

THE KOCH EFFECT

The Impact of a Cadre-Led Network on American Politics

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Comments welcome.

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Presidential election years attract attention to the rhetoric, personalities, and agendas of contending White House aspirants, but these headlines do not reflect the ongoing political shifts that will confront whoever moves into the White House in 2017. Earthquakes and erosions have remade the U.S. political terrain, reconfiguring the ground on which politicians and social groups must maneuver, and it is important to make sure that narrow and short-term analyses do not blind us to this shifting terrain. In this paper, we draw from research on changes since 2000 in the organizational universes surrounding the Republican and Democratic parties to highlight a major emergent force in U.S. politics: the recently expanded “Koch network” that coordinates big money funders, idea producers, issue advocates, and innovative constituency-building efforts in an ongoing effort to pull the Republican Party and agendas of U.S. politics sharply to the right. We review the major components and evolution of the Koch network and explore how it has reshaped American politics and policy agendas, focusing especially on implications for right-tilted partisan polarization and rising economic inequality.

How U.S. Politics Has Changed

We are not the only researchers attempting to get a handle on current trends and shifts. Important new contours of U.S. politics have been mapped by others. As many students of U.S. political economy have documented, disparities of income and wealth have skyrocketed in recent decades, and the outsized economic winners – billionaires, multimillionaires, and even the merely well-to-do – maneuver openly to influence electoral and policy battles. Careful studies reveal that elected U.S. politicians, themselves often very wealthy, are much more responsive to the preferences of the rich than to the needs and

hopes of middle-class or poor citizens (see Bartels 2008; Carnes 2013; Gilens and Page 2014; Gilens 2012; Volscho and Kelly 2012; Keller and Kelly 2015). In addition, others have begun to map the decades-long trend toward ideological and partisan polarization, the pulling apart of the Republican and Democratic parties that has become steadily more asymmetric and unbalanced toward the far right (McCarty et al. 2006). Between the 1960s and the early 1980s, the two major political parties separated symmetrically in the wake of the Civil Rights revolution; but since the 1990s Democrats have remained moderate to liberal, while Republican officeholders and candidates have relentlessly marched further right (Mann and Ornstein 2012; Poole 2015). Right-tilted polarization has also contributed to gridlock and obstruction in Washington DC, exacerbating unequal government responsiveness (Bonica et al. 2013; Mann and Ornstein 2012).

In policy terms, the rightward shift of Republicans is manifest in their by-now nearly unified support for upward tilted tax cuts, evisceration of government regulations, and sharp reductions to social programs that benefit poor and middle class Americans. Tellingly, the far-right lunge of the GOP did not slow in the 2000s, not even during the presidency of self-declared “compassionate conservative” George W. Bush or after Democrats won major electoral victories in 2006, 2008, and 2012. Traditional political science models predict that losing parties will moderate, move toward the middle to attract “median voters,” but that has not happened lately for the Republican Party.

What accounts for this continuing rightward movement of the GOP? Various factors are at work, of course, but the full array of contributing processes has not yet been nailed down by scholars. Many analysts point to the beliefs and social fears of rank-and-file right-leaning voters, mostly older whites, including Christian conservatives worried about cultural changes and Tea Partiers who resent immigration and government spending on

less privileged groups (Frum 2016; Skocpol and Williamson 2012). Such voters often dominate Republican primaries, but they cannot, in and of themselves, explain why ever more-extreme stands are taken by GOP officeholders and candidates – especially those running in national and state-wide contests, not just in very conservative House districts. To name just a few national divergences between politicians and citizens, we can draw on surveys that will be further discussed and cited in the final section of this paper. Most Americans, including majorities or pluralities of self-described Republicans, favor maintaining or increasing public spending on education, Social Security, and Medicare, but GOP elites have signed on to the “Ryan budget” drawn up by former GOP House Chair of the Budget Committee and now Speaker of the House, Paul Ryan of Wisconsin. This budget would shrink national investments in science and infrastructure and cut educational and social programs helpful to most Americans to pay for big tax cuts tilted toward business and the wealthy (Water 2010). Most Republican voters along with others favor modest increases in the minimum wage, but GOP officeholders block such legislation. Most Republicans along with other Americans think global warming is a problem that should be addressed, but GOP officeholders seek to block or dismantle environmental regulations of all kinds and want to expand subsidies for carbon energy while blocking efforts to encourage wind, solar, and other clean energy technologies (McElwee and Schaffner 2015; Roberts 2015b, 2015a). Clearly, many Republican candidates and officeholders are responding to more than just their own voters; they are also responding to elite-driven forces.

Looking to such elites, another line of argument points to organized business interests as drivers of GOP policy stands – especially the party’s determination to weaken unions and reduce taxes and business regulations. As Jacob Hacker and Paul Pierson

(2010, 2006, 2016) have documented, the national Chamber of Commerce and other peak business associations took strong steps starting in the 1970s to coordinate business opposition to taxes and regulations (see also Vogel 1989). The U.S. Chamber became a secret channel for corporate contributions to elect friendly Republicans, counter union clout in the electoral process, and lobby against legislation and regulations businesses opposed. By the mid-1990s, the Chamber of Commerce was arguably simply an adjunct of the GOP, along with other potent business associations such as the National Association of Manufacturers and the National Federation of Independent Businesses. Meanwhile, in most U.S. states, the American Legislative Exchange Council (ALEC) attracted thousands of mostly Republican legislators as members who attended policy seminars with business lobbyists and drafted free-market-oriented “model” bills to introduce in legislative chambers back home (Hertel-Fernandez 2014; Hertel-Fernandez and Skocpol 2015).

Unquestionably, the Chamber, ALEC, and other business associations remain major players in Republican and conservative politics in Washington DC and most state capitols. But the post-2000 movement of many GOPers further toward the right has, at times, created conflicts even with certain Republican-aligned business interests. In dozens of states, for example, ultra-conservatives in and around the GOP, have clashed with state and regional Chambers of Commerce and hospital associations over whether governors and state legislators should accept millions to billions of dollars in ObamaCare subsidies to expand state Medicaid coverage to the near-poor (Pear 2015; Hertel-Fernandez et al. 2016). Furthermore, in many states as well as in Congress, GOP business interests are going to the mat against GOP conservatives on legislation designed to pay for highway construction, subsidize agricultural interests, or continue the operation of business-subsidizing agencies such as the Export-Import bank (an issue we discuss further in the final section of this

paper). In short, the most recent move of the GOP toward embracing ultra-free-market conservatism does not seem to be driven only by business interests.

With considerable credibility, some analysts instead point to elite anti-tax advocacy groups as the chief drivers of Republican anti-government conservatism in recent decades. Mobilizing resources largely from hedge-fund billionaires and other financial fat cats, organizations like Grover Norquist's Americans for Tax Reform (founded in 1985) and the Club for Growth (launched in 1999) perfected the art of scoring legislators on their votes about taxes and public spending issues. These groups then intervene in primary and general election contests to boost politicians certified as pure tax-cutters while punishing any who dared to vote for any tax or fee hikes (Bai 2003; Dreyfuss 2001). The Club for Growth, in particular, became a feared force in Republican circles, known for its willingness to channel funds from its wealthy members into primary election challenges directed against politicians, especially Republicans, who waived on its signature issues (Bai 2003; Bluely 2005). Elite anti-tax advocacy groups certainly helped drive the GOP firmly to the right on fiscal issues, and they remain a force in Washington DC and many states. Even so, as we will show before long, the sort of elite lobbying and election funding these groups practice has lately been supplemented – and greatly augmented – by much more extensive public outreach and constituency-building efforts mounted from the plutocratic far right.

Mention of “plutocracy” brings us to the issue of wealthy donors – perhaps the factor currently most often invoked by scholars and pundits looking to explain right-tilting polarization and the skewed responsiveness of U.S. government. The 2010 U.S. Supreme Court decision in the *Citizens United* case is frequently credited with fully unleashing secret donations from the very rich in U.S. elections as well as policy lobbying (Dunbar 2012; People for the American Way 2010). Arguably, the Supreme Court merely eased

restrictions that had already been largely circumvented. In any event, as the U.S. economy has generated more and more super-wealthy individuals and families over the past half century, avenues have multiplied for them to donate big bucks, often secretly, to candidates, policy campaigns, and lobbying efforts (Bonica and Rosenthal 2015). Journalists now routinely write about billionaires like Michael Bloomberg who fund their own policy campaigns or set up their own individual “vanity” political parties (see, for example, Rutenberg 2014). Indeed, much of today’s media coverage of U.S. politics is taken up with stories about the personalities and foibles of mega-donors. Inevitably, after a spate of such personality focused stories, the next rounds of coverage inform us that the rich donors have proved unsuccessful at “buying” elections – or have gone off in many contradictory directions (Lord 2015; Sherman 2015). Some far-right fat cats push for Ted Cruz, while others favor Jeb Bush, but self-funded Donald trumps them all. Or the Kochs end up “frustrated” because of the supposedly counterbalancing assertions of Tom Steyer and George Soros on the left. So the storylines go.

The relentless media focus on individual donors and their ups and downs is also echoed to some degree in the scholarly world, where empirical research on wealthy donors takes an aggregate individual approach – looking for correlations between individual characteristics and partisan leanings, for example (West 2014; Bonica and Rosenthal 2015). Such research concludes, correctly, that lots of big money flows into politics from both conservative and left-leaning mega donors – a finding that we confirm. But this research can also leave the mistaken impression that right and left fat cats merely mirror and cancel out one another. Our research suggests otherwise – because we go beyond looking at donations from individual fat cats to explore sustained organized efforts by “consortia,”

well-organized sets of super-wealthy donors who work together over time to change U.S. politics.

An Organizational Approach

Our research focuses on changes in organizational configurations in and around the two major U.S. political parties. Rather than attempting to calibrate the exact size of particular big money donations to specific candidates or advocacy groups – something increasingly difficult to do in any reliable way in the era of secret money flows (see Gilson 2012) – our project compiles data on the founding dates, goals, budgets, personnel, and inter-group ties of key organizations active in U.S. national and cross-state politics on the right and left. The organizations at issue run the gamut from major left and right think tanks and issue advocacy groups, to constituency associations such as labor unions, to political funding efforts. Where wealthy funders are concerned, we pay especially close attention to “donor consortia” – that is, organizations such as the twice-yearly Koch seminars and Freedom Partners Chamber of Commerce on the right and the Democracy Alliance on the left. These consortia coordinate and direct resources from many donors, not just one or a few rich people (for overviews, see Vogel 2014a; Bai 2007). As one regular attendee of the Koch seminars puts it: “it isn’t just the Kochs’ money. Remember, most of the money comes from others” (quoted in Vogel 2015a). A focus on major donor groups, rather than just individuals, makes sense because concerted and sustained funding efforts are much more likely to have an impact on parties and political agendas than one-shot donations to single-issue campaigns or to candidates running in particular elections.

Data on organizational budgets and, in some cases, on leadership and staffing, allow us to track changes in the interrelations among donor consortia, constituency associations, think tanks, and issue advocacy groups operating alongside Republican and Democratic party committees in the 2000s. How have balances and relationships shifted between party committees and extra-party groups; between old-line organizational players and newly formed efforts; and between fat-cat consortia and broader based associations? Can we identify genuinely new kinds of political formations that might help to explain extremes of asymmetric polarization and policymaking skewed toward the very wealthy?

In this paper we present only one portion of our preliminary findings – emphasizing shifts that shed new light on one set of forces pulling the Republican Party to the far right. A prime-mover, we find, is an expanded and far-reaching network of political organizations built under the centralized, ideologically focused direction of multibillionaires David and Charles Koch working in close cooperation with a handful of longstanding trusted associates. The Koch network is not just a congeries of big money donations from the two brothers themselves, or a loose, undisciplined array of advocacy groups and political action committees to which the principals send checks. Instead, the network has by now evolved into a nationally federated, full-service, ideologically focused parallel to the Republican Party. The Koch network operates on the scale of a national U.S. political party, pledging to spend in the 2016 cycle more than twice what the Republican national committee spent in the previous presidential election and employing more than three times as many staffers as the Republican committees had on their payrolls as of late 2015 (Vogel 2015a; Bump 2014). But despite its massive size, the Koch network is a leveraging operation – not a separate third party – because it is intertwined with (although not subordinated to) the institutional GOP. In a disciplined way, the Koch network operates as a force field to the

right of the Republican Party, exerting a strong gravitational pull on many GOP candidates and officeholders. The overall effect is to re-set the range of issues and policy alternatives to which candidates and officeholders are responsive.

The following sections lay out data and arguments, starting with an overview of how the universe of GOP and conservative national organizations has shifted in the past fifteen years and moving on to characterize the Koch network and its complementary organizational parts. Along the way, we will look closely at the centerpiece of the current Koch network, the nationally federated political organization called “Americans for Prosperity” (or AFP for short). We use a new kind of data, about career lines, to situate AFP in relation to the Republican Party and compare it to the longer-standing elite anti-tax associations, Americans for Tax Reform and the Club for Growth. At the end of this paper, we explore ways to show the impact of the Koch network on the overall trajectory of U.S. politics and policymaking.

A Rapidly Changing Republican-Conservative Universe

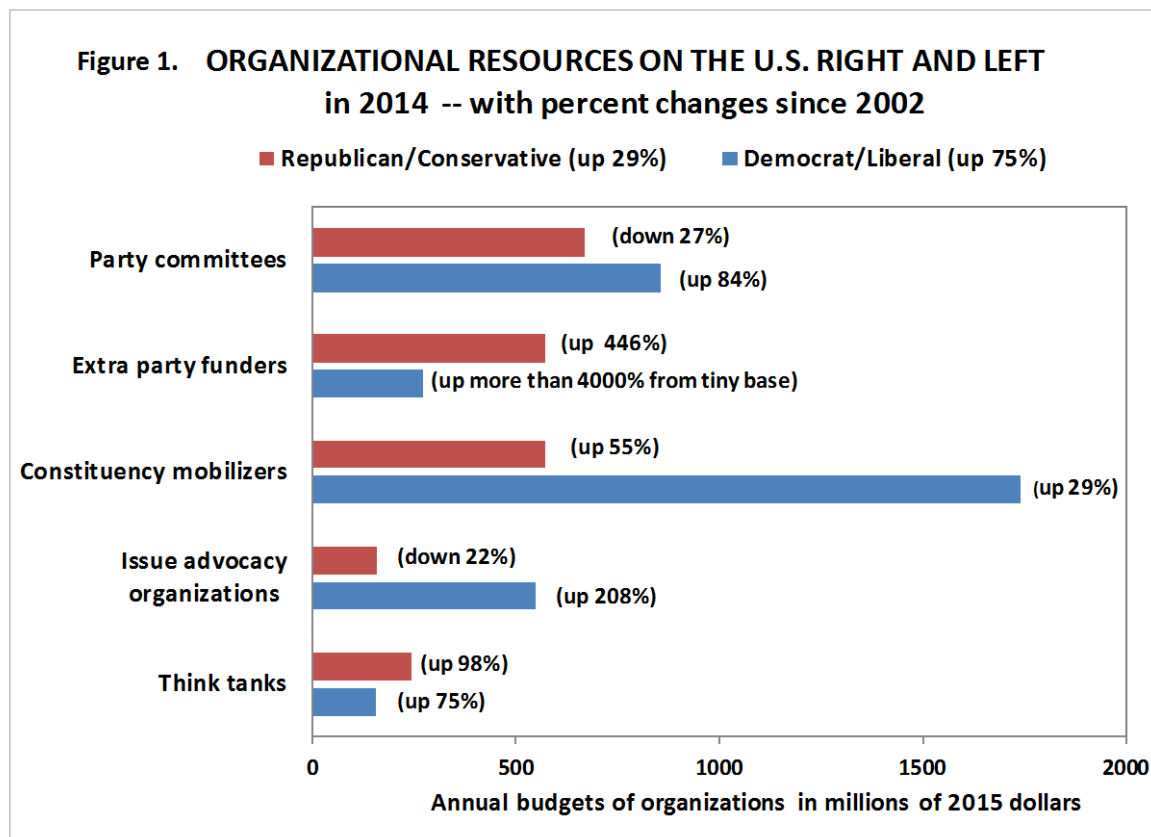
Our research project has assembled overviews of the major organizations operating in what we call the “Republican/conservative organizational universe” and the “Democratic/liberal organizational universe.” Using media and scholarly sources, we put together the lists in Appendix A of key organizations operating nationally at two junctures, 2002 and 2014. We selected these non-presidential election years so the annual budget numbers we recorded would tap into underlying rather than temporarily inflated organizational capacities (and where data were not available for those years, we used budget data from the closest non-presidential election years). For each end of the national

political spectrum, we include five major types of national organizations operating nationally (including across the states) in U.S. politics:

- ***Political party committees*** – including the Republican and Democratic National Committees, the Senatorial and Congressional campaign committees, and the national committees funding campaigns for state legislatures and governorships.
- ***Non-party funders*** – organized consortia that raise money from many rich donors and channel it into multiple campaigns and political efforts – such as Karl Rove’s American Crossroads PAC and the Democrats’ American Bridge PAC as well as the Koch seminars on the right, and Democracy Alliance on the progressive left. This category does **not** include political action committees for individual candidates.
- ***Constituency organizations*** – that seek to speak for and mobilize political constituencies, including unions, business associations, the National Rifle Association, the Christian Coalition, Americans for Prosperity, the Libre Initiative, USA Action, and the NAACP.
- ***Issue advocacy organizations*** – such as pro-life and pro-choice groups, anti-tax groups, and environmental advocates.
- ***Think tanks*** – such as Heritage and Cato on the right and the Economic Policy Institute and the Roosevelt Institute on the left. Media monitoring organizations are also included in this category.

Appendix A includes two lists summarizing the sets of organizations we are using so far for the Republican/conservative and Democratic/liberal organizational universes, along with budgets for each organization in 2002 and 2014. On both the right and left, some organizations are longstanding with budgets for both years, while others were launched after 2002 and show data only for 2014.

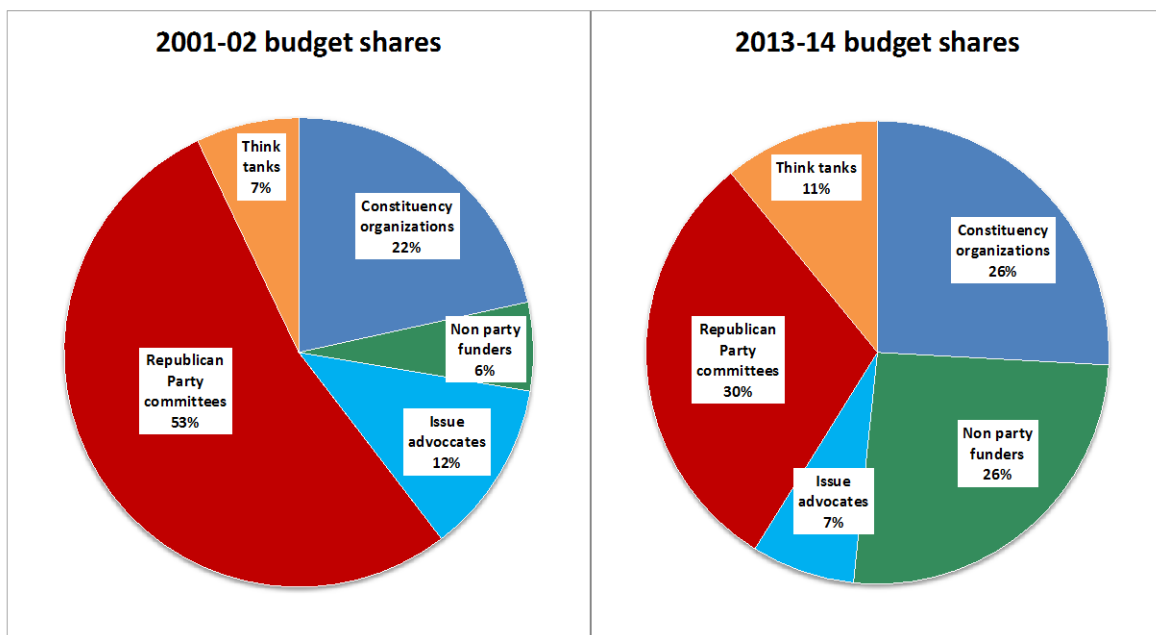
Figure 1 provides an overview of the 2014 budgets aggregated by functional organizational categories for the Republican/conservative and Democratic/liberal organizational universes respectively. This figure also indicates the percentage increases or declines in budgets since 2002.



Before we proceed, it is important to be clear about what we think our organizational lists do – and do not – signify. We use annual budgets for 2002 and 2014 to indicate the rough order of magnitude of organizational clout, and we add up budgets for organizations in each major category to allow us to present some rough sense of the allocation of partisan resources to different types of party and non-party political organizations in 2002 and 2014. As Figure 1 indicates, comparisons of left and right organizational resources are of some interest. However, tracking shifts in allocations over

time *within* the right or left is even more informative, as shown in Figure 2, which juxtaposes pie charts displaying the allocations of Republican/conservative organizational resources in 2002 versus 2014 (Appendix B includes a similar side by side set of pie charts for the Democratic/liberal end of the organizational spectrum).

Figure 2. Shifting Organizational Resources on the U.S. Right



Source data: see Appendix A.

The over-time comparisons within each side are likely more reliable because our organizational lists and budgets do not capture all partisan resources – especially on the right. Arguably, for example, Republicans and conservatives in the 2000s benefit greatly from openly partisan commercial media outlets, including the Fox television network and right-wing talk radio, but those commercial media organizations are not included in our lists and they have no exact counterpart on the left. Another consideration to bear in mind

is how right and left organizational universes fit into the U.S. economy. Major national labor unions are included as “constituency mobilizing organizations” on our Democratic/liberal universe lists, and we also include major national business associations in the Republican/conservative lists. But local and regional chambers of commerce are not on our list, and we leave aside individual corporations, some of which mobilize their employees into politics (see Hertel-Fernandez 2015b). Also not included are evangelical church networks that figure greatly in conservative political communication and mobilization in rural and suburban communities all over the country, and colleges and universities that contain networks of importance to politics, especially on the left. In short, our lists do not exhaust all of the organizational resources available on the right versus left. Secret and untraceable donations are perforce not portrayed; and even though our lists do highlight publicly visible collective resources, the organizational universes we measure still must be situated in broader U.S. institutional contexts.

With all necessary cautions, the data on conservative and liberal organizational universes nevertheless suggest several striking findings:

- Although the Republican/conservative list may capture a smaller share of all available resources than the Democratic/liberal list, it is clear that **well-funded arrays of organizations operate on both ends of the partisan spectrum.** Indeed, **from 2002 to 2014 we find a greater percentage growth in the sum of all budgets for the left universe organizations (75% growth) than for the sum of all right organization budgets (29% growth).** Somewhat greater aggregate budget growth happened on the left even though dues-paying memberships have declined in most of the major labor unions at the center of the left organizational universe.

- **From 2002 to 2014, extra-party funders gained considerable new clout on both the left and right.** Not incidentally, the period we measure saw the birth in 2005 of the Democracy Alliance consortium of progressive mega-donors and the inauguration in 2003 of the twice-yearly Koch seminars for far-right donors.¹ On the left, however, extra-party funders started from a very small base and have not reached anything close to the absolute budget levels we see on the right. By the most expansive definition, the Democracy Alliance could claim credit for slightly over \$69 million in donations to progressive organizations in 2013, compared to just under \$300 million in Koch seminar pledges the following year.
- Of greatest interest in the data summarized in Figures 1 and 2, we see **sharp shifts on the right from 2002 to 2014 in the organizational channels through which political resources flow.** Specifically, the pie charts in Figure 2 portray quite dramatic share changes within the overall Republican/conservative universe – with the share of resources controlled by the GOP party committees dropping sharply, while extra-party funding consortia and other political organizations not run by the Republican Party have claimed growing resource shares.

Our data reveal that the Republican Party itself has recently lost considerable ground compared to extra-party consortia of conservative donors – consortia that are, in turn, beefing up extra-party think tanks, constituency mobilizing organizations, and utilities of the sort that the institutional party has traditionally controlled. Crucially, the resource shifts on the right portrayed in Figure 2 have largely occurred through the rise of new far-right organizations instituted after 2002. If we tracked only the budgets of

¹ Our estimate for the funds raised by the Koch network seminars comes from estimated pledges reported in the media after each convening. The estimate for the Democracy Alliance comes from an internal presentation indicating funding orchestrated through recommendations about liberal organizations members should support.

organizations that existed continuously from 2002 to 2014, we would still see a reallocation, principally from GOP party committees to constituency mobilizing organizations; but the share claimed by extra-party funders grew only from 6% to 10% among continuously operating groups. Shifts are much more dramatic, however, when organizations launched after 2002 are included, as they are in the 2014 pie chart shown in Figure 2. The budgetary share controlled by GOP committees plunged from 53% of the Republican/conservative pie in 2002 to just 30% by 2014, just as the share of the pie deployed by extra-party funders – old and new alike – burgeoned from 6% in 2002 to 26% by 2014.

Who are the new players driving most of the shift in resource flows away from official Republican Party committees? A variety of recently launched organizations have certainly gotten into the act, including American Crossroads, Heritage Action, and the Senate Conservatives Fund. But the most resourceful new political organizations built on the right in recent years are tied to David and Charles Koch and their close political associates in ways we are about to specify. In Appendix A, the 2002 and 2014 organizational lists for the right universe present the names of organizations we regard as part of the core Koch network in bold blue color. Clearly, many of the new conservative organizations formed between 2002 and 2014 are core Koch operations – most prominently, Americans for Prosperity, but also the Freedom Partners Chamber of Commerce, the Koch seminars, the Libre Initiative, Themis/i360, Aegis Strategic, and others. When we add up the numbers, three-quarters (76%) of all of the budgets of GOP-conservative organizations newly created since 2002 turn out to be controlled by Koch organizations. Remarkably, more than four-fifths (82%) of the new budget money attributed to extra-party collective funders belongs to the Koch-affiliated consortia launched after 2002. In the words of *Politico's* Kenneth P. Vogel (2015a), by now the entire Koch “machine” (as he calls it)

“includes hundreds of donors and employs 1,200 full-time, year-round staffers in 107 offices nationwide.... About 3 ½ times as many employees as the Republican National Committee and its congressional campaign arms had on their main payrolls last month.”

In short, to make sense of recent, quite dramatic resource shifts on the organized U.S. right, we must understand the Koch network – what it is, how it has recently evolved, what it aims to accomplish, and how exactly it influences American politics. At issue is more than the gargantuan amounts of money the Koch network raises and deploys. The key questions have to do with how that money is deployed, and to what effect.

Deciphering the Koch Network

In recent years, the ultra-conservative billionaire brothers, David and Charles Koch, have become celebrities – at first reluctantly when they were outed by the media, but more recently embracing their roles as key players by giving regular interviews (such as Ryssdal 2015) and inviting selected reporters to attend portions of the twice-yearly Koch seminars (Israel 2014). Scholars have not so far done much research on Koch political activities, apart from including the brothers themselves in studies of wealthy individual donors (Bonica and Rosenthal 2015; West 2014). By 2010 and after, however, fierce Koch opposition to the Obama administration spurred investigations by liberal advocacy groups such as the Center for American Progress and People for the American Way. And leading journalists dug up a wealth of information, first Jane Mayer (2010) at the *New Yorker*, soon joined by others such as Philip Bump (2014) and Matea Gold (2014) at the *Washington Post* and, Andrew Kroll and Daniel Schulman at *Mother Jones* (2014), and most prolific of all, Kenneth P. Vogel (2014a, 2014b, 2015c) at *Politico*, who has done by far the most to track and describe the current Koch political operations. First-rate reports by these

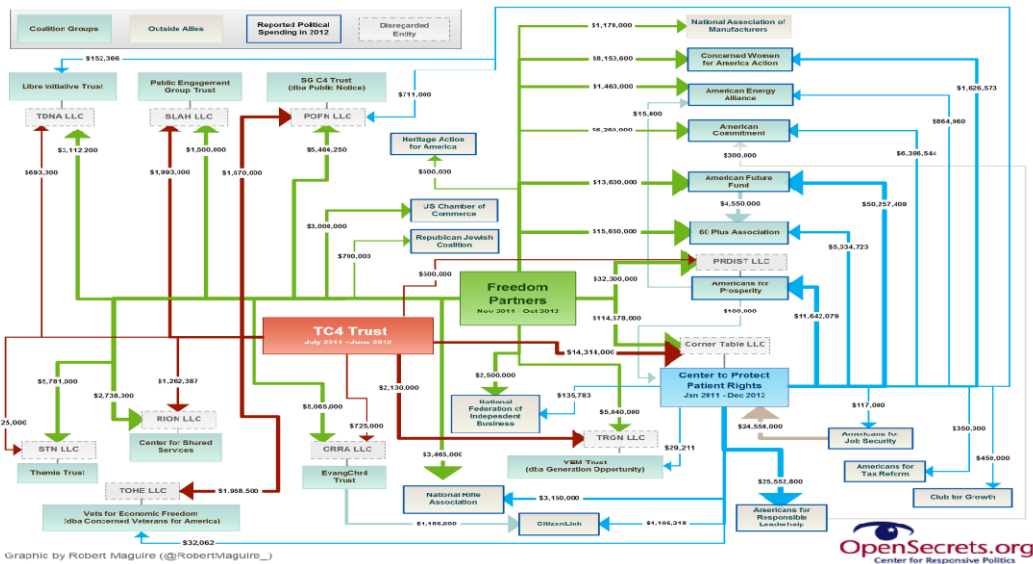
journalists and their associates reveal that the Kochs have created and generously funded a coordinated network of organizations that amounts to a major new political force in the United States.

But what kind of force? Explicitly or implicitly, the Koch network is usually treated as a corporate dark-money “front group” narrowly devoted to pushing very specific material interests, especially by electing friendly politicians and defeating unfriendly ones (see, for examples, Barker and Meyer 2014; Blumenthal 2015; Fang 2013; Obama 2010; People for the American Way 2010). Journalists and muckrakers have mined public records to try to pin down Koch donations channeled directly and indirectly into national elections, resulting in portrayals such as the “Maze of Money” chart created by Open Secrets to display the wide scope of Koch political donations in 2012 (Figure 3). Donations are often routed through secret channels, of course, so charts like this necessarily miss a great deal. But, ironically, they also lead observers to see Koch tentacles in almost every conservative group or cause that obtains even small recorded Koch donations. Indeed, charts like the OpenSecrets “Maze” portray dozens of entities as Koch controlled or influenced, including longstanding mainstays like the U.S. Chamber of Commerce and Americans for Tax Reform along with recently created conduits set up to fund political advertising during particular elections or policy battles.

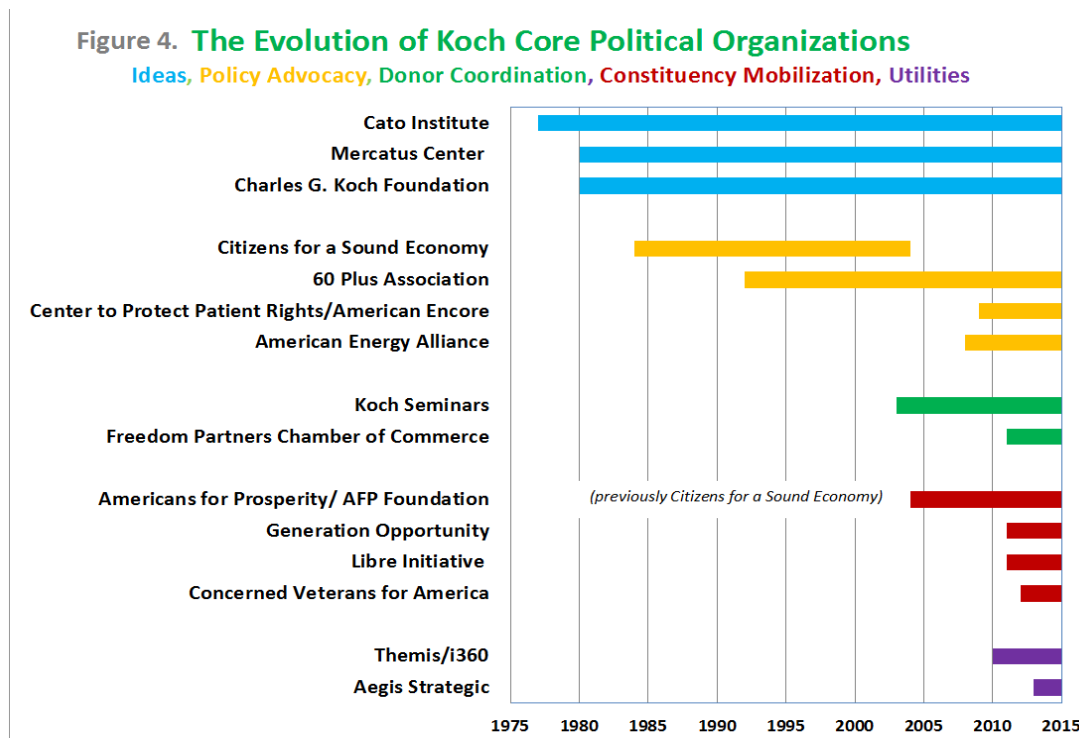
Figure 3.

A Maze of Money

One of the biggest political operations in 2012 took place outside the campaign finance system, involving a network of politically active nonprofits backed by the billionaire industrialists Charles and David Koch and other conservative donors. Seventeen allied groups in the coalition raised at least \$407 million, much of which was spent on get-out-the-vote efforts and ads attacking President Obama and congressional Democrats, according to tax filings and campaign finance reports. Many of the funds were transferred to LLC subsidiaries, known as disregarded entities, that are wholly owned by the recipient groups. The network also gave millions to other outside groups allied with the GOP.



Our project takes another approach, honing in on major politically engaged organizations founded by the Kochs and directly controlled by leaders they install or back. Figuring out which organizations, exactly, fit this definition presents some challenges, because the Kochs at times use indirect mechanisms of control (see Barker and Meyer 2014). But they also tend to rely on a few key operatives and move managers around in their network from one organization to another. Careful students of the Kochs and their political activities (such as Gold 2014; Schulman 2014; Vogel 2014a; SourceWatch 2015) generally agree that the organizations depicted in Figure 4 are all core parts of the evolving Koch network (see Appendix A for the 2014 budgets of these groups and Appendix C for brief descriptions of each organization).



Much can be learned about the Koch network simply by arraying the core organizations chronologically and sorting them into major functional categories according to their major purposes and modes of activity. This straightforward step for any historical-institutional analysis offers a coherent picture of the evolution of the Koch efforts to influence and change public culture as well as policymaking and elections in the United States.

As the time line in Figure 4 shows, the roots of Koch-orchestrated political activity go back many years and started with enduring efforts to shape political ideas and world views. The Kochs take ideas seriously and believe that politicians “reflect” rather than create “the prevalent ideology” (see Schulman 2014: 99). The Kochs were major backers of the nation’s leading libertarian think tank, the Cato Institute, founded in 1977. Starting soon after, in 1980, they began continuous sponsorship of the Mercatus Center at George

Mason University, which runs educational programs in the humanities as well as policy studies and, these days, regularly issues research and policy recommendations on major issues such as global warming. Finally, perhaps the most prominent of several family foundations is the Charles G. Koch Foundation, which regularly disburses hundreds of grants to college and university-based scholars and programs, all meant to encourage free-market and libertarian ideas and policy proposals (Levinthal 2015; Schulman 2014, 264-66).

In the 1970s, Charles and David Koch pursued their political ambitions by supporting the Libertarian Party; and David even ran for Vice President on the party's 1980 ticket. But after they made little headway through this minor party, the Kochs backed off into what were at that time more typical attempts to influence policy agendas and debates – by sponsoring or orchestrating corporate contributions to professionally run advocacy groups that engaged in research, lobbying, and public outreach. The boldest and broadest undertaking was Citizens for a Sound Economy (CSE) founded in 1984 to press for tax and regulatory cuts across business sectors and policy realms (Schulman 2014: 266-70). Eventually, in 2004, CSE split apart in a fight between the Kochs and the organization's erstwhile chairman, former GOP House Majority Leader Dick Armey (Vogel 2014a, 136; Schulman 2014, 270-71). The Kochs departed to build Americans for Prosperity, while Armey launched FreedomWorks. Before CSE died it had already planted grassroots contact networks in several states, foreshadowing the types of conservative activist networks both AFP and FreedomWorks would foster across dozens of states in subsequent years.

CSE was not the only early Koch advocacy initiative. Starting during the Bush senior presidential administration of the 1990s, a more specialized policy advocacy

operation, the 60 Plus Association, pressed for privatization of Social Security and health programs for senior citizens, as well as the elimination of the estate tax, whenever the opportunity arose. In recent years, the group has campaigned against President Obama's health reform law and Democrats who support it (Vogel 2014a, 133; SourceWatch 2015). Additional advocacy operations took to the field during the early Obama administration, including the American Energy Alliance that opposed environmental regulations and cap and trade legislation, as well as the Center to Protect Patient Rights that fought the health reform effort (:125). The Center also raised donations from many wealthy donors and corporate interests to channel into broad-gauged campaigns against Obama Democrats and their policy priorities – so much so that this group in some ways straddles two of our categories by doing donor coordination as well as advocacy (Vogel 2014a, 200-1).

The longstanding proclivity of the Kochs to recruit and orchestrate other like-minded donors is perhaps the clearest reason why it is misleading to examine their impact simply as a matter of individual wealthy industrialists throwing around their inherited and earned money. As the heirs of a privately held, very successful corporate conglomerate, the brothers have always been in a position to think big, to strategize about promoting political change. And as individuals who take philosophical and normative ideas as well as material interests very seriously, they envision political change in a multifaceted and long-term way. With Charles in the lead, the Koch brothers have accordingly gone far beyond doing what many other super-wealthy philanthropists or political donors do in politics. Not content with merely scattering donations around to disparate institutions and causes run by others, they instead seek to pull many like-minded donors into supporting a comprehensive political strategy carried through by an interlocking network of tightly controlled organizations. As their life stories reveal (see the excellent biography by Daniel Schulman

2014) and as the organizational chronology suggests, the Koch political strategy has evolved through various phases. In the latest phase, unfolding since the early 2000s, the network has moved boldly into new territory – by adding new organized efforts at donor coordination and constituency mobilization into the earlier mix of think tanks and advocacy groups.

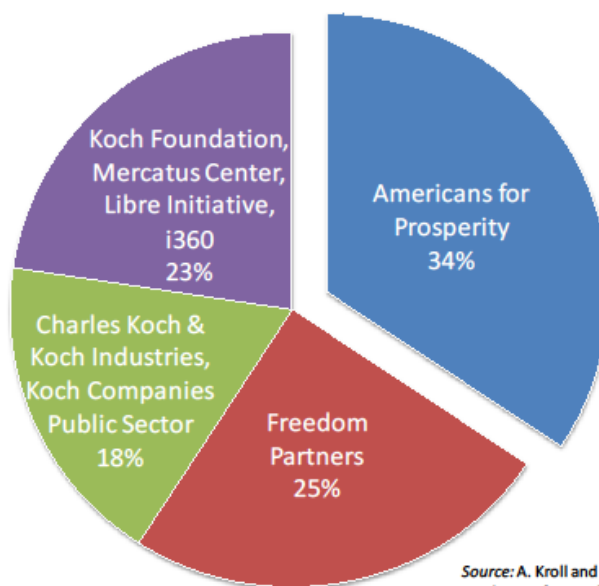
Starting in 2003, the Kochs began to convene twice-yearly donor “seminars” at which invited wealthy people, chiefly business leaders and their spouses, are exposed to ultra-free market and libertarian ideas as well as to practical political strategies. At first, according to informed journalists, these seminars were small, intellectually ponderous affairs; but from 2007 on interest and attendance grew (Schulman 2014, 286-88; Vogel 2014a, 130-33 and throughout). Although the first seminar attracted only thirteen attendees, more recent convenings have counted over 400 participants, including many husband-wife pairs (Koch 2010; Kroll and Schulman 2014). Recently, the primary Koch funding conduit, the Freedom Partners Chamber of Commerce, took over the organization of these events (Allen and Vandehei 2013), so that guests now pay a minimum of \$100,000 to assemble for several days at posh resorts under tight security to socialize and listen to carefully choreographed presentations by conservative intellectuals, media people, and leaders of core Koch political organizations (Vogel 2015a).

Some sessions at the biannual seminars amount to auditions for invited conservative GOP candidates, including leading presidential contenders such as Florida Senator Marco Rubio, Kentucky Senator Rand Paul, Texas Senator Ted Cruz, New Jersey Governor Chris Christie, Wisconsin Governor Scott Walker, and former Florida Governor Jeb Bush, not to mention younger rising stars. Koch organizations do not, as such, endorse particular candidates; instead, they deploy what is arguably a much more effective tactic by encouraging politicians to compete to prove that they can be effective spokespersons for,

and executors of, the Koch agenda. Because the Kochs are able to attract many wealthy supporters, politicians covet invitations to the seminars and appear glad to preen for the guests. Indeed, the seminars have been operating long enough that some GOPers now owe their success to auditions at these meetings, including recently elected Iowa Senator Joni Ernst, who was a lowly state politician before she was discovered and groomed by the Koch network (Vogel 2015b).

The twice-yearly Koch seminars foster like-mindedness and camaraderie among conservative millionaires and billionaires. In addition, corralling several hundred conservative fat cats in one place for several days creates opportunities for the Koch network leaders to schedule many small consultations between invited attendees and principals in other Koch core organizations – intimate sessions in which, presumably, specific strategies are laid out to attract donor support, including support from wealthy people in particular states for electoral and issue efforts focused on those places. Indeed, examining such encounters is an excellent empirical way to tell which people and organizations really matter in the Koch network. Of course, full information is spotty, because Koch seminar programs and lists of attendees and their detailed activities are supposed to be kept secret. But some documents have leaked from time to time, including a sheet (found crumpled up in a hotel room) giving a full list of arrangements for individualized sessions between Koch organization leaders and potential donors in attendance at the spring 2014 seminar held in Palm Springs, California (Kroll and Schulman 2014). By tallying who met with whom in specially arranged “one on one” meetings during that three-day event, we can get a pretty good idea of which organizations are current priorities.

Figure 5. KOCH NETWORK LEADERS IN ONE ON ONE MEETINGS WITH 40 DONORS
Share of 93 Encounters, Palm Springs Seminar, January 2014



Source: A. Kroll and D. Schulman, "The Koch Brothers Left a Confidential Document at Their Donor Conference," *Mother Jones*, Feb 5, 2014.

Clearly important at Palm Springs were donor meetings arranged with people from the core Koch funding conduit, Freedom Partners. But the chart displayed in Figure 5 also suggests the enduring importance the Kochs place on investments in ideas, research, and education, as well as their current efforts to fund organizations that mobilize citizens for issue campaigns and elections. Ten leaders from Americans for Prosperity, including a number of state directors, were involved in more than a third of the total donor encounters at Palm Springs; and donor meetings also involved the head of the Libre Initiative, a new venture engaged in outreach to Latinos, as well as the head of the Koch voter data operation i360.

Overall, the pattern of encounters between seminar guests and Koch operatives at Palm Springs in 2014 underlines the importance of the second new thrust the Koch network has taken in recent years – toward major new investments in mass constituency outreach and the political mobilization of American voters and citizen-activists. These efforts include three types of endeavors – the first of which (as the next section will elaborate) is the most extensive and pivotal.

- The most important and innovative post-2000 Koch political organization, growing since 2004, is the general-purpose advocacy and constituency mobilization federation, **Americans for Prosperity**, which uses a combination of advertising, lobbying and grassroots agitation to push during and between elections for conservative free-market politicians and policy priorities (Sonmez 2010; Bump 2014).
- More recently launched Koch organizations seek to mobilize particular constituencies. Using a combination of lobbying, issue campaigns, and efforts to build grassroots contact lists, **Concerned Veterans for America** was launched in 2012 to address military veterans' issues – and push for privatization of the Veterans Administration (Overby 2015). Of course, veterans are a constituency usually seen as amenable to conservative appeals. But the Koch network also includes recently launched organizations focused on constituencies liberals tend to take for granted. From 2011, **Generation Opportunity** ("GenOpp") has targeted young people (Novak 2014). And the fast-expanding **Libre Initiative** was also instituted in 2011 to do community outreach as well as political agitation among Latinos, with efforts especially targeted in swing states considered up for grabs between Republicans and Democrats (see Bautista-Chavez and Meyer 2015).

- Constituency efforts are magnified through very recently created Koch-connected general-utility organizations. **Themis/i360** is a combined for-profit and non-profit operation that has worked since 2010 to develop and deploy real-time digitized data on conservative voters and activists (Allen and Vogel 2014), the first major conservative effort to replicate successful liberal voter data initiatives like Catalist and NGP-VAN (Hersh 2015). Also buoying conservative electoral fortunes is **Aegis Strategic**, a consulting organization founded in 2013 by Jeff Crank, who previously held key positions in other Koch organizations including the AFP state directorship in Colorado (Kroll 2014). Aegis aims to identify and support the nomination and election of very conservative Republicans – such as one of its early projects, Joni Ernst who was recruited and supported to run, successfully, for the open 2014 Senate seat in Iowa (Vogel 2015b).

Across all of these efforts, the Koch political organizations are deeply intertwined with the family-run industrial giant, Koch Industries. The corporate empire is, of course, the source of Charles and David’s stupendous wealth. Beyond that, members of the inner cadre of political network leaders, including Rich Fink, Mark Holden, and Marc Short, have all served in Koch Industries management; and other staffers have cycled back and forth between the political groups and the corporation (Vogel 2015a, 2014a). Management and organizational strategies developed at Koch Industries have been applied to the political network – including the deployment of subsidiaries and enforcement of accountability through rigorous internal audits and “market-based management,” where each staffer is responsible for showing measurable results (Schulman 2014). Koch Industries includes a governmental affairs division that shares priorities, resources, and personnel with network political organizations. The corporation’s lobbyists and staffers often work hand in glove

with the political network on campaigns such as the current effort to block Congressional reauthorization of the Export-Import Bank. And Koch Industries funds allied organizations that the network also supports, such as the American Legislative Exchange Council (SourceWatch 2015).

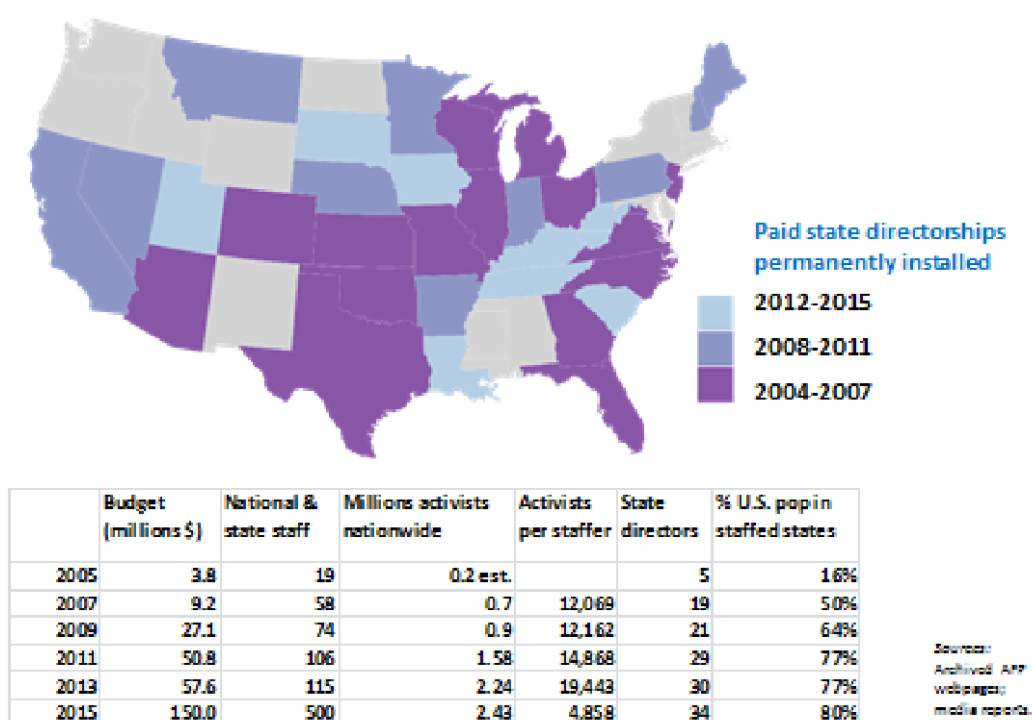
Typically, media pundits and Democrats portray the Koch network as a reaction to President Barack Obama, but the phases of network development we have just reviewed suggests that the Kochs have long engaged in concerted efforts to change American political culture and public policies, and at least since the 1990s have taken ever more extensive steps to reorient and leverage the Republican Party. The Kochs were very critical of many GOP moves under President George W. Bush and his master domo Karl Rove; accordingly they set out to pull the Republican Party to the right (Skocpol and Williamson 2012, 103; Vogel 2014a). In fact, the post 2002 shifts in GOP/conservative resources we saw in Figure 2 are in significant part due the latest Koch undertakings, the donor coordination and constituency building efforts that outflank the Republican Party and pull it to the right. At the center of the latest Koch network evolution is Americans for Prosperity, the 100-pound gorilla of the reorganized U.S. conservative universe.

The Growth and Unique Features of Americans for Prosperity

Along with a coordinated nonprofit foundation led by the same board, Americans for Prosperity was set up as a 501c4 organization in 2004, following the break-up of Citizens for a Sound Economy and just as the Kochs were getting their recurrent donor seminars under way. By 2005, the Kochs signaled bold ambitions for AFP by recruiting Tim Phillips, a former Christian right organizer, to direct and vastly expand the operation at both

national and state levels. As Figure 6 shows, AFP's growth has been remarkable and a lot of that growth happened before Barack Obama gained prominence. By the end of 2007 AFP already had paid state directors permanently installed in 19 states encompassing half the total U.S. population. Prior to Democratic sweeps in the 2008 elections AFP organizations were ensconced not just in conservative states but also in the electorally contested Midwest and Upper South, as indicated in Figure 6 by the deep purple coloring.

Figure 6. **THE RAPID GROWTH OF AMERICANS FOR PROSPERITY**



Our project uses a unique, laboriously assembled data set to track the growth of AFP. In recent years, the AFP national website includes a menu linking to what are called state “chapters.” But not all of those so-called chapters have actually had any continuous staffing. To get at solid organizational foundations, we use the presence of a paid state director to determine whether AFP in a given state amounts to more than just names on a

national list or temporary field staffers deployed from neighboring states for a specific election or policy campaign. To determine the names and terms of paid state directors, we have collected information from earlier AFP website postings archived on the Internet “Wayback Machine.” Using contemporaneous lists along with real-time announcements of the arrival and departure of AFP state directors allows us to track where and when interruptions occurred in AFP expansion. Like all organizational leaders, AFP leaders tend to portray their federation as always growing and never experiencing any setbacks; and in prospectuses prepared for donors, they offer bold projections of future growth. But real-time analyses show that AFP has, from time to time, fallen short of projections and has even disbanded staffs in certain states.

The state of Oregon had paid state directors from 2007 to 2013 before AFP closed shop there (Burghart 2015). Directors were implanted only temporarily in North Dakota (2006-07), Maryland (2009-11), Washington (2010-11), and Connecticut (2011-12); and AFP organized New Mexico only very briefly in 2012-13 (see ProgressNow NM 2014). In addition, as of 2015 ten states have never had paid AFP directors – including a mix of very conservative small states (Alabama, Idaho, Mississippi, and Wyoming) and very liberal states (Delaware, Hawaii, Massachusetts, New York, Rhode Island, and Vermont). After backing off from some liberal states after a peak in 2010-12, AFP has recently expanded continuous staffing primarily into very conservative states like South Dakota, West Virginia, and Utah. The overall total of states organized has inched upward since 2012 mainly because such previously bypassed states have been added in place of abandoned liberal states.

Even with these details about ups and downs spelled out, however, the nationwide reach attained by AFP is truly remarkable. By 2015, it had paid directors in 34 states

encompassing four-fifths of the U.S. population. In addition, AFP carries on its master contact lists many conservative activists who reside in the states where it does not have a paid staff presence (Americans for Prosperity 2015, 2013); and each year it announces plans for further expansion. Currently, according to Kenneth Vogel (2015a), AFP intends to have staffing up and running by 2016 in all but eight U.S. states.

For the period from 2004 through 2015, the data table included in Figure 6 tracks the overall growth in affiliated volunteer activists, budgets, and total staffing (using lists or media reports than include national staffers as well as state staffs). Every indicator points to a sharp upward growth trajectory – with the caveat that the ranks of volunteer conservative activists in regular contact with AFP have grown only gradually since 2013, from 2.3 to almost 2.5 million, while paid staffing levels have grown more sharply across the federation as a whole. As AFP has marshaled generous donor resources from the Koch network, its ratio of paid staffers to volunteer activist contacts has grown. AFP is becoming steadily more top-heavy across the board. What is more, the national headquarters now raises and deploys major resource “surges” – infusing money for advertisements and beives of temporary field operatives to bolster election campaigns and policy battles in pivotal states such as Colorado (Fish 2014) and Florida (Mishak and Elliott 2014; Rutenberg 2014; Vogel 2015a).

Basic organizational growth aside, how does Americans for Prosperity actually function as a political operation? In highly unusual ways, it combines features that are often found separately: Americans for Prosperity is centrally directed yet federated; it impacts both elections and policymaking; it combines insider lobbying with public campaigns and grassroots activation; and – perhaps most important of all – AFP enforces its own highly disciplined policy agenda but at the same time is thoroughly intertwined

with the Republican Party. Each of these combinations of features and functions deserves elaboration because, taken together, they explain how AFP has become a massive cadre-directed operation capable of leveraging the Republican Party and pulling agendas of American politics further toward the right.

We begin with **AFP's unique combination of corporate and federated organization.** Like a privately held corporation, Americans for Prosperity is a fully national organization, directed from above by centrally appointed managers operating from their headquarters in Arlington, Virginia. National managers oversee functions such as fundraising, policy, and web communications – and in recent years, AFP has also proliferated regional managers who shepherd groups of states in accord with national strategies. Along with the AFP board, Director Tim Phillips and his top lieutenants obviously have complete authority over personnel and resource allocations. Over-time tracking shows that top AFP managers are appointed and removed at will and regularly moved around. In addition, managers shift around between AFP and other core Koch organizations, including Freedom Partners, the funding coordinator for the Koch network as a whole. In addition to authority over personnel, top AFP leaders direct special infusions of funds into various functions and states – for example, into big advertising buys during key Senate election battles (Vogel 2014b) or into hot campaigns to block Medicaid expansion in particular states (Hertel-Fernandez et al. 2016; Schouten 2015).

But even though AFP is highly centralized like a corporation, it also has a federated structure with important state-level organizations, just like classic American voluntary associations and the U.S. governmental system as a whole (Skocpol et al. 2000). Directors and other paid staff members such as “grassroots directors” are installed in most of the

states and given considerable room to monitor and influence state and local politics and weigh in locally with their state's U.S. Senators and Representatives.

State-level AFP organizations are called "chapters," but that is a misnomer because they are not really in any sense controlled from within the states themselves. Although AFP usually appoints directors who have experience and longstanding ties in their states, these pivotal players are not elected by in-state activists or selected through any internal decision-making process. National AFP President Tim Phillips usually announces the arrival and departure of state directors; and regardless of varied career backgrounds (which we will discuss below) all AFP state directors, along with all other AFP employees, push a standard agenda using well-honed organizational routines. To get a picture of lineages of state directors over more than a decade, our project has gathered data on 58 AFP state directors, including 45 men and 13 women, all whites, who have served between 2004 and 2015 in the first fifteen AFP states. The states in this data base are Kansas, North Carolina, and Texas where AFP was organized starting in 2004; Virginia and Wisconsin starting in 2005; Colorado, Georgia, Illinois, Michigan, Missouri, New Jersey, Ohio, and Oklahoma starting in 2006; and Arizona and Florida starting in 2007. Of the 43 directors in these states who have completed their terms, the average time in office was 20.9 months (although some stayed in office for many years, while a small number moved on after just a few months, including some who seem not to have liked the work or who performed poorly and were removed by the national AFP managers).

State director is an important and pivotal position in the AFP federation. Once in place, state directors not only coordinate the eclectic mix of AFP activities we are about to describe. They also apparently have considerable authority over appointments of deputies and functional directors in their state. But the numbers of additional paid staffers varies

greatly from state to state, and may depend in part on local fundraising, not just budget grants from national headquarters. In interviews with experts and from the public record, we have found indications that AFP state directors are, where possible, responsible for raising donations from local activists and wealthy donors (see, for example, the remarks from former AFP-New Hampshire Director Corey Lewandowski in New Hampshire Business Review 2012). And AFP recently advertised a job opening for a Senior Regional Development Officer who is supposed to “cultivate and solicit individuals for contributions to support states in their assigned region as well as national efforts.” Furthermore, in some longstanding, generously staffed states, native conservative donors like Art Pope in North Carolina and the Bradley Foundation in Wisconsin seem to have virtually adopted the local AFP affiliate.

In another distinctive combination, Americans for Prosperity **conducts political activities between as well as during elections**, maintaining a continuity of effort that its leaders proudly point to in public statements and in private pitches to potential donors. To be sure, AFP budgets and expenditures balloon during election years, as national and state operatives channel major funding into advertisements, especially for presidential contests and key Senate races such as the 2014 races in Iowa, North Carolina, Colorado, Arkansas, and Louisiana. In addition, AFP deploys extra funds and personnel to do voter contacting and turnout in key states, as it reportedly did in Florida in 2014 (Mishak and Elliott 2014). Nevertheless, AFP is not a mere pass through for electioneering monies.

Year to year, AFP mounts policy campaigns and maintains lobbying and grassroots pressure on legislators and public officials, especially in the states. During state-level battles over Medicaid expansion under ObamaCare, for instance, AFP Directors have issued press releases, pressured legislators, and mounted “grassroots” protests – and the

same sort of thing happens in other state-level battles over right to work legislation, highway funding, taxes, and funding for education and social policies (we will consider state debates over union rights in more detail below). In all such battles, AFP organizations work closely with the local legislators enrolled in the American Legislative Exchange Council and with conservative free-market think tanks operating in the states (Hertel-Fernandez and Skocpol 2015). In addition, many AFP-organized states now put out annual “scorecards” to track votes by members of their own state legislatures, in addition to publicizing the scores assigned to their state’s Congressional contingents by the national AFP scorecard of votes in the U.S. Senate and House of Representatives. AFP has released national Congressional scorecards since 2007, showing that GOPers in the House and the Senate have voted with AFP most of the time across all sessions – with compliance rising from 73% in 2007 to 88% in 2015.

This brings us to the third way that AFP combines typically separated functions – by **synchronizing staff-led lobbying and publicity efforts with mobilization of volunteer citizen activists**. Most AFP-organized states have grassroots directors of some sort, whose responsibilities include maintaining lists of conservative activists, communicating regularly with them, and putting out calls for public demonstrations from time to time – such as a protest staged at a legislative hearing about a controversial piece of legislation. Overall, AFP claims to enroll close to 2.5 million activists nationwide – including tens to hundreds thousands of them in every state, including states without paid directors. Yet it is important to understand what activists do – and do not do – in the organization. No doubt, AFP managers pay attention to the ideas and passions of conservative voters and activists; and they certainly try to build and update contact lists so conservatives at the grassroots can be contacted for issue campaigns, turned out on election

day, and urged to donate to AFP (which can then proudly proclaim that it has large numbers of “small donors”). But in no sense is AFP controlled by citizen “members.” Voluntarily affiliated citizens do not elect AFP leaders; they do not provide the bulk of organizational funding; and they do not determine AFP public messages or issue agendas. Wealthy donors and centrally orchestrated managers perform all of those directive functions.

Now we get to the heart of the matter: what AFP aims to accomplish and how it relates to other conservative organizations and the Republican Party. In essence, **AFP is autonomous and directed from above, yet at the same time it is sufficiently intertwined with the GOP at all levels that it can pull party agendas steadily rightward.** AFP pursues a broad pro-free-market agenda with a highly disciplined focus on economic and political issues, avoiding controversial social policies like gay marriage, abortion, and immigration as much as possible. Like earlier free-market advocacy groups, it pressures and pulls Republican candidates and officeholders to follow its preferred agenda. But unlike earlier kindred organizations, AFP pursues a broader set of priorities and engages in a more integrated set of political activities across multiple levels of government. It more closely resembles a European-style political party than any sort of specialized advocacy group or election campaign organization. But AFP is not a separate political party. It is, instead, organized to parallel and leverage the Republican Party, because it overlaps the party but is not subsumed within it or beholden to GOP officials. With a disciplined focus on its own agenda, AFP leverages Republican candidates and officeholders and pulls them to the far right on political-economic issues.

What is the AFP issue agenda? Our project has not yet assembled a full data set coding issues mentioned in AFP press releases and on AFP websites, over time both

nationally and in the various states.. But hundreds of hours spent on AFP websites past and current allow us to say, with confidence, that this organization exercises tight control over the policy goals its operatives pursue and discuss in public. The clearest evidence lies in the fact that AFP public communications have always been centered in a single website, whose format and content is quite standardized and obviously managed from above. State organizations have their own dedicated webpages and some include state-specific content – for example, news updates about upcoming public events or legislative battles in that state. But on both the national and state-specific portions of the AFP website, the range of issues covered is highly standardized. Even state and regional media coverage of local AFP efforts follows pretty much the same script. Using almost identical phrasing, AFP directors are quoted parroting their own local versions of the organization’s mantras about limited government, free markets, and individual liberty.

Another important indicator is provided by the national AFP Congressional scorecards issued since 2007. Like all scorecards, these record each Senator’s and Representative’s votes on selected issues, indicating whether those votes reflect or fail to reflect AFP preferences. On these widely disseminated scorecards, AFP does not track all conservative priorities but instead focuses on votes in policy areas of core concern to the Koch network – votes on bills about budget and spending; energy and the environment; health care and entitlements; taxes; labor, education, and pensions; banking and financial services; property rights; and technology. This evidence about scorecard categories dovetails perfectly with the emphases we see on AFP webpages about state-level issue campaigns and legislative monitoring.

On webpages, in statements to the media, in lobbying efforts, and at public protests, messages from national and state AFP operatives focus relentlessly on promoting tax cuts,

blocking and eliminating business regulations, opposing ObamaCare, pushing for reductions in funding (and where possible the privatization) of public education and social-welfare programs, and opposing state-level environmental regulations and any regulations issued by the U.S. Environmental Protection Agency. In these respects, the AFP agenda aligns with long-standing anti-tax and ultra-free-market groups like the Club for Growth and Americans for Tax Reform as well as with the priorities pushed by the conservative activists and corporate interests operating through ALEC to shape state legislation. In addition, like many of these other organizations, AFP works to undercut private and public sector labor unions and reduce the ranks and rights of public employees. And AFP state organizations often support bills and administrative measures to restrict easy voter registration, cut back on voting days and hours, and generally make it difficult for young and minority people to vote. AFP is a fighting organization that works, relentlessly, to shrink government, reduce economic regulations and redistribution, and disempower liberal and Democratic constituencies.

Of course, personally speaking, many AFP leaders and grassroots supporters are Christian conservatives opposed to abortion and gay marriage, and quite a few grassroots activists involved with AFP want to restrict immigration. But these “social issues” are not core AFP concerns. As an organization, AFP does not take stands on most hot-button social issues or give much, if any, public attention to them. Especially in conservative states, AFP cooperates in elections and issue campaigns with gun rights groups, Christian right groups, and even immigration restriction groups. AFP joins typical conservative alliances. But AFP itself keeps the focus on the Koch network’s core economic and political priorities.

Should we, then, conclude that AFP is just another ultra-free-market advocacy group? Does AFP simply add capabilities for citizen outreach to such longstanding, elite

funded and top-down operations as the Club for Growth and Americans for Tax Reform? In part, the answer is yes – AFP does add important new capabilities, especially via its many state-level organizations. But AFP also appears to have a different relationship to the Republican Party. In classic advocacy group modes, the Club for Growth and Americans for Tax Reform are run by separate sets of professionals and push on the GOP from the outside, usually at the national level. AFP, in contrast, is organized as a federation that parallels the political parties and, especially in its state organizations, turns out to be thoroughly intertwined with the Republican Party in both elections and governance.

Early in our research, we imagined that AFP’s ability to pressure Republican candidates and officeholders might be due to its separate organization, that AFP, like the Club for Growth and ATR might work through career staffers to punish and reward Republicans according to their fealty to the Koch agenda. Information we have collected on the career trajectories of Club and ATR staffers shows that they rarely come from Republican positions or move on to such posts. Club and ATR staffers tend to pursue careers within the world of conservative lobbying groups. But when we collected information on the careers of AFP state directors, we found that AFP is thoroughly intertwined with the Republican Party. As mentioned earlier, one of our data sets examines the careers of dozens of AFP state directors installed in the earliest organized states. By looking at the early states, we could track the careers of AFP state directors over many years, using organizational biographies, LinkedIn postings, and media accounts to see what kinds of posts state directors held before they were first appointed and what kinds of posts they moved onto after their stints as AFP state directors. (In addition, we have gathered information on the prior career posts held by the current 2015 state directors in all 34 AFP

states. That data is not reported here, but aligns with the longer-term findings we report for the early states).

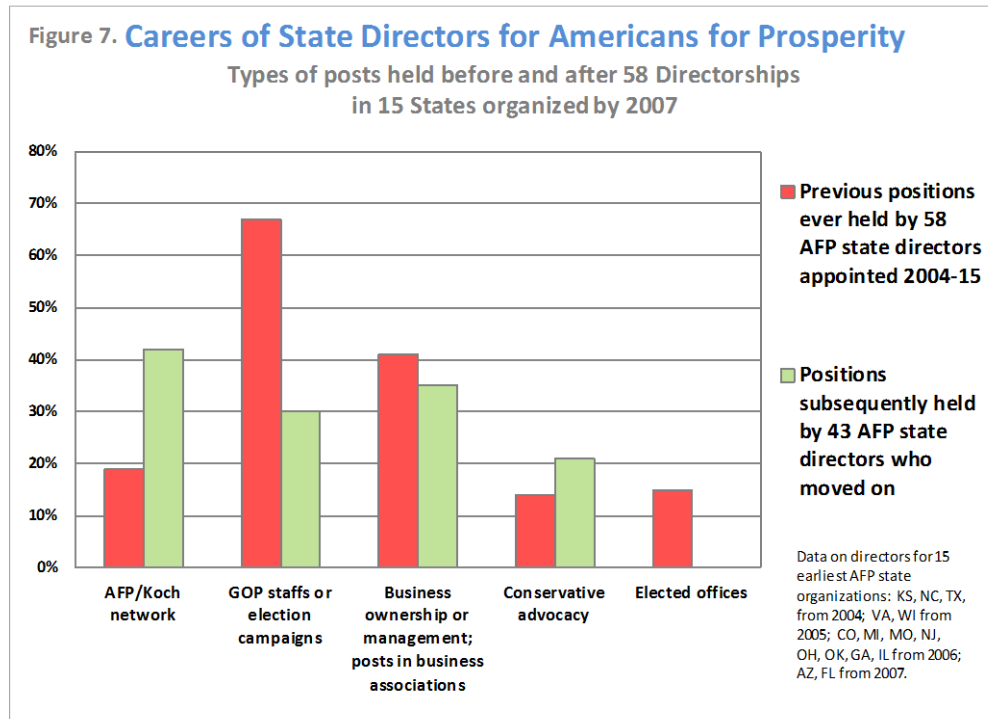


Figure 7 shows what this career line analysis teaches us about AFP careers, including the career ties that bind AFP and the GOP:

- Overall, quite a few AFP state directors are promoted from within the federation.

Deputy directors often move up to state directors and, even more frequently, former state directors move up to other AFP posts (to become, for example regional directors or managers in the national office). AFP has, over time, created a substantial internal labor market. In addition, some of its most important leaders move to top posts in other Koch organizations.

- Many AFP state directors come from – and later move on to – other key posts in the conservative world, including positions in businesses and business associations and in various sorts of conservative advocacy groups. The business posts are mostly not in corporations; they are typically ownerships of consulting businesses or public relations firms that work especially for Republican Party clients.
- Tellingly, Figure 7 reveals that **a very high proportion of AFP state directors held earlier positions in GOP election campaigns or on the staffs of Republican legislators and executives; and many moved on to such posts in due course.** Two-thirds of AFP directors have had earlier career experiences in such positions. And close to a third of state directors moved on immediately or later to positions in GOP campaigns or staffs. Often these post-AFP jobs in the Republican Party are very significant jobs such as legislative staff directors or heads of presidential or senatorial campaigns. In addition, as previously noted, many prior and post-AFP career stops are in business firms that work for Republican politicians.

These data show, clearly, that the AFP federation has been able to penetrate GOP career ladders and recruit experienced, knowledgeable Republican staffers, usually young men in their thirties or forties, into pivotal positions as state directors in its own parallel organization. This penetration of Republican career lines brings clear-cut advantages to Americans for Prosperity – and to the Koch network as a whole. AFP recruits with GOP experience have valuable knowledge and connections to party circles within each state. They know who counts in Republican politics, legislatures, and governors' offices, and their

savvy makes it easier for AFP to mount well-targeted lobbying efforts and issue campaigns. The AFPers who have worked in GOP positions know the strengths and vulnerabilities of each state's Republican "establishment," which of course greatly helps AFP to gain leverage on the GOP. In addition, when former AFP state directors later move into Republican posts – by directing election campaigns, working as political consultants, or managing governing staffs – chances are that many of them will further AFP agendas and help drag the Republican Party as a whole further to the right on political-economic issues.

Overall, AFP exhibits an ideal combination of autonomy from, and embeddedness within, GOP circles, a unique situation that helps the Koch network serve as an ideological backbone and right-wing force field for today's Republican Party. This happens not only because the Koch network throws a lot of money around, and not even because it threatens politicians with sanctions if they stray from the Koch agenda. The most pervasive and subtle form of leverage by the Koch network on the Republican Party happens because of the flow of people back and forth.

A concrete example nicely dramatizes how AFP's parallel and intertwined organization can help the far right prod and pull Republicans and powerfully affect policy agendas and outcomes. In the November 2014 elections in Tennessee, a campaign operative named Andrew Ogles led successful efforts to elect Republicans to super-majority control of the state legislature. In early 2015, Bill Haslam, the very popular GOP governor of the state who had himself won re-election by an overwhelming margin pushed a proposal to adopt a conservative variant of Medicaid expansion under the Affordable Care Act. This proposal had strong backing from Tennessee hospitals and health care businesses, as well as from the state's Chamber of Commerce. But Tennessee's far right was firmly opposed to the expansion. Backed by resources from national AFP headquarters, an all-out campaign

to block legislative approval of Haslam's proposal was spearheaded by the state AFP organization – led by its newly appointed state director, none other than Andrew Ogles. In just a few months, Ogles went from electing Republicans to full control of the Tennessee legislature to targeting many of those very same legislators with retribution when they showed any openness to expanding Medicaid – not just lobbying them, but also unleashing radio ads and door-to-door canvassers. In a very short time, Governor Haslam's proposal died in the legislature (full accounts appear in Sher 2015; Schouten 2015). Obviously, AFP-Tennessee Director Ogles knew exactly how to leverage the very Tennessee GOP legislature he had helped to elect; and his expertise and leadership allowed AFP, working with other right-wing groups, to re-set the legislature's agenda and undercut the Republican governor's willingness to compromise with the Obama administration.

Assessing the Impact of a Cadre-Led Network

Figuring out whether political organizations actually have a specific net impact on election outcomes, public agendas, and public policies is one of the most difficult challenges analysts face – and our project is still in the early stages of trying to trace and pin down the precise impact of the Koch network on the Republican Party and on U.S. politics and public policymaking more generally. Many factors and forces have certainly contributed to asymmetric partisan polarization in recent U.S. politics, a process both exemplified and spearheaded by the steady rightward march of the Republican Party. And many organized forces, ranging from the National Rifle Association to pro-life groups, prod Republican-dominated legislators to take steps at odds with what most Americans tell pollsters they want. Nevertheless, there are good empirical reasons to believe that – especially on

economically relevant issues and policies about the scope of government and the rights of unions and voters – Koch network operations have contributed to growing gaps between GOP stands and majority citizen preferences. Occasionally, Koch activities have also furthered rifts between Republican priorities and the policy preferences of mainstream U.S. businesses.

In this section, we introduce suggestive evidence on these points, beginning with an overview of issue alignments and moving on to several case studies of recent Koch efforts to pull the GOP away from public and business preferences – through AFP’s advocacy against climate change legislation; through Koch involvement in the enactment of state-level anti-union legislation; and through Koch campaigns that have sparked civil wars with corporate groups over whether the Republican-led Congress should reauthorize the Export-Import Bank. Although the Koch network organizations and donors have not been the sole actors in any of these policy dramas, they have played an important role in encouraging Republicans to support priorities that run against the preferences of big businesses and the majority of the American public.

Table 1: The Disconnect Between U.S. Public Opinion and Koch Policy Advocacy

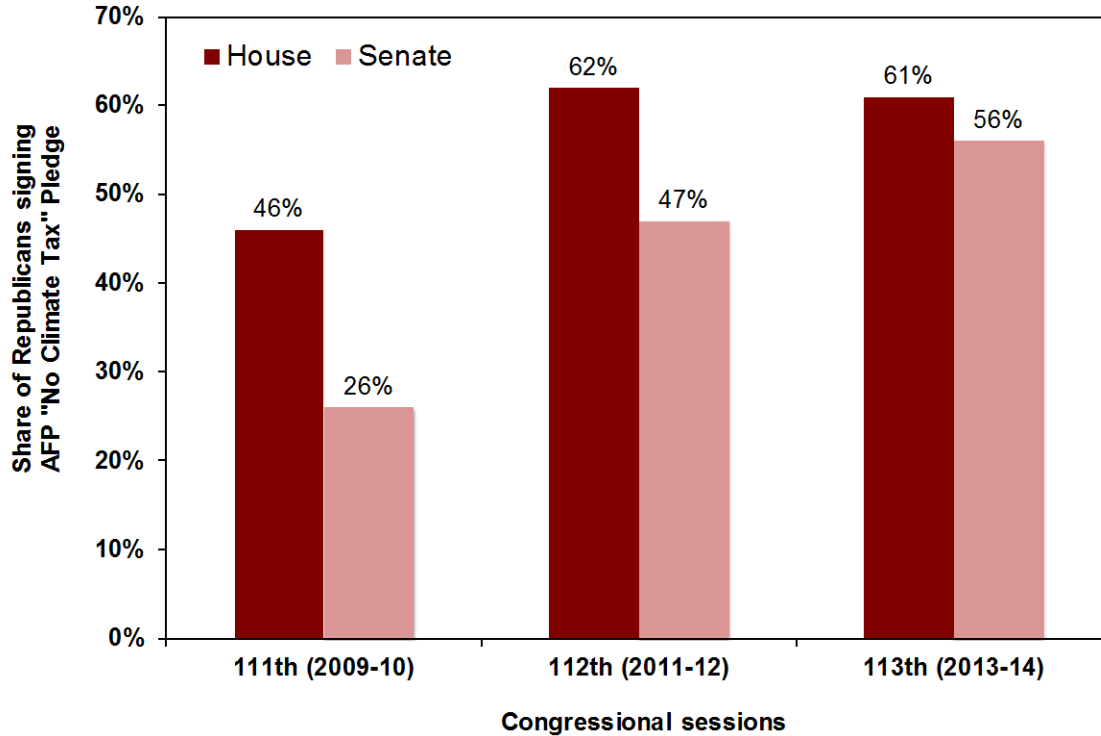
Policy	U.S. adult preferences	Polling source
Raising minimum wage to \$10.10	71% support	CBS/NYT 2015
Paid sick leave for workers	80% support	CBS/NYT 2015
Keeping and modifying health reform	43% retain or expand & 11% cut back vs. 31% for repeal	Kaiser 2015
Expanded Social Security benefits	72% support	NASI 2014
New spending on universal preschool	69% support	Gallup 2013
Increased public spending on infrastructure	72% support	Gallup 2013
Regulating carbon dioxide as a pollutant	74% support	Yale Climate Change Communication Project 2015

To start with the big picture, Table 1 summarizes issues of redistributive import on which Republican legislatures and candidates for offices ranging from state legislatures to the presidency have moved into virtual lockstep with Koch network positions that are at odds with majority U.S. public opinion. Pollsters find that large majorities of Americans support an increased minimum wage at federal and state levels, expanding Social Security, enacting paid sick leave for workers, retaining and modifying the national health reform law, instituting universal preschool programs, and increasing public spending on infrastructure. Nearly three-fourths of Americans also indicate support for regulating carbon dioxide as an environmental pollutant – a critical step toward limiting global warming. The Koch network, however, strongly opposes all of these proposals – and so do official Republican Party platforms and the individual positions of virtually all GOP politicians at the state and national level. In recent years, coincident with the latest

evolution of the Koch network, Republican legislators and candidates have actually moved toward more unified and adamant opposition to some of these policy options, such as raising the legal minimum wage and taking action to redress global climate change.

The evidence in Table 1 suggests disconnections between majority public opinion and GOP policy stands that converge with Koch network positions, but these patterns do not establish causality. Policies dealing with global warming allow a closer look at how the Koch network pushes the GOP into unpopular positions. Ever since its 1990s campaign against the Clinton's administration's proposed "BTU tax," the Koch network has worked to defeat climate change legislation (Schulman 2014; Fang 2013). In addition to financing scientific and policy research that questions the reality of human-induced climate change, the network lobbies Congress aggressively, with AFP in the vanguard (Mayer 2013). Adapting a tactic from Americans for Tax Reform, AFP pushes lawmakers to sign a "No Climate Tax" pledge, committing themselves to oppose "any legislation relating to climate change that includes a net increase in government revenue." This squarely targets any possible carbon tax, a tool for reducing carbon emissions supported by conservative as well as liberal economists (Geman 2012).

Figure 8. Congressional GOP Support for AFP Climate Pledge

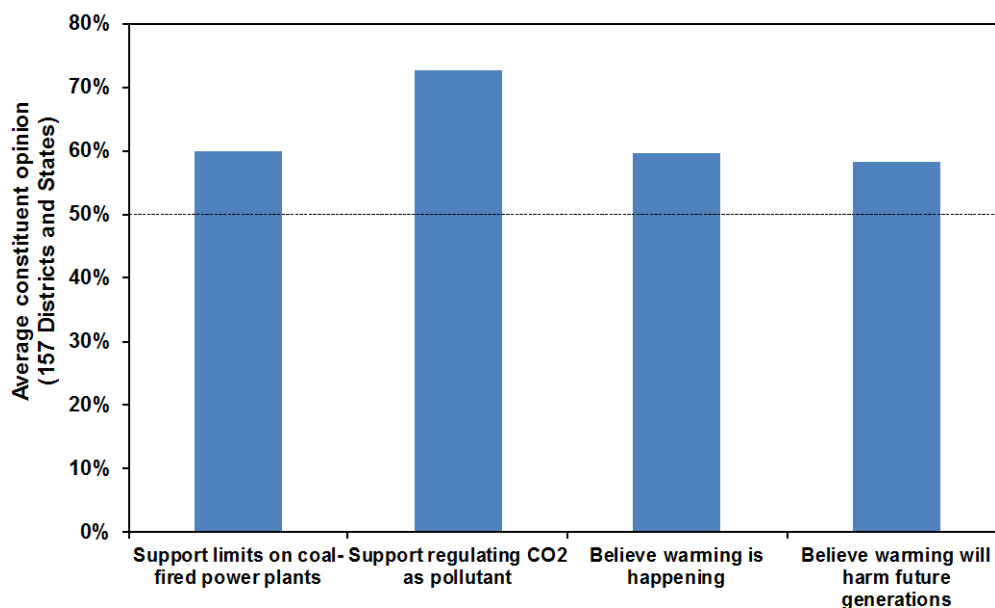


As Figure 8 shows, the AFP pledge has enjoyed growing support among Republicans in Congress. In the House, pledge signatories have increased from 46% of all GOP Representatives during the 111th Congress of 2009-10 to 61% of them in the 113th Congress of 2013-14. GOP support has increased even more dramatically in the Senate, growing from just 26% of Republican Senators in the 111th Congress to 56% of them in the 113th. As of last count in mid-2015, 157 Members of Congress had committed to the pledge.

Are Republicans who sign the pledge simply reflecting mass public views? Thanks to the Yale Project on Climate Change Communication, we know that the answer is “no,” based on reliable measures of public attitudes about global warming in states and Congressional districts (Howe et al. 2015). As it turns out, even in the districts of the GOP Representatives and Senators who have signed the “No Climate Tax” pledge, majorities of

Americans believe global warming is happening – and want to take action to address its ill effects. Across the states and districts represented by legislators who signed the AFP pledge in 2015, an average of 59% of Americans say that global warming is happening and an average of 58% believe it threatens future generations. Even more strikingly, an average of 73% of residents in these districts support action to regulate carbon dioxide as an environmental pollutant. In this policy realm, AFP – and the Koch network more generally – are clearly urging Republicans to take positions that run squarely against the beliefs of most of their constituents – including 62% of self-identified moderate Republicans (Maibach et al. 2013). Only a minority of voters, the most conservative GOP voters, agree with the stands the Koch network is trying to enforce in the Republican Party.

**Figure 9. Most Constituents of GOP Signatories to the AFP
"No Climate Tax" Pledge Support Global Warming Reforms**



We are in the process of exploring similar trends and gaps between Koch/GOP positions and mass public views on a number of issues. But for now we offer more detailed evidence about one additional issue, public sector union rights. As in the case of climate

change mitigation, a close look at policy fights in this area reveals that the central Koch network organization, Americans for Prosperity, has likely helped to drag the GOP away from median voter views. Governors and state legislatures – not Congress – are the relevant arenas in this instance, because state laws grant (or deny) public sector unions the right to organize, collect dues, and engage in collective bargaining.

Koch leaders and network organizations have always strongly opposed public sector unions, in part because they see all unions as distortions of the “free market,” but also because they understand that these unions favor liberal policies and support Democratic candidates with contributions and get-out-the-vote efforts. By restricting the rights of public sector workers to organize and bargain with government, the Koch network can eviscerate a key part of the liberal coalition – and AFP in particular brings new clout to this battle. Among the most active groups in campaigns for rollbacks and restrictions of public union prerogatives, AFP state organizations hold rallies, coordinate petitions, and orchestrate contacts between grassroots adherents and state lawmakers (Hertel-Fernandez 2015a). Often spending extra resources from AFP headquarters and Koch donors, state organizations run ads in favor of anti-union bills, help to fund litigation challenging public sector union rights, and conduct “push-polls” asking distorted questions in order to highlight apparent public support for anti-union legislation.

Such AFP advocacy proceeds regardless of public preferences. More than two-thirds of registered voters in 2011 believed that states should allow public employee unions to negotiate for salary and wages, health care benefits, and pensions (Fox News Poll, March 14-16, 2011). And well over half of American adults told pollsters that they opposed efforts by Republican governors to curb collective bargaining rights and cut pay for state employees in the wake of GOP takeovers of many state governments (NBC News/Wall

Street Journal poll, March 31-April 4, 2011). Americans are certainly not clamoring for public sector unions to be destroyed.

Is AFP perhaps responding to state-level variations in support for curbs on public sector unions? Drawing on four nationally representative surveys of adult Americans conducted between February and March of 2011, we estimated the share of adults in each state that supported restricting public sector union rights to bargain collectively. (See Appendix E for details on the surveys and our statistical methodology.) Support for restrictions ranged from 31% of adults in the District of Columbia to 46% of adults in New Hampshire, with the average across all states falling at 40%. If variations in public views were the driving force, we would expect bills curbing union rights to have passed more often in states where support for curbs is greater, but we actually find no relationship between state-level public opinion and restrictions enacted during 2011, a peak year for such bills. Restrictions were as readily enacted in states such as Michigan and Tennessee where people expressed high levels of support for public employee bargaining, as they were in states like New Hampshire and Ohio, where people were much less supportive.

Table 2. AFP State Organization and 2011 Curbs on Public Sector Bargaining

	No Paid State Director	Paid State Director
No Law	19 states (86%)	17 states (59%)
Passed Law	3 states (13%)	12 states (41%)

Notes: Data on directors comes from AFP state web pages; Data on enacted restrictive laws comes from the National Conference of State Legislatures.

Next, we probed to see if Koch network influences helped account for state variations. Given Americans for Prosperity's central role, we wondered if states with paid

AFP directors, a clear indicator of continuous institutional presence, were more likely to take action to curb public union bargaining rights. That is what we found. In 2011, 29 states had paid AFP directors and Table 2 shows that these states were substantially more likely to enact restrictions. Only 13% of states without a paid AFP director passed laws cutting public bargaining, compared to 41% of the states with paid AFP heads. We also controlled for a variety of factors that might plausibly represent alternative explanations for the enactments and/or for AFP strength – factors including the partisan balance in state government (as measured by Democratic control of up to three veto points, the governorship and the state house and senate); overall union density in the state labor force (a good indicator of overall state liberalism and the strength of opposition to anti-union measures); and the state unemployment rate (an indicator of economic conditions). In this more complex logistic regression model, the presence of a paid AFP state director increases the probability of a state enacting curbs to public sector bargaining rights in 2011 by 28 percentage points, (a result significant at $p=0.01$). Our results held up when we examined alternative measures of AFP strength, including whether states had developed their own legislative scorecards to monitor representatives' voting behavior on key AFP priorities. Public sector bargaining rights thus seem to be another clear-cut domain in which GOP lawmakers have responded to Koch network priorities rather than public preferences.

In December 2012, for example, Michigan Republicans shoved through union curbs in two-day legislative marathon with no public hearings. This sudden move in traditionally union-friendly state violated campaign assurances made just months before. Urged on by AFP-Michigan and other hard right groups, Governor Rick Snyder and his legislative allies also knew that business associations supported the union curbs. Similar efforts, both successful and not, played out in other states that had been traditionally open to public

unions. And at the national level, the U.S. Chamber of Commerce, the National Federation of Independent Businesses, and other leading business groups are certainly pleased when GOPers in Congress stand firm against proposals to hike legal minimum wage floors or institute paid sick days or family leave. Some analysts would therefore argue that Americans for Prosperity and other recently expanded extra-party forces on the GOP right are pushing on an open door – simply adding heft to longstanding business crusades for union rollbacks and tax and regulatory cuts. This is true up to a point and makes it difficult to pinpoint exactly how much new clout AFP and other Koch organizations add to the right-wing mix when we examine traditional redistributive or regulatory policy battles.

However, in certain policy arenas, the Koch network actually opposes priorities backed by the U.S. Chamber of Commerce and other longstanding business associations. Tellingly, in those areas we see a growing rift between the Koch-backed far right and the most potent U.S. corporate interest groups that have anchored the GOP since the 1970s. In Congress, the Koch network has joined players like Heritage Action to encourage conservative Republicans to break with the Chamber of Commerce and other business lobbies by opposing bills to renew agricultural subsidies or replenish the United States Highway Trust Fund. Similarly, in many states, the Koch network has gone to war against business lobbies in efforts to defeat appropriations for highway repairs and infrastructure investments and to block state acceptance of new federal funding to expand Medicaid under the 2010 Affordable Care Act.

Unremitting far right opposition to Medicaid expansion is an especially telling case of the Koch network's willingness to push the GOP toward stands unpopular both with major business associations and with most voters. Even in very conservative states like Utah, Tennessee, Alabama, and Wyoming, GOP governors along with hospital associations

and state Chambers of Commerce have backed Medicaid expansion as a way to garner subsidized profits and hundreds of millions to billions of dollars in new annual revenues for their states. But such practical economic considerations do not soften Koch network opposition, because the Koch strategy calls for all-out opposition to any and all expansions of public social spending.

Another less high-profile conservative civil war centers on whether the current Republican-led Congress should vote to reauthorize and continue the business-backed Export-Import Bank. Perhaps more than any other policy fight, this one best exemplifies how the Koch network has driven wedges between the GOP and corporate America. Until 2014, few political observers had heard of this obscure New Deal-era agency, which backs loans to foreign governments and companies looking to buy products from U.S. based firms. The financial guarantees offered by the bank are most valuable for purchases of large and expensive capital products like airplanes or farm equipment. As a result, just three U.S. firms – Boeing, Caterpillar, and General Electric – benefit from most of the loan guarantees. In turn, Export-Import Bank subsidies are vital to the profits of these firms; for example, a full 14% of Boeing's orders were backstopped by the bank in 2014 (Dillow 2015). Defenders of the Export-Import Bank, including the National Association of Manufacturers and the U.S. Chamber of Commerce, argue that American businesses cannot sell their products abroad without the certainty provided by the bank's guarantees. Until very recently, most Congressional politicians from both parties accepted such insider arguments and, with little debate, quietly voted to reauthorize the bank every few years.

But in the past few years this bipartisan consensus has been sharply challenged by the Koch network, which views the Export-Import Bank as antithetical to the free market principles it pursues. As far back as 1980, the Koch-backed Cato Institute argued that

“there is no need for export subsidies.... through the Export-Import Bank. Companies should compete without taxpayer support” (Bandow 1980, 20). Koch think tanks like Cato and Mercatus plus various university-based researchers repeatedly called for the bank’s elimination. But little support was built beyond libertarian enclaves – until the 2010 elections ushered into Congress large majorities of conservative Republicans open to Koch messages.

Spurred by the Club for Growth and Heritage Action, both of which received Koch network grants that year, conservative House GOPers sought to shutter the bank. Lobbyists for big business were blindsided by the campaign. One corporate lobbyist “was aghast to hear that a GOP aide used the term ‘subsidies’ in describing the reauthorization bill. They have never used that term with us before,” he said (as quoted in Wasson 2012). Although producing a headache for the House GOP leadership, the 2012 push by the Club for Growth and Heritage fell short as the House reauthorized the bank by a wide margin. Yet the story did not end, because the following year the Koch network doubled down, buoyed by further conservative victories in that year’s Congressional elections. After 2012, Texas GOP Representative Jeb Hensarling, a longtime opponent of the Export-Import Bank, was tapped to lead the House Financial Services Committee, and the new House Majority Leader, Kevin McCarthy, was similarly on record as opposing the bank (Weigel 2014). What is more, instead of working through allied groups outside of their political network, in 2013 and 2014 the Kochs used their own core organizations to lobby and mount public campaigns against bank reauthorization.

Americans for Prosperity led the charge, launching a raft of ads, mailers, and phone calls in the districts of House Republicans. Campaign materials claimed that the Export-Import Bank was funding questionable companies in countries like China, Saudi Arabia,

and Russia at the expense of ordinary U.S. taxpayers. Another Koch constituency mobilization group, Generation Opportunity, also joined the fray, producing humorous cartoons aimed at young Americans that depicted the bank as an agent of alleged crony capitalism (Weigel 2014). In 2015, the Koch-orchestrated campaign further ramped up, with Freedom Partners launching a six-figure online ad campaign against the bank (Schulman 2015). Once again, the Kochs combined inside lobbying with public efforts. Again, AFP sent mailers and phone calls to carefully targeted GOP primary voters in key districts (Gold and Hamburger 2015; Weigel 2014).

This time, Koch efforts paid off. Under intense pressure from the Koch campaigners, the GOP-led Congress failed to reauthorize the bank, letting its lending activities lapse from June to December 2015. Only then did corporate lobbyists finally manage to get a reauthorization provision inserted into the must-pass transportation spending bill that got through the House with bipartisan support. Despite this last-minute reprieve for the bank, Koch network leaders were quick to point out just how much progress their oppositional campaign had made over the past three years. As Marc Short, head of Freedom Partners, explained, they turned a previously unknown government agency into a focus of national controversy. In Short's telling (as quoted in Dillow 2015) it is only a matter of time before conservatives will succeed in putting the "final nails in the coffin of Ex-Im."

The battle over the Export-Import bank provides a good illustration of how the Koch network is challenging bipartisan pro-corporate positions previously favored by most Republicans. Indeed, the playbook for the Export-Import battle closely tracks the Koch network's model for bringing about political change (see Americans for Prosperity 2015, 14): start with academic research invoking libertarian and free-market ideas; move next to

policy advocacy by think-tanks; then lobby elected decision makers; and finally, if necessary, add public education efforts and citizen campaigns into the mix to hold politicians' feet to the grassroots conservative fire. With a full array of organizations now in place to execute all aspects and phases of this playbook, the Koch network can now leverage conservative GOP legislators to enact preferred policies and, if necessary, complicate the relationship between the GOP and large corporations and peak business lobbying groups like the National Association of Manufacturers and the Chamber of Commerce. As the Koch-leveraged Republican Party increasingly opposes all varieties of government action – even on corporate-friendly issues like infrastructure spending and export subsidies – bipartisan deals become more difficult and U.S. government at all levels does less to subsidize even traditionally favored economic interests.

The Bottom Line

Much evidence shows that the Koch network is now sufficiently ramified and powerful to sustain battles even with other powerful coalitions backed by corporate and wealthy interests. Intra-GOP elite civil wars like those over agricultural and highway subsidies, Medicaid expansion, and the Export-Import Bank are clear indicators of the independent clout of the Koch network on the ultra right – and thus give credence to our overall argument in this paper, that the Koch network is an independent and important driver of the rightward march of today's Republicans.

However, we want to be precise about what we are (and are not) arguing here. We do not mean to over-state gaps between Koch network priorities and the policy goals of corporate America, particularly as expressed in recent times by political organizations like

the national Chamber of Commerce and the American Legislative Exchange Council. Because Koch and corporate priorities are largely aligned on issues such as curbing labor unions, slashing taxes and social spending, and eviscerating government regulations addressing the labor market, workplace safety, and the environment, mainstream business lobbies such as the Chamber are very unlikely to oppose Koch-backed Republicans in most elections; and the Koch and corporate organizations will continue to ally in many potent campaigns to weaken government as an agent of inclusive economic growth.

Arguably, areas of shared interest with the nether right have only grown as business groups like the U.S. Chamber have adopted increasingly anti-government issue stands – a trend underway for decades (Martin 2000; Katz 2015; Mizruchi 2013). In fact, the reinforcing alignment between business associations and far-right ideological groups like the Koch network helps to explain the divergence between elite-responsive policymaking and the preferences of most Americans documented recently in the important research of Larry Bartels (2008), Martin Gilens (2014), Gilens and Benjamin Page (2014), Nathan Kelly (Volscho and Kelly 2012; Keller and Kelly 2015). These scholars and others have documented the increasing divides between what most American voters want and what government does (or does not) do. Put simply, when the Kochs, the national Chamber of Commerce, and an array of other ideological and corporate groups call in one loud voice for government cut backs, tax cuts, and anti-union measures, virtually all of today's Republicans, and quite a few Democrats, too, do their bidding despite what most Americans say they prefer.

As we have spelled out empirically in this paper, the Koch network has relatively greater clout and a much stronger ideological backbone than the groups that ruled the GOP-conservative roost as recently as 2000; and the contemporary Koch network has put in

place a parallel federation anchored in Americans for Prosperity that can do much more to discipline and leverage Republican politicians across multiple levels of government. But the overall U. S. conservative agenda has only evolved, not changed, and remains largely shared with previous powerhouse groups. Battling Democrats and liberals across all levels of government, through campaigns mounted between and during elections, the Koch network spearheaded by Americans for Prosperity aims to complete the job started and furthered by the post-1970s Chamber of Commerce, by Grover Norquist's Americans for Tax Reform, and by the original conservative fat cat consortium, the Club for Growth. At times, the cadre-directed, highly disciplined and resourceful Koch network may flex its muscles even against some of these allies. But for the most part, the network just strengthens the ability of right-wing elites to steer American democracy away from the wants and needs of most citizens.

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Appendix A: BUDGETS OF ORGANIZATIONS IN THE U.S. REPUBLICAN/CONSERVATIVE UNIVERSE
(in millions of 2015-adjusted dollars)

Type	Name (Koch organizations in bold blue)	2001-02	2013-14
Party committees	GOP national committees	\$914.4	\$668.4
Think tank	Heritage Foundation	\$69.1	\$112.7
Think tank	American Enterprise Institute	\$22.7	\$64.0
Think tank	Cato Institute	\$22.5	\$28.4
Think tank	Mercatus Center	\$5.8	\$20.7
Think tank	Council for National Policy	\$1.6	\$2.4
Non-party funder	Club for Growth	\$3.7	\$7.0
Non-party funder	Chamber of Commerce	\$100.7	\$164.9
Constituency organization	National Rifle Association	\$225.5	\$348.0
Constituency organization	National Federation of Independent Business	\$125.5	\$100.4
Constituency organization	Christian Coalition of America	\$7.0	\$0.1
Constituency organization	National Right to Life Committee/ Education Fund	\$5.4	\$1.4
Constituency organization	Republican Jewish Coalition	\$6.3	\$3.0
Issue advocate	Citizens for a Sound Economy/ Foundation	\$4.8	
Issue advocate	Americans for Tax Reform/ Foundation	\$6.5	\$5.2
Issue advocate	Focus on the Family	\$166.6	\$91.0
Issue advocate	National Organization for Marriage	\$0.7	\$1.7
Issue advocate	National Pro-Life Alliance	\$5.0	\$6.7
Issue advocate	National Right to Work Committee/ Foundation	\$18.0	\$20.7
Issue advocate	60 Plus Association	\$1.6	\$19.0
Issue advocate	Gun Owners of America	\$2.0	\$3.2
<i>Founded after 2002</i>			
Non-party funder	American Crossroads/Crossroads GPS		\$47.9
Non-party funder	Koch Seminars		\$290.0
Non-party funder	Freedom Partners Chamber of Commerce		\$35.9
Non-party funder	Heritage Action		\$8.8
Non-party funder	Congressional Leadership Fund		\$12.6
Non-party funder	Senate Conservatives Action		\$3.41
Constituency organization	FreedomWorks / Foundation		\$15.1
Constituency organization	Americans for Prosperity/ Foundation		\$57.6
Constituency organization	Libre Trust/ Institute		\$10.5
Constituency organization	Faith and Freedom Coalition (Ralph Reed)		\$7.5
Constituency organization	Concerned Veterans of America		\$3.8
Constituency organization	Generation Opportunity		\$4.1
Constituency organization	Tea Party Patriots		\$20.9
Issue advocate	American Energy Alliance/ Institute for Energy Research		\$2.2
Issue advocate	Center to Protect Patient Rights/American Encore		\$10.0
Think tank	American Action Network/Forum		\$13.2

Appendix A: BUDGETS OF ORGANIZATIONS IN THE U.S. DEMOCRATIC/LIBERAL UNIVERSE

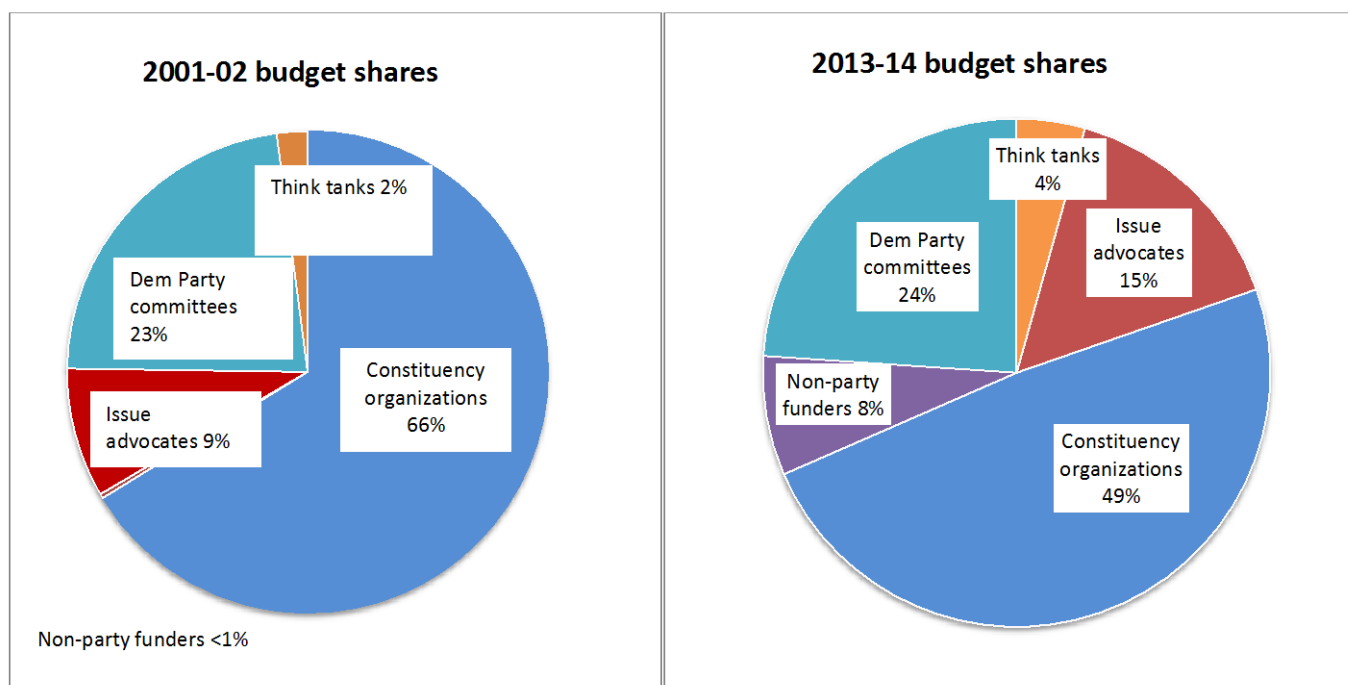
(in millions of 2015-adjusted dollars)

Type	Name	2001-02	2013-14
Party committees	Democratic national committees	\$463.31	\$854.36
Non-party funder	MoveOn	\$6.23	\$4.59
Constituency organization	Center for Community Change	\$10.83	\$42.09
Constituency organization	ACORN (disbanded)	\$0.31	
Constituency organization	USAction	\$1.18	\$3.02
Constituency organization	AFL-CIO	\$145.73	\$158.03
Constituency organization	SEIU	\$173.31	\$299.20
Constituency organization	AFGE	\$41.53	\$73.42
Constituency organization	AFSCME	\$137.75	\$171.11
Constituency organization	NEA	\$294.54	\$384.61
Constituency organization	AFT	\$134.37	\$179.77
Constituency organization	NAACP	\$44.19	\$43.92
Constituency organization	NCLR	\$42.86	\$44.31
Constituency organization	CWA	\$159.86	\$150.38
Constituency organization	IBEW	\$163.98	\$151.76
Issue advocate	Sierra Club	\$23.62	\$156.66
Issue advocate	League of Conservation Voters	\$7.04	\$28.76
Issue advocate	National Resources Defense Council	\$49.30	\$115.96
Issue advocate	NARAL	\$19.35	\$4.99
Issue advocate	Planned Parenthood of America	\$62.09	\$176.62
Issue advocate	Human Rights Campaign	\$10.20	\$52.32
Issue advocate	National Organization for Women	\$5.85	\$3.00
Think tank	Center on Budget and Policy Priorities	\$17.20	\$37.59
Think tank	Economic Policy Institute	\$3.80	\$5.59
Think tank	Campaign for America's Future	\$1.67	\$3.29
Think tank	Demos	\$1.32	\$8.05
Think tank	Center for Economic Policy Research	\$0.46	\$2.59
Think tank	Institute for Women's Policy Research	\$1.41	\$1.78
Think tank	Institute for Policy Studies	\$2.86	\$2.91
Think tank	The Century Foundation	\$6.32	\$21.64
Think tank	Democratic Leadership Council	\$7.04	

LIBERAL continued***Founded after 2002*****2013-14**

Non-party funder	ActBlue	\$67.20
Non-party funder	Democracy Alliance (only primary groups)	\$28.80
Non-party funder	American Bridge (Super PAC)	\$16.40
Non-party funder	NextGen (Super PAC)	\$77.80
Non-party funder	Senate Majority PAC	\$46.65
Non-party funder	House Majority PAC	\$29.42
Constituency organization	Organizing for Action	\$26.02
Constituency organization	Change to Win	\$11.99
Issue advocate	America Votes/Action Fund	\$8.63
Think tank	Center for American Progress/Action Fund	\$47.75
Think tank	Third Way	\$9.31
Think tank	Media Matters for America	\$12.55
Think tank	ProgressNow	\$2.25

Appendix B. Shifting Organizational Resources on the U.S. Left



Source data; see Appendix A.

Appendix C. CORE ORGANIZATIONS IN THE KOCH POLITICAL NETWORK

Ideas

CATO INSTITUTE (1977—): Libertarian think tank.

MERCATUS CENTER (1980 —): Based at George Mason University to sponsor libertarian research and education.

CHARLES G. KOCH FOUNDATION (1980 —): Family foundation funds research and educational endeavors.

Policy Advocacy

CITIZENS FOR A SOUND ECONOMY (1984-2004): Advocacy and lobbying, some constituency building.

60 PLUS ASSOCIATION (1992 —): Advocacy group promoting Social Security privatization, free-market health programs for seniors.

AMERICAN ENERGY ALLIANCE (2008 —): Advocacy group opposing cap and trade, promoting Keystone, carbon fuels.

CENTER TO PROTECT PATIENT RIGHTS/ AMERICAN ENCORE (2009 —): Advocacy against ObamaCare, health programs.

Donor Coordination

KOCH SEMINARS (2003 —): Twice-yearly gathering of wealthy donors to orchestrate support for Koch ideas and political strategies.

FREEDOM PARTNERS CHAMBER OF COMMERCE (2011 —): Raises and directs political funding; now runs Koch Seminars.

Constituency Mobilization – for both policy battles and elections

AMERICANS FOR PROSPERITY/ AFP FOUNDATION (2004 —): Cadre-led federation for advocacy/elections/constituency mobilization.

GENERATION OPPORTUNITY (2011 —): Promotes libertarian policies to young people; runs issue ads.

LIBRE INITIATIVE (2011 —): Does community and voter outreach in Latino communities; runs issue ads.

CONCERNED VETERANS FOR AMERICA (2012 —): Does constituency outreach and promotes privatization of veterans' programs.

Utilities

THEMIS/ i360 (2010 —): Non-profit and for-profit voter data bank and vendor.

AEGIS STRATEGIC (2013 —): consulting firm to find and advise pro-free market GOP candidates.

Appendix D: Public Opinion, AFP Advocacy, and 2011 Retrenchment of Public Sector Union Bargaining Rights

To analyze the role of public opinion and Koch network advocacy in the 2011 efforts to restrict public sector union bargaining rights, we proceeded in three steps. First, we estimated state-by-state public attitudes towards collective bargaining in the public sector using multi-level regression and post-stratification (MRP). MRP has been successfully applied to studies estimating a range of state policy attitudes, including gay rights and support for health reform (Kastellec et al. 2010).

To do this, we searched the Roper Center for Public Opinion Research database for nationally representative surveys that included at least one question about respondents' attitudes towards the right of public sector workers to collectively bargain with state governments. In all, we identified four such surveys fielded on nationally representative samples of adult Americans between February and March of 2011. There were 4,007 valid responses to public sector union questions in the merged dataset. The surveys and questions are summarized in the table below. The main variable of interest is a binary indicator if a survey respondent expressed a desire to eliminate the right of public sector labor unions to bargain collectively with state governments.

Date	Survey	Size	Question text
Feb-11	NBC/WSJ	1,000	Support for: Eliminate public employees' right to collectively bargain over health care, pensions and other benefits when negotiating a union contract.
Feb-11	CBS/NYT	984	Do you favor or oppose taking away some of the collective bargaining rights of these unions? (If Favor/Oppose, ask:) Do you favor/oppose that strongly or somewhat?
Feb-11	Gallup/USA	1,000	As you may know, one way the legislature in Wisconsin is seeking to reduce its budget deficit is by passing a bill that would take away some of the collective bargaining rights of most public unions, including the state teachers' union. Would you favor or oppose such a bill in your state?
Mar-11	Gallup	1,027	As you may know, Wisconsin and other states have been in the news because of disputes between the governors and state employee labor unions over collective bargaining policies and the state's budget. In states where there are such disputes, would you say you agree more with?

Pooling the four polls together, we then modeled public opinion about public sector labor unions as a function of various individual and state level characteristics. We then weighted each type of respondent (varying across the individual and state predictors) by the known shares of each respondent type from Census data.

For the individual model we estimated public sector union attitudes as a function of respondent income, education, race, Hispanic ethnicity, race, age, sex, union membership,

state, and state-by-income groups. We also included Obama's 2008 vote share and public union density as state-level predictors. The table below shows the first-stage regression results, fitted in R with lmer. The proportion of adults supporting restricting the ability of public sector unions to bargain with the state ranged from 31% to 46%, with a median and mean of 40%.

Random Effects		
	Variance	Std. Dev.
Income State Groups	0.0000	0.0001
State	0.01	0.11
Region	0.00	0.00
Age Race Groups	0.12	0.35
Income	0.17	0.41
Education	0.01	0.11
Race	0.18	0.43
Hispanic	0.02	0.15
Age	0.04	0.21
Sex	0.08	0.28
Union	0.37	0.61
Fixed Effects		
	Estimate	Std. Error
Obama 2008 Vote		
Share	-0.025	0.009
Public Union Density	0.007	0.004

With these state-level predictions of public attitudes in hand, we then correlated state-level attitudes towards public sector collective bargaining in 2011 with actual legislative activity on this issue. In all, fifteen state legislatures passed measures to restrict the ability of public sector unions to bargain and organize, according to data from the National Conference of State Legislatures. Yet state-level attitudes towards public sector bargaining were not correlated with actual legislative activity. In a logistic regression with legislative passage of restrictions to public sector bargaining as the outcome and state-level attitudes towards public bargaining as the prediction, the coefficient on public attitudes was far from statistically significant ($p=0.62$, $R\text{-squared}=0.004$).

Instead we found that the strength of AFP state organizations was a much better predictor of actual legislative activity restricting public sector union bargaining rights. In the logistic regressions presented below, we show that various measures of AFP strength are highly correlated with restrictions to public sector bargaining in 2011, even with the addition of other political and economic factors. State partisan control comes from the National Conference of State Legislatures, union density data comes from the Current Population Survey, and unemployment data comes from the Bureau of Labor Statistics.