamental federalism principles" to guide the policies of federal departments and agencies). Some of the statutes contained countervailing substantive provisions of similar weight and had a net effect of zero. For example, the 1998 Crime Identification Technology Act of 1998 (P.L. 105-251) established an interstate compact (a decentralizing act) and established a grant program with strings attached to it (a centralizing act). An example of constrained centralization can be found in the Children's Justice and Assistance Act of 1986 (P.L. 99-401) which created a federal program, but provided states some flexibility in meeting the federally set standards. An illustrative case of constrained decentralization was the Housing and Community Development Act of 1974 (P.L. 93- 383) that

authorized states to develop their own state plans and operate their own programs, subject to federal review.

Content coding is dogged by the potential for measurement error (Krippendorff 1980). Both authors content coded each item separately, and hence, intercoder reliability tests were performed on this data. Individual-level correlations in coding were quite high¹⁰ ($r = 0.900$ for public laws, $n = 461$; $r = 0.936$ for executive orders, $n = 95$), as were the Cronbach alpha statistics computed¹¹ ($\alpha_{\text{Public Laws}} = 0.978$; $\alpha_{\text{Executive Orders}} = 0.986$). The coding of the aggregated (annualized) measures were also highly reliable based on the intercoder reliability tests ($\alpha_{\text{Total Net Policy Centralization--Average}} = 0.990$, $\alpha_{\text{Total Net Policy Centralization--Summed}} = 0.986$; $\alpha_{\text{Public Law Net Policy Centralization--Average}} = 0.992$; $\alpha_{\text{Public Law Net Policy Centralization--Summed}} = 0.987$, $\alpha_{\text{Executive Order Net Policy Centralization--Average}} = 0.983$; $\alpha_{\text{Executive Order Net Policy Centralization--Summed}} = 0.992$).

Moreover, since our search and inclusion of both relevant public laws and executive orders was exhaustive, we believe that this is not a troublesome issue. Legislation that simply extended an earlier public law (e.g., "P.L. 88-48 is extended for one year") was excluded from study, but legislation that extended and amended an existing law was included. Legislation that involved land transactions between the national government and states and localities (e.g., P.L. 88-553, which conveyed land from the federal government to a local jurisdiction in California) and legislation that simply allocated funds (e.g., P.L. 99-4, which apportioned funds for construction of interstate highways in fiscal years 1986 and 1986) were also excluded .

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TABLE 1**Descriptive Statistics**

Variable	Mean	Std. Deviation	Minimum	Maximum
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Dependent Variables

Sum Total Net Policy Centralization	20.85	23.27	- 28.00	91.00
Average Total Net Policy Centralization	1.61	2.03	- 6.00	4.58
Sum Public Law Net Policy Centralization	17.62	20.27	-21.00	81.00
Average Public Law Net Policy Centralization	1.72	2.15	-6.00	6.00
Sum Executive Order Net Policy Centralization	2.79	6.54	-9.00	31.00
Average Executive Order Net Policy Centralization	.87	2.46	-6.00	6.00

Independent Variables

National Partisan Balance of Executive & Legislative Institutions	-.25	.60	- 1.00	1.00
Congressional Partisan Seat Share	- 26.19	25.19	-71.63	34.05
Presidential Partisanship	.54	.50	0.00	1.00
Folded Measure of National Partisan Balance of Executive and Legislative Institutions _t	.44	.47	0.00	1.00
Congressional Partisan Seat Share × Presidential Partisanship	- .45	36.52	- 60.43	71.63
Real Government Spending as a % of Real GDP	19.59	2.59	11.60	24.80
State Partisan Balance of Executive and Legislative Institutions	- 4.33	6.16	- 16.14	7.92
National Partisan Balance of Executive and Legislative Institutions × State Partisan Balance of Executive and Legislative Institutions	2.00	4.86	- 6.15	16.14
Congressional Partisan Seat Share × State Partisan Balance of Executive and Legislative Institutions	232.21	278.43	- 68.00	927.42
Presidential Partisanship × State Partisan Balance of Executive and Legislative Institutions	- 1.02	7.48	- 15.39	16.14

TABLE 2
Empirical Models of Horizontal and Vertical Delegation in American Federalism (1947–1998)
 (Dependent Variable: Total Net Policy Centralization [Public Laws & Executive Orders])

Independent Variables	Average Total Net Centralization				Sum Total Net Centralization	
	(1)	(2)	(3)	(4)	(5)	(6)
Constant	- 2.568 (2.380)	-1.605 (2.001)	- 1.309 (2.373)	- .375 (2.001)	- 38.336* (24.191)	- 45.829** (25.51)
National Partisan Balance of Executive and Legislative Institutions _t	-1.444** (.666)	-1.415*** (.558)	_____	_____	-20.995*** (6.643)	_____
Congressional Partisan Seat Share _t	_____	_____	-.041** (.020)	-.028* (.017)	_____	-.714*** (.219)
Presidential Partisanship _t	_____	_____	- 2.291** (1.031)	- 1.593** (.881)	_____	- 12.124 (11.089)
Folded Measure of National Partisan Balance of Executive and Legislative Institutions _t	.376 (.771)	.016 (.651)	_____	_____	3.483 (8.068)	_____
Congressional Partisan Seat Share _t × Presidential Partisanship _t	_____	_____	-.007 (.024)	.0001 (.02)	_____	.366* (.254)
State Partisan Balance of Executive and Legislative Institutions _t	-.076* (.047)	-.075** (.040)	-.129 (.111)	-.145* (.093)	-.089 (.567)	1.505 (1.191)
National Partisan Balance of Executive and Legislative Institutions _t × State Partisan Balance of Executive and Legislative Institutions _t	-.118* (.074)	-.109** (.062)	_____	_____	-.538 (.911)	_____
Congressional Partisan Seat Share _t × State Partisan Balance of Executive and Legislative Institutions _t	_____	_____	-.004** (.002)	-.004*** (.002)	_____	-.015 (.020)
Presidential Partisanship _t × State Partisan Balance of Executive and Legislative Institutions _t	_____	_____	-.045 (.089)	-.047 (.075)	_____	- 1.638** (.953)
Real Government Spending as a % of Real GDP _{t-1}	.182* (.120)	.148* (.101)	.175* (.113)	.126* (.096)	2.711** (1.306)	3.212*** (1.219)
Adjusted R ²	.13	.39	.21	.44	.15	.30
Standard Error of Estimate	1.89	1.59	1.81	1.52	21.42	19.47
Ljung Box Q-statistic (Serial Correlation: 7 Lags)	9.57 [.21]	8.59 [.28]	8.76 [.27]	5.44 [.61]	10.99 [.14]	5.37 [.62]
Lagrange Multiplier Statistic (First-Order Serial Correlation)	.87 [.36]	2.46 [.12]	.02 [.91]	.75 [.39]	2.72 [.11]	.06 [.82]
Jarque-Bera Statistic (Residual Normality)	32.02*** [.00]	3.27 [.20]	23.69*** [.00]	3.01 [.22]	.61 [.74]	.90 [.64]
White Statistic (Heteroskedasticity)	3.27 [.95]	10.14 [.47]	8.09 [.71]	8.56 [.80]	7.47 [.63]	3.43 [.98]

Notes: Standard errors are inside parentheses and probability values are inside brackets. Models (2) and (4) control for an extreme outlying observation (1955) observed in models (1) and (3), respectively. Newey-West standard errors are reported in Model (5).

* p < .10

** p < .05

*** p < .01 (one-tailed test).

TABLE 3
Empirical Models of Horizontal and Vertical Delegation in American Federalism (1947–1998)
 (Dependent Variable: Public Law [PL] Net Policy Centralization)

Independent Variables	Average PL Net Centralization				Sum PL Net Centralization	
	(7)	(8)	(9)	(10)	(11)	(12)
Constant	-2.539 (2.448)	-1.552 (2.179)	-1.141 (2.348)	-.194 (2.221)	-33.823* (24.441)	-49.183** (23.668)
National Partisan Balance of Executive and Legislative Institutions _t	-1.560*** (.530)	-1.531*** (.606)	_____	_____	-16.272** (6.835)	_____
Congressional Partisan Seat Share _t	_____	_____	-.038** (.022)	-.026* (.019)	_____	-.590*** (.203)
Presidential Partisanship _t	_____	_____	-2.425** (1.114)	-1.717** (.976)	_____	-4.144 (10.285)
Folded Measure of National Partisan Balance of Executive and Legislative Institutions _t	.129 (.796)	-.241 (.707)	_____	_____	1.530 (7.913)	_____
Congressional Partisan Seat Share _t × Presidential Partisanship _t	_____	_____	-.009 (.022)	-.001 (.022)	_____	.430** (.235)
State Partisan Balance of Executive and Legislative Institutions _t	-.080* (.051)	-.079** (.043)	-.145* (.087)	-.162* (.103)	-.158 (.484)	1.840 (1.105)
National Partisan Balance of Executive and Legislative Institutions _t × State Partisan Balance of Executive and Legislative Institutions _t	-.120** (.066)	-.110* (.067)	_____	_____	-.828 (.758)	_____
Congressional Partisan Seat Share _t × State Partisan Balance of Executive and Legislative Institutions _t	_____	_____	-.004*** (.002)	-.004** (.002)	_____	-.001 (.019)
Presidential Partisanship _t × State Partisan Balance of Executive and Legislative Institutions _t	_____	_____	-.044 (.067)	-.046 (.083)	_____	-2.093** (.884)
Real Government Spending as a % of Real GDP _{t-1}	.189* (.127)	.154* (.109)	.176* (.113)	.126 (.106)	2.434** (1.230)	3.054*** (1.131)
Adjusted R ²	.12	.36	.18	.39	.08	.21
Standard Error of Estimate	2.02	1.72	1.95	1.69	19.45	18.06
Ljung Box Q-statistic (Serial Correlation: 7 Lags)	13.21* [.07]	5.67 [.58]	12.19 [.09]	3.18 [.87]	7.93 [.34]	6.97 [.43]
Lagrange Multiplier Statistic (First-Order Serial Correlation)	.80 [.38]	1.19 [.28]	.06 [.81]	.28 [.60]	.33 [.57]	.60 [.44]
Jarque-Bera Statistic (Residual Normality)	23.30*** [.00]	1.80 [.41]	14.08*** [.00]	1.38 [.50]	4.13 [.13]	1.90 [.39]
White Statistic (Heteroskedasticity)	2.53 [.98]	4.90 [.90]	6.47 [.84]	7.54 [.82]	7.61 [.57]	4.21 [.96]

Notes: Standard errors are inside parentheses and probability values are inside brackets. Models (8) and (10) control for an extreme outlying observation (1955), observed in models (7) and (9), respectively. Newey-West corrected standard errors are reported in models (7) and (9).

p < .10

** p < .05

*** p < .01 (one-tailed test).

TABLE 4
Empirical Models of Horizontal and Vertical Delegation in American Federalism (1947–1998)
(Dependent Variable: Executive Order [EO] Net Federal Policy Centralization)

Independent Variables	<i>Average EO Net Centralization</i>		<i>Sum EO Net Centralization</i>			
	(13)	(14)	(15)	(16)	(17)	(18)
Constant	- 5.674** (3.112)	-3.416 (3.042)	-14.639** (6.788)	-12.846*** (4.837)	-7.800 (6.018)	-7.220 (5.771)
National Partisan Balance of Executive and Legislative Institutions _t	-2.297*** (.728)	_____	-5.947*** (1.503)	-5.020*** (1.332)	_____	_____
Congressional Partisan Seat Share _t	_____	-.063*** (.024)	_____	_____	-.131*** (.050)	-.132*** (.044)
Presidential Partisanship _t	_____	-2.363** (1.084)	_____	_____	-6.146** (2.750)	-4.287** (1.984)
Folded National Partisan Balance of Executive and Legislative Institutions _t	.272 (.797)	_____	1.627 (1.509)	-.716 (1.489)	_____	_____
Congressional Partisan Seat Share _t ×	_____	-.006 (.020)	_____	_____	.001 (.055)	.025 (.041)
Presidential Partisanship _t	_____	_____	_____	_____	_____	_____
State Partisan Balance of Executive and Legislative Institutions _t	.055 (.051)	.039 (.105)	.109 (.100)	.076 (.106)	.098 (.323)	.256 (.214)
National Partisan Balance of Executive and Legislative Institutions _t ×	-.009 (.100)	_____	.109 (.199)	.302 (.144)	_____	_____
State Partisan Balance of Executive and Legislative Institutions _t ×	_____	-.004** (.002)	_____	_____	-.005 (.004)	-.004 (.003)
Presidential Partisanship _t ×	_____	-.017 (.103)	_____	_____	.063 (.256)	-.019 (.190)
Real Government Spending as a % of Real GDP _{t-1}	.133 (.107)	.102 (.140)	.333 (.265)	.417** (.223)	.230 (.295)	.311 (.265)
Presidential Approval _t	.065*** (.023)	.055*** (.022)	.165** (.070)	.101*** (.033)	.142** (.071)	.078* (.052)
Adjusted R ²	.19	.25	.33	.63	.34	.59
Standard Error of Estimate	2.21	2.14	5.37	3.96	5.31	4.20
Ljung Box Q-statistic (Serial Correlation: 7 Lags)	24.29*** [.00]	22.10*** [.00]	14.45** [.04]	9.77 [.20]	15.47** [.03]	13.28* [.07]
Lagrange Multiplier Statistic (First-Order Serial Correlation)	.28 [.60]	.02 [.88]	.29 [.59]	1.84 [.18]	.03 [.86]	.23 [.64]
Jarque-Bera Statistic (Residual Normality)	4.45 [.11]	2.48 [.29]	37.02*** [.00]	1.25 [.54]	53.51*** [.00]	3.61 [.16]
White Statistic (Heteroskedasticity)	19.19* [.06]	11.77 [.55]	10.52 [.48]	10.41 [.66]	10.73 [.63]	15.24 [.36]

otes: Standard errors are inside parentheses and probability values are inside brackets. Models (16) and (18) control for extreme outlying observations 1962 and 1977; 1962) observed in models (16) and (18), respectively. Newey-West standard errors are reported for models (13), (14), (15), (17), and (18).
p < .10 ** p < .05 *** p < .01 (one-tailed test).

TABLE A-1

**Empirical Models of Horizontal and Vertical Delegation in American Federalism (1947–1998)
(Alternative Statistical Test Results – MLE Truncated Regression Analysis)**

Independent Variables	<i>Average Total Net Policy Centralization</i>			
	(A-1)	(A-2)	(A-3)	(A-4)
Constant	- 2.840* (2.073)	-.572 (1.429)	- 1.516 (2.119)	- .467 (1.856)
National Partisan Balance of Executive and Legislative Institutions _t	-1.522** (.733)	-1.383*** (.421)	_____	_____
Congressional Partisan Seat Share _t	_____	_____	-.043*** (.017)	-.029** (.017)
Presidential Partisanship _t	_____	_____	-2.383*** (.963)	-1.631** (.814)
Folded Measure of National Partisan Balance of Executive and Legislative Institutions _t	.449 (.609)	-.219 (.371)	_____	_____
Congressional Partisan Seat Share _t × Presidential Partisanship _t	_____	_____	-.006 (.017)	.002 (.020)
State Partisan Balance of Executive and Legislative Institutions _t	-.080*** (.033)	-.062*** (.017)	-.128 (.098)	-.145*** (.087)
National Partisan Balance of Executive and Legislative Institutions _t × State Partisan Balance of Executive and Legislative Institutions _t	-.125** (.074)	-.127*** (.044)	_____	_____
Congressional Partisan Seat Share _t × State Partisan Balance of Executive and Legislative Institutions _t	_____	_____	-.004** (.002)	-.004*** (.001)
Presidential Partisanship _t × State Partisan Balance of Executive and Legislative Institutions _t	_____	_____	-.051 (.078)	-.050 (.070)
Real Government Spending as a % of Real GDP _{t-1}	.197** (.098)	.112* (.069)	.190** (.110)	.132* (.089)
Adjusted R ²	.11	.36	.19	.43
Standard Error of Estimate	1.92	1.63	1.83	1.54

Notes: Standard errors are inside parentheses. The MLE estimates are based on left-censoring at - 6.00 and right-censoring at + 6.00 which serves as the lower and upper bound of the measurement scale for the dependent variable.

* p < .10

** p < .05

*** p < .01 (one-tailed test).

TABLE A-2

Empirical Models of Horizontal and Vertical Delegation in American Federalism (1947–1998)
(Alternative Statistical Test Results – MLE Truncated Regression Analysis)

Independent Variables	Average Public Law Net Centralization				Average EO Net Centralization	
	(A-7)	(A-8)	(A-9)	(A-10)	(A-13)	(A-14)
Constant	-2.961* (1.945)	-.344 (1.475)	-1.451 (2.001)	-.524 (1.751)	-6.540** (3.680)	-4.016** (2.097)
National Partisan Balance of Executive and Legislative Institutions _t	-1.700** (.921)	-1.280*** (.431)	_____	_____	-2.587*** (.749)	_____
Congressional Partisan Seat Share _t	_____	_____	-.042** (.019)	-.023* (.016)	_____	-.071*** (.029)
Presidential Partisanship _t	_____	_____	-2.596*** (.908)	-1.822*** (.633)	_____	-2.581** (1.227)
Folded Measure of National Partisan Balance of Executive and Legislative Institutions _t	.211 (.752)	.402 (.349)	_____	_____	.370 (.904)	_____
Congressional Partisan Seat Share _t × Presidential Partisanship _t	_____	_____	-.008 (.022)	.004 (.013)	_____	-.003 (.030)
State Partisan Balance of Executive and Legislative Institutions _t	-.087** (.043)	-.065*** (.018)	-.149 (.119)	-.164*** (.062)	.057 (.069)	.053 (.159)
National Partisan Balance of Executive and Legislative Institutions _t × State Partisan Balance of Executive and Legislative Institutions _t	-.131* (.094)	-.112** (.047)	_____	_____	-.011 (.097)	_____
Congressional Partisan Seat Share _t × State Partisan Balance of Executive and Legislative Institutions _t	_____	_____	-.004** (.002)	-.004*** (.002)	_____	-.004* (.003)
Presidential Partisanship _t × State Partisan Balance of Executive and Legislative Institutions _t	_____	_____	-.054 (.110)	-.038 (.060)	_____	-.003 (.091)
Real Government Spending as a % of Real GDP _{t-1}	.214*** (.091)	.110* (.068)	.200** (.099)	.101 (.086)	.148 (.156)	.115* (.084)
Presidential Approval _t	_____	_____	_____	_____	.075** (.033)	.064*** (.027)
Adjusted R ²	.10	.33	.16	.37	.18	.23
Standard Error of Estimate	2.04	1.77	1.98	1.71	2.23	2.16

Notes: Standard errors are inside parentheses. The MLE estimates are based on left-censoring at - 6.00 and right-censoring at + 6.00 which serves as the lower and upper bound of the measurement scale for the dependent variable.

* p < .10

** p < .05

*** p < .01 (one-tailed test).

Endnotes

1. These partisan preferences regarding vertical power arrangements are not carved in stone. In the current period, for example, pressures for decentralization are great. Even the 1996 Democratic party platform spoke of the virtues of shifting power to states and communities. And Republicans have not been altogether reluctant to, on occasion, impose mandates on states or preempt state action. Still, on balance, partisan differentiation exists. This proposition is subject to empirical scrutiny later in this study.
2. We omit judicial decisions from our investigation. These are clearly important for understanding the dynamics of federalism; however, our specific focus is on the nexus between political parties and electoral institutions. Thus, we leave this task for future investigation as a separate research enterprise.
3. Excluded from the data set were actions that (1) involved national-state land transfers or (2) established transfers of funds without any substantive component. All but nine of the 461 public law items and one of the 95 executive orders in the data set contained a direct explicit state component. Those rare cases that did not do so affected the local government level but given that states often play an indirect role in such matters, these actions are included in our sample.
4. The range of states being coded as a 2 for the “scope” component of this measure ranged from 2 states to 25 states, with a mean of 9.29 states and standard deviation of 6.62 states. Thus these cases clearly should be weighted mores than policies applying to single states or smaller jurisdictions and less than those applying to all states.
5. The annual volume of public laws (executive orders) containing a notable intergovernmental component in our dataset has a mean of 8.87 (1.83) and standard deviation equal to 5.79 (1.88) items.
6. Nebraska is excluded from the data set because of its nonpartisan legislature. Minnesota is removed during the period 1947– 1972 when its legislature was nonpartisan. In years in which a state has an Independent governor, e.g., Alaska from 1991– 1994, it is removed.
7. The coefficients corresponding to these outlier dummy statistical controls are not reported in the tables, but are available upon request from the authors.
8. In addition, recursive residuals, CUSUM, and CUSUM squares plots were analyzed to determine if these static models yielded unstable coefficients. All models estimated in Tables 2–4 do not suffer from this problem based on these tests.
9. See the Court’s rulings in *Garcia v. San Antonio Metropolitan Transit Authority*, 105 S.Ct. 1005 (1985) and *South Carolina v. Baker* 108 S.Ct. 1355 (1988).
10. There were 53 cases (11.5% of all public laws) where the coders came up different assessments/ scores for the individual public laws and 9 instances for executive orders (9.5% of all coded executive orders).
11. The formula used in these computations of Cronbach Alpha (α) are as follows from Carmines and Zeller (1979: 44):

$$\alpha = \frac{N \cdot \bar{\rho}}{[1 + \bar{\rho} \cdot (N - 1)]}$$

where N is equal to the number of items on the coding scale (N = 5) and $\bar{\rho}$ is the inter-item correlation between each authors’ coding.