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Corporate Money and Direct Democracy Measures: A Case Study

Dena M. Hester
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Walden University

College of Social and Behavioral Sciences

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Dena M. Hester

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2019

Abstract

Corporate Money and Direct Democracy Measures in Arizona: A Case Study

by

Dena M. Hester

MA, Arizona State University, 2001

BS, Northern Arizona University, 1999

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Public Policy and Administration

Walden University

October 2019

Abstract

Direct democracy was adopted by states to balance the influence and power of corporate interests. Although corporate money has always been a part of American democracy, dark money expenditures have increased significantly since the *Citizens United v. FEC* case. Corporate money in elections poses a problem because it is inconsistent with the tenants of direct democracy. Little published literature addresses the influence of corporate money on direct democracy measures. Using Kingdon's multiple streams approach as the foundation, the purpose of this case study was to investigate the perceived influence of corporate money on the 2018 ballot initiative and referendum measures in Arizona. The research question was focused on the perceptions of political professionals of the influence of corporate money on direct democracy. Data were collected through using a purposeful sampling that identified 10 political professionals. Semi-structured interviews with participants were supplemented with document review. Data were inductively coded, and then subjected to a thematic analysis procedure, producing 4 thematic elements. The key findings of this study indicated that access to the ballot, using an effective campaign strategy, running an effective paid media campaign, and the outcome all hinged on the money available to fund and support, or oppose, a measure. The implications for social change for the study include informing policy makers of the perceived influence of corporate money on direct democracy so they are equipped to implement policy aligned with the original goal of citizen participation in the state's constitution.

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Dedication

I dedicate this dissertation to Joe without whom I would have never started, endured, or finished this endeavor. Thank you for your no-nonsense encouragement, unyielding support, and steadfast love.

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I would like to acknowledge my children: JD, Joden, and Jedidiah who are my all-time greatest gifts, accomplishments, and inspirations in life. You have all my “mother’s love” all the time!

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Namaste

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Chapter 1: Introduction to the Study

Introduction

The problem that I addressed in this study is that corporate money in elections is inconsistent with the tenants of direct democracy. Direct democracy was adopted by state governments during the progressive era to balance out the influence of corporate moneyed interests within representative government (Strine, 2016). Although originally designed for grassroots citizen movements to balance corporate interests, wealthy special interests now dominate the initiative and referendum process (Chand, 2015; Donovan, 2014). In direct democracy, measures are placed directly on the ballot for citizens to vote on through new legislation (initiative) or as a challenge to existing legislation (referendum). Money has always had a presence in the political sphere. However, the shift to and amount of anonymous “dark money” has increased significantly since the *Citizens United v. Federal Election Commission (FEC)* (2010) decision (Chand, 2015; Lee et al., 2016; Potter; 2013). Furthermore, the use of direct democracy has increased since the 1970s and has decided some of the most polarizing and controversial issues (Alexander, 2015).

The influence of corporate money on direct democracy has not been thoroughly researched; however, such research is recommended within scholarly research. Therefore, I explored the perceived influence of corporate money on the 2018 Arizona election ballot measures. This research is important because the public strongly favors direct, instead of representative, government (Sarbanes & O’Mara, 2016). Furthermore, this research is important because the public is concerned about the influence of money

within democracy (Confessore & Thee-Brenan, 2015). My goal in this study was to explore the perspectives of political professionals regarding the influence of corporate money within the 2018 Arizona ballot measures. A case study analysis of the collective expertise and knowledge of Arizona political professionals may shed significant insight and inform future policy. Their direct experience of the environment, climate, and knowledge of the measures was valuable. In addition, information regarding the measures qualifying for the ballot, campaign strategies, media campaigns, and the eventual outcome for the initiative and referendum was inquired about and yielded salient data findings.

Effects on Social Change

The findings from this study effected positive social change in significant ways, first by providing information about the perceived influence of corporate money on the 2018 ballot initiative and referendum measures in Arizona. Furthermore, the findings added to the gap within the current research. Finally, stakeholders may be motivated and inspired to become more civically engaged, which has the potential to drive policy change. The connection between perceptions of corporate money and direct democracy within Arizona also contributed to the body of scholarly literature. Moreover, conceptualizing the perceptions of Arizona political professionals furthered the understanding of the relationships between corporate money and direct democracy measures for voters, policy makers, and other stakeholders.

In the following sections, I will discuss the background, problem statement, purpose of the study, research question, theoretical foundation, and nature of the study. In

addition, I will provide the definitions. Next, I will address the assumptions, scope and delimitations, limitations, and significance of my study.

Background of the Study

Since the *Citizens United v. FEC* (2010) decision, the type and amount of money has increased significantly within states that use direct democracy. Conlin (2004) argued that, at a minimum, money is fundamental in gathering the required and costly signatures to qualify a measure for the ballot. Pound (2002) purported that, provided the initiative and referendum circulators were funded adequately, measures qualified for the ballot nearly 100% of the time. Matsusaka (2005) argued that researchers could gauge the importance of direct democracy and the policy changes driving the policy agenda by analyzing the money spent on direct democracy. For instance, interest groups funding two gambling initiatives in the 2004 California election spent \$90 million, although only a quarter of that was spent on each presidential candidate's race (Matsusaka, 2005). Conlin also described how spending on California ballot initiatives and referendum was 50% higher than the amount federal candidates spent in the same election year. A host of additional researchers have also argued that more money equated to more success within initiative and referendum campaign measures (Broder, 2000; De Figueiredo et al., 2011; Ellis, 2002; Rogers & Middleton, 2015; Smith, 1998).

Corporate financial power, when transformed into political power, is effectively able to defeat initiative and referendum measures that infringe on, or are opposed to, their interests (Matsusaka, 2018). Claypool (2016) argued that the democratic purpose of the initiative and referenda is undermined when corporate interests spend vast sums to

oppose measures that threaten their profit margin. Alternatively, there is a body of research that argued there is no relationship between money and initiative and referendum outcomes (Bowler & Donovan, 1998; Garrett & Gerber, 2001; Gerber, 1999). Because the influence of money on direct democracy remains unclear, as well as understudied in Arizona, I have addressed these areas by adding to the body of scholarly literature and provided a better understanding the influence of corporate money in the Arizona 2018 ballot initiative and referendum measures Proposition 127 and Referendum 305.

The multiple streams approach (MSA) relates to policy change that occurs when a problem, policy, and politics align at a specific point in time (Kingdon, 1984). I used the MSA in this study as a theoretical framework for a case study investigating how and to what extent corporate money influenced the political stream of direct democracy within the Arizona 2018 ballot and referendum measures. Case study (Cairney & Jones, 2016; Rawat & Morris, 2016), the MSA theory (Cairney & Jones, 2016; Jones, et al., 2016), and exploring the influence of money within politics (Fortier & Malbin, 2013; Smith & Tolbert, 2007) and at levels of governance outside the federal level (Liu et al., 2010; Sabatier & Weible, 2014) are all recommended for further study within the extant literature. By the time an initiative or referendum qualify for the ballot, the problem and policy have been coupled, leaving the politics for the voters to decide. In that regard, I used the MSA to explain issues surrounding the politics and influence of corporate money on the Arizona 2018 direct democracy measures.

Problem Statement

The problem that I addressed in this study is that corporate money in elections is inconsistent with the tenants of direct democracy. Direct democracy was built into the Arizona state constitution and intended for minimal use by Arizona citizens (Initiative, Referendum, and Recall Handbook, 2017). However, corporate interests now dominate and use the process frequently (Alexander, 2015; Donovan, 2014). This situation is problematic because wealthy special interests subvert citizen interests by using strategic, costly, and sophisticated techniques (Donovan, 2014). The influence of unregulated corporate money on direct democracy may contribute to and further enhance the problem. Since the *Citizens United v. FEC* (2010) decision, corporate money donated to state ballot and referendum measures has increased exponentially. Theodore (2013) discussed the problem of the influence of money on ballot initiative and referendum measures.

Moreover, Claypool's (2016) research on various 2016 state direct democracy measures purported that corporate interests outspent individual interests an average of \$10 dollars to \$1. The research helped address this problem of the influence of corporate money on direct democracy by examining the perceptions of political professionals. In doing so, through my study, I have filled a gap in the literature regarding the role corporate money plays on the initiative and referendum process in Arizona post the *Citizens United v. FEC* (2010) decision. This case study of Arizona's 2018 ballot initiatives and referendum may aid citizens, voters, and policy makers in their understanding of perceptions of corporate financial power within Arizona direct

democracy. In addition, it provided information to the same set of stakeholders in other states that use direct democracy.

Purpose of the Study

My purpose in this qualitative case study was to explore the perceived influence that corporate money had on the Arizona 2018 initiative and referendum measures. My intent in this study was to explore the perception of corporate money influence within Arizona direct democracy and its role in explaining what issues make their way into public policy. I focused on two of the Arizona 2018 initiative and referendum measures: Proposition 127 (Appendix A) and Referendum 305 (Appendix B). I interviewed 10 political professionals familiar with the measures and politics within Arizona to understand their perspectives of corporate money's influence on direct democracy. I supplemented the interviews with document review of campaign finance reports and the "for" and "against" arguments within the 2018 General Election Publicity Pamphlet. The major concepts that I addressed are the following: perceptions of Arizona political actors regarding (a) how corporate money had changed before and after the *Citizens United v. FEC* (2010) decision; (b) disclosure and transparency of corporate donors; and (c) concern of the influence of corporate interests within Arizona direct democracy.

Research Question

I used one research question to guide this study:

RQ1: What was the perceived influence of corporate money on the Arizona 2018 initiative and referendum measures?

Theoretical Foundation

MSA was the foundation of this research. The MSA theory was developed by Kingdon (1984; 2003). Kingdon used case studies to determine what issues make it to the governmental agenda. MSA was developed to focus solely on political organizations distinguishing it from the garbage can model of organizational choice (Cohen, March & Olsen, 1972) from which it originated. Kingdon (1984; 2003) modified the garbage can model and focused on three streams: the problem, the policy, and the politics. When the streams are aligned, the opportunity to advance policy exists, which Kingdon (2003) described as the policy window.

The meaningfulness of Kingdon's work was demonstrated within the array of literature on public policy scholarship since its publication in 1984. To exemplify this point, research on the large body of MSA research was established. Rawat and Morris (2016) organized a literature review of MSA, and Jones et al. (2016) conducted a meta-review of 311 peer-reviewed MSA articles. In addition, Cairney and Jones (2016) coordinated a qualitative analysis of 41 of the best-case MSA applications based on Zaharaidis' (2014) *Illustrative List of Empirical Research Using Multiple Streams Since 2003*. Moreover, the prevalence and evolution of the theory demonstrated the broad appeal of MSA (Cairney & Jones, 2016). Finally, MSA was recommended within the literature (Cairney & Jones, 2016, Jones et al., 2016; Liu, 2010; Rowat & Morris, 2016; Sabatier & Weible, 2014). I discuss the application and appropriateness of MSA in detail in Chapter 2.

MSA was relevant for exploring the perceived role of corporate money within the political stream of direct democracy. In the case of Arizona's 2018 initiatives and referendum measures, the problem and the policy were coupled, leaving the political stream for the voters to decide. The question that guided my research was aligned with the theory in exploring the perceived role of corporate money within Arizona's 2018 direct democracy measures, as well as with case study research.

Nature of the Study

I conducted a qualitative case study to understand the perceptions of influence that corporate money had on the Arizona 2018 direct democracy measures: Initiative 127 and Referendum 305. The case study approach provided the flexibility required to develop an in-depth understanding of the research question through a variety of data collection methods. Case studies are often used to answer a research question focused on "what" questions (Yin, 2014). Case studies are also effective in studying multidimensional and complex phenomena in the context of their own environment (Baxter & Jack, 2008; Rubin & Rubin, 2012).

The key concepts that were investigated through interviews with Arizona political professionals center on their perceptions of (a) how corporate money changed before and after the *Citizens United v. FEC* (2010) decision, (b) disclosure and transparency of corporate donors, and (c) concern of corporate interest influence within Arizona direct democracy. These themes emerged from the literature review, I discuss in Chapter 2, and were the foundation of the research study in exploring the central research question.

The research methodology included purposive sampling, which is a common selection method within qualitative case study (Lincoln & Guba, 1985; Rubin & Rubin, 2012; Yin, 2014). The case study focused on the Arizona 2018, Proposition 127 and Referendum 305 measures. I sampled these measures based on the relevance to the study and the potential to explore the perceptions of the influence of corporate money over the campaign strategies. I explored the perceptions of the influence of corporate money, beginning with ballot access through the eventual outcome for each measure.

I conducted 10 face-to-face interviews with political professionals within Arizona who are familiar with the Arizona political environment and specifically the 2018 initiative and referendum measures. The interviews included several semistructured, open-ended questions designed to understand the concepts that I investigated. I also gathered and analyzed campaign finance reports and the “for” and “against” arguments within the 2018 General Election Publicity Pamphlet. Analytical strategies included interview transcription, document analysis, and the use of a document review protocol. I used a qualitative software program to code, categorize, and organize all the information gathered from the interview data and to complete the analysis.

Definitions

Dark money: The unanimous money that is contributed by entities, most often political action committees, where donors are not publicly disclosed (Lee et al., 2016; Torres-Spelliscy, 2017).

Gray money: The money that is contributed from one political action committees to another other political action committee which requires investigation into multiple

layers of political action committee disclosures to identify the original money source (Lee et al., 2016).

Direct democracy: The term used to describe the occurrence of qualifying state and local proposals being placed directly on the ballot for the voters to decide on (Initiative and Referendum Guide, 2018).

Initiative: Also called a *proposition*, this is the term used for a proposed measure for a new law which is placed directly on the ballot for the voters to decide after it qualifies by getting enough signatures. (Initiative, Referendum, and Recall Handbook, 2017).

Referendum: The method in which voters can veto a law or a part of law by gathering enough signatures and placing the measure directly on the ballot (Initiative, Referendum, and Recall Handbook, 2017).

Assumptions

Patton (2015) asserted that key assumptions within applied research are that human and societal problems may be understood and solved with knowledge. Assumptions are also outside of the control of the researcher, such as the assumption that the interview participants are being truthful (Simon, 2011). In this case study, I included a collection of interview data from Arizona political actors. To help ensure honest responses, I concealed the participants' identities, and their responses remained confidential. I assumed that the participants responded honestly from their perspectives. I used the document review to supplement the interviews. The document review corroborated and substantiated the data collected from the interview responses.

Alternatively, the document review provided a different perspective regarding the perceived influence of corporate money within the 2018 initiative and referendum Arizona measures.

I analyzed the final campaign finance report data and the “for” and “against” arguments from the 2018 General Election Publicity Pamphlet in this study. These documents are data collection tools and provided insight into campaign expenses as well as perspectives from stakeholders within direct democracy. Unfortunately, most written documents alone provide an incomplete view of the research problem (Rubin & Rubin, 2012). However, multiple data sources, paired with interviews of key political professionals, provided a comprehensive case study. I analyzed the “for” and “against” arguments that are provided in print and online format. I assumed that all information within the written reports is accurate and reliable.

Scope and Delimitations

The scope of this study could have potentially been any of the statewide initiative and referendum measures since 2010. However, it was justified to use the most recent measures to capture the most current data. In November 2018, voters in 37 states decided on 158 initiative and referendum measures (Initiative and Referendum Institute, 2018). I selected Arizona as the state to focus on because, although important, there is a gap within the literature pertaining to Arizona. For example, Claypool’s (2016) research on corporate money’s influence on direct democracy did not include Arizona. However, Lee et al. (2016) described Arizona as the outlier where gray and dark money rose significantly. Within Arizona there were five initiatives and referendum items on the

November 2018 ballot. I purposively sampled Proposition 127 and Referendum 305 for their subject matter as well as the ability to analyze the central research question through the theoretical framework. I considered the central research question, theoretical framework, methodology as well as the researcher as the primary instrument to narrow and focus the scope for a manageable study.

Research Questions and Population Delimitations

The scope of this research study was limited to the aims of the research problem. I focus on the problem of understanding what the perceived influence of corporate money on the Arizona 2018 direct democracy measures. MSA was the theoretical foundation for the research. The population I investigated was limited to political professionals within Arizona direct democracy, and specifically those familiar with Proposition 127 and Referendum 305. The political professionals were those involved with political campaigns, consultants, lobbyists, attorneys, and others involved within Arizona politics. The direct democracy measures that I studied were Arizona Initiative 127 and Referendum 305 and were decided in November 2018. The selected methodology in this study also set a boundary for the findings.

Theoretical Framework Delimitations

As discussed earlier, the theoretical foundation that established the basis for the research question was the MSA. The regional diffusion model was also considered for the theoretical framework for this research. Researchers have hypothesized that the regional diffusion model explained and influenced most policy adoption based on the policies of neighboring jurisdictions (Berry & Berry, 1990; Mintrom, 1997). Although it would be

interesting to examine Arizona's direct democracy by using the regional diffusion model, the research question was more aligned with MSA in that it focused on corporate money within direct democracy rather than a broad study on direct democracy adoption of policies more generally. Moreover, it was important, and necessary, to compare states with direct democracy, and although a couple of bordering states use direct democracy, the regional diffusion model did not provide the best option for a theoretical framework for the research. The MSA provided a more aligned framework for the research due to the focus on a specific element within the political stream of Arizona direct democracy.

Transferability Delimitations

Transferability is the degree to which the results of the study may be replicated, transferred, or generalized to other contexts or future research endeavors (Lincoln & Guba, 1985). The perimeters must be clear regarding the setting, participants, and sample size for the findings to be applicable, or transferable, to additional settings. The findings and results of this research has the potential to be transferred to other states, such as Arizona, that use direct democracy. Additional studies that intend to explore the perceived influence of corporate money on that states' direct democracy measures can replicate this case study.

Limitations

Limitations of qualitative research include the researcher is the primary instrument for data collection and researcher bias (Patton, 2015; Rubin & Rubin, 2012). Therefore, the quality of the research outcome depends on the skill set of the researcher and addressing researcher bias. Awareness of potential limitations, detailed planning to

address the weaknesses, and taking reasonable measures to confront limitations enhances the odds of a successful research endeavor. For this study, I was the primary instrument for data collection. I contacted potential participants, conducted interviews, and recorded participant observations for each interview.

Researcher Conduct

Professionalism was established through clear, timely, and respectful communication in all written and direct correspondence with each participant. Setting and maintaining fair and neutral boundaries was important in addressing limitations within qualitative research and maintaining an ethical research environment (Flick, 2018; Patton, 2015). Furthermore, Maxwell (2013) explained how describing the purpose of the research, what will be done with the data, and being mindful of the participant's impressions of the research endeavor are critical. Each of the components aid in the collective development of a useful and ethical relationship between researchers and participants. I conducted, implemented, and executed these elements within this study.

Political Expertise Resource

Conducting interviews with Arizona political professionals to explore their perceptions of the influence of corporate money on the 2018 measures was crucial for this research. In fact, not having such resource could have severely limited this research if key knowledgeable participants declined or did not feel comfortable to fully participate. Rubin and Rubin (2012) addressed the challenge of access to public officials and stressed the importance of making it clear that the interview is for research purposes. Flick (2018) also highlighted the importance of protecting participants during the interview process. I

followed all internal review board (IRB) protocols and kept identities of participants confidential. Moreover, Patton (2015) categorized politicians as “elites” and “experts” who respond well to open-ended questions. I designed open-ended questions to elicit responses from Arizona political professionals. Understanding the aforementioned dynamics and addressing the limitations with detailed planning minimized the effects on the study.

Participant Observation

I conducted participant observations during, and directly following, interviews with each participant. Part of a holistic understanding of the case may be obtained through participant observations, thereby increasing validity (DeWalt & DeWalt, 2002). Further, there is an opportunity for researchers to connect with participants, in a real-life setting, and interpret through verbal and nonverbal cues of what interviewees are describing in the interview through participant observation. Some limitations exist regarding participant observation including the subjective nature of the researcher’s observations (Patton, 2015). In addition, Rubin and Rubin (2012) and Patton (2015) explained the phenomena of interviewees interpreting the nonverbal, and positive or negative verbal cues that the researcher presented and adjusting their answers to satisfy the researcher. As such, I was mindful of question development and remained a neutral and judgment free interviewer.

Bias and Shortcomings

Preventing bias in qualitative research requires consciousness and strict adherence to the maintenance of ethical boundaries. To achieve these requirements, first, I

established clear boundaries and guidelines with each interviewee prior to the study to prevent potential bias. Second, I kept a weekly journal throughout the research process to enable awareness of any viewpoints, beliefs, values, feelings, or biases that may have influenced the research. Third, I remained fair, balanced, and neutral throughout the data collection and analysis process. Finally, I did not ask leading questions, exploit participants, or share personal impressions with participants at any stage of the research study.

The collection of data within this study also faced some limitations. It is a common limitation to have low retrievability for documentation in research studies (Yin, 2014). However, I minimized this limitation by using the final campaign report data that is required by Arizona law to be available for public access. Also, although one could argue that the “for” and “against” arguments may not fully represent stakeholder’s views regarding the influence of corporate money within the ballot measures, I analyzed what was ultimately submitted for the voters to review.

Significance

The problem that I addressed in this study is that corporate money in elections is inconsistent with the tenants of direct democracy. Arizona direct democracy has been in place since its statehood was established (Initiative, Referendum, and Recall Handbook, 2017). The purpose of the initiative and referendum process was to balance the power of moneyed interests and its influence on politicians within representative government. However, the moneyed special interest groups that were supposed to be tempered and restrained now dominate the process (Theodore, 2013). Despite the ongoing concern of

moneyed interests political domination through influence and power (Confessore & Thee-Brenan, 2015; Gerken, 2014; Heerwig & Shaw, 2014; Sarbanes & O'Mara, 2016), and strong approval ratings, of both citizens and campaign professionals, regarding direct democracy (Alexander, 2015; Coffe & Michels, 2013), the influence of money continues to be a critical factor, worthy of study, within the larger context of a complex political environment (Fortier & Malbin, 2013; Smith & Tolbert, 2007). A gap existed within the knowledge base and literature regarding the perceived influence of corporate money within Arizona direct democracy elections.

Contributions to Literature

Through this study, I have added to the body of research related to the perceived influence of corporate money on direct democracy by providing an in-depth study on the influence of corporate money upon the 2018 Arizona ballot measures: Initiative 127 and Referendum 305. The lack of research focused on direct democracy in Arizona and, moreover, the unclear influence that money had on direct democracy was a gap that I identified, which indicated a need for my study. Furthermore, the recommendations for future research within the current literature focused on the methodology, and MSA also indicated a gap worthy of study in the current research. The findings helped fill these gaps in knowledge for the influence of corporate money on direct democracy within Arizona, provided an understanding of Arizona political actors' perceptions and added to the body of literature of MSA at the state level regarding direct democracy. Exploring issues and providing stakeholders information regarding the perceived corporate

influence on direct democracy can lead to positive social change within local communities and at the state level of governance.

This study contributed to the limited body of scholarly research for Arizona and to advance knowledge within the discipline of public policy and administration regarding the perceived influence of corporate money on direct democracy. Although billionaires and multimillionaires fund initiatives and referendums, on both ends of the political spectrum that would never make it through legislative channels, the overall costs and benefits of direct democracy remained unclear (Donovan, 2014). Several of the themes that I explored in this study regarding the influence of corporate money provide valuable information to citizens, voters, and policy makers. These themes included securing the initiative or referendum on the ballot, the effects on the campaign strategy and media campaign, and finally on the outcome of the measure.

Contributions to In-State Policy

This study has further potential to advance policy within Arizona regarding corporate money and direct democracy. Policy makers and relevant political actors may be motivated to drive policy that benefits more Arizona stakeholders. Arizonans have a history of using the initiative and referendum, as intended, for citizen movements that aim to curb corporate interests through measures such as the Arizona Clean Elections Act (Pont & Pollack, 2016) and the attempt to make a constitutional amendment, the “Stop Political Dirty Money Amendment” (Outlaw Dirty Money, 2018). There is a body of literature that established a connection between corporate money and the perception of increased access and influence within politics (Alexander, 2015; Hasen, 2012).

Considering that, Lee et al. (2016) identified Arizona as an outlier that has experienced a significant amount of dark money since the *Citizens United v. FEC* (2010) ruling, there is what equates to the “soft money” situation that in Arizona. Further, LaRaja’s research (2007) determined that the presence of soft money within a state increased the media’s scrutiny of large donations that appear corrupting.

Moreover, Arizona is representative of other less studied American states that use direct democracy. Arizona is important and has been used as a policy testing ground by moneyed special interest groups. Pertinent to this study are educational savings account measures that were the first of its kind in America. In addition, the energy policy initiative was funded by the same special interest group that funded California energy initiatives, and a nearly identical proposition to Arizona’s on Nevada’s November 2018 ballot. Clearly, although Arizona is significant and relevant, there is a gap in the research. The findings of this study are applicable across other states, such as Arizona, with direct democracy because of legal, political, and economic similarities.

My research was timely and applicable to the present environment within Arizona. Moreover, it contributed to the knowledgebase, inform, and motivate decision makers regarding current legal challenges and future direct democracy measures within Arizona. Findings may also motivate more citizens to become involved in local and state politics and work to expand the stakeholders engaged with direct democracy within Arizona. This research also informs and motivates stakeholders in other states that use direct democracy.

Contributions to Policy and Social Change

I expected positive social change because I designed the study to procure data that provided citizens and voters the information to understand and temper powerful corporate interest groups by using direct democracy as originally intended. Information may help motivate voters, policy makers, and other stakeholders to become more involved and participate in civic governance. As Kingdon (1995) explained, for policy to make its way to the agenda, three components must be aligned at a window of opportunity: the problem, the solution, and the political will. The problem and political will exist and providing information will help strengthen the argument and justify proposed solutions. This may enhance and improve society and quality of life for citizens instead of protecting and enhancing company interests. The social implications of this study are that voters may become more engaged within local and state democracy. Furthermore, policies, such as anticorruption or policies that enable transparency, could be developed, thereby increasing participation and trust, and promoting responsible governance.

Findings can also be extended to stakeholders in other states with direct democracy. In addition, considering the perceived influence of corporate money from the political professional's perspective from prior to the *Citizens United vs. FEC* (2010) decision and after may indicate what reform, if any, are recommended. There is controversy over many aspects of themes within this proposal. For example, disclosure, transparency, regulation, direct democracy, and the power and influence garnered by lobbyists representing moneyed interests were all controversial and multidimensional aspects of this research. Furthermore, additional insights into solutions recommended by

Arizona political professionals contributed to the findings, significance, and recommendations for further research in this study that may contribute to positive social change.

Summary

Corporate money in elections is problematic because it is inconsistent with the tenants of direct democracy. Arizona's direct democracy was written into the state constitution and intended for minimal use by Arizona citizens (Initiative, Referendum, and Recall Handbook, 2017). However, corporate interests continue to dominate and use the process (Alexander, 2015; Donovan, 2014). Although money has always had a presence in the political sphere, the shift to and amount of anonymous "dark money" has increased significantly since the *Citizens United v. FEC* (2010) decision (Chand, 2015; Lee et al., 2016, Potter, 2013). Theodore (2013) discussed the problem of the influence of money on ballot initiative and referendum measures. The influence of unregulated corporate money on direct democracy may contribute to and further enhance the problem.

Claypool's (2016) research on various 2016 state direct democracy measures purported that corporate interests outspent individual interests. Furthermore, the use of direct democracy has also increased and been used to decide some of the most polarizing and controversial issues (Alexander, 2015; Donovan, 2014). Through my research, I have added to the limited body of research on the perceived influence of corporate money on direct democracy and specifically filled the gap in literature regarding the initiative and referendum process in Arizona by exploring the central research question: What was the

perceived influence of corporate money on the Arizona 2018 initiative and referendum measures.

In this study, I answered this question through a qualitative case study based on themes that emerged from the literature review. I investigated the key concepts with Arizona political professionals centered on their perceptions of (a) how corporate money changed before and after the *Citizens United v. FEC* (2010) decision, (b) disclosure and transparency of corporate donors, and (c) and concern of corporate interest influence within Arizona direct democracy. In addition, I explored how corporate money influenced and affected ballot access, campaign strategy, the media campaign, and the ultimate outcome. A case study of Arizona's 2018 ballot initiatives and referendum primarily aided in Arizona citizens, voters, and policy makers understanding of corporate financial power within direct democracy. Also, stakeholders in states comparable with Arizona that use direct democracy, may benefit from the research findings. Furthermore, positive social change may be realized by the justification for policy adoption based on the results of this study.

Chapter 2 is a comprehensive literature review related to the key concepts of this study including a brief history of campaign finance reform, money in the political environment, financial transparency and disclosure, role of corporate money on direct democracy within Arizona, and MSA as the theoretical foundation of this research. In my review, I identified a gap in the literature related to how corporate money influences direct democracy within Arizona.

Chapter 2: Literature Review

Introduction

The problem that I addressed in this study is that corporate money in elections is inconsistent with the tenants of direct democracy. Despite the intended and minimal use of direct democracy for Arizona citizens (Initiative, Referendum, and Recall Handbook, 2017), corporate interests now dominate and use the process frequently (Donovan, 2014). This situation is problematic because wealthy special interests subvert citizen interests by using strategic, costly, and sophisticated techniques (Donovan, 2014). A possible cause of this problem is the influence of unregulated corporate money on the initiative and referendum process. Corporate money donated to state ballot and referendum initiatives has increased exponentially since the 2010 *Citizens United v. FEC* decision (Potter, 2013; 3; Chand, 2015). Theodore (2013) noted the influence of money on the direct democracy process. Moreover, Claypool (2016) reported that corporations outspent individuals \$10 to \$1, on average, in various 2016 state ballot and referendum initiatives. My research added to the limited body of research on the perceived influence of corporate money on the initiative and referendum processes. In addition, my research has helped fill the gap in the literature regarding the perception of corporate money on direct democracy in Arizona. A case study of Arizona's 2018 ballot initiatives and referendum may help citizens, voters, and policy makers understand corporate financial power within direct democracy.

Beginning with the literature research strategy and background of the Arizona initiative and referendum process, in this chapter, I establish the foundation of the study.

Next, I present a discussion of the theoretical framework, in which I outline the origin of the MSA highlighting the central concepts and how they related to the topic. Last, in this chapter, I include previous applications of MSA thus establishing the rationale for the research. In the following portion of the chapter, I focus on the key concepts including the influences on ballot initiatives and referendum, dark money, money and ballot and referendum initiatives, and money specifically focused on Arizona. Finally, I address the literature that focuses on studies related to elements that aligned with case study research of the 2018 Arizona ballot and referendum initiatives.

Literature Review Strategy

I conducted a computerized database search primarily between June and August 2017, with ongoing research continuing throughout the writing of this dissertation. I used the databases: Political Science, Legal Track, ProQuest, Dissertations and Theses, and Lexis Nexis. I used Google Scholar to augment the searches conducted within the Walden Library databases. In addition, I reviewed and used trusted websites and several textbooks and related books illustrating the subject matter and theoretical framework.

The keywords that I used to guide the search were *corporate money, corporate contributions, corporate sponsorship, corporate finance, ballot, ballot initiatives, referendum, ballot sponsorship, direct democracy, campaign finance, citizens united, Arizona, AZ, Proposition 305, Prop 305, Proposition 127, Prop 127, and Referendum 305*. I searched these keywords individually as well as in combination with one another. My focus was on publications since 2013; however, I included important older literature. I reviewed pertinent resource references lists for additional resources.

Background on Arizona Direct Democracy

Progressive and Populist reformers introduced the ballot initiative and referendum to the states early in the 20th century. The rationale for including initiative and referendum policy was to address moneyed interests, temper the undue influence on elected officials, and to overcome political party ideology (Stroo, 2014). Progressivism was focused on combating corruption, business regulation, improving working conditions, and giving the public more control over government. Populism was focused on uniting farmers, protecting against class legislation, and encroachment of centralized capital (Theodore, 2013). Together, these two movements imbedded the elements of direct democracy observed through the ballot and referendum initiatives across the nation.

Initiative and Referendum Process

The Arizona initiative and referendum process has been in place since 1912. The state constitution was adopted and provides Arizona citizens the option of collecting enough registered voter signatures to propose a new law or amend an existing law by putting the initiative or referendum on the ballot before the voters (Initiative, Referendum, and Recall Handbook, 2017). Propositions are used to propose a new law and the referendum is the method in which voters can veto a law or part of law after gathering enough signatures to place the issue on the ballot (Initiative and Referendum Guide, 2018). Arizona is one of 12 states that use a direct initiative process where qualifying proposals are placed directly on the ballot (NCSL, 2015). Ballot initiatives and referendum that begin with a “1” are to amend the state constitution. A “2” indicates the

referendum or proposition is to create new laws or amend state statute. A “3” signals that it is a referendum to create or amend a legislative state statute. Finally, a “4” indicates that it is a local measure (Initiative and Referendum Guide, 2018). Arizona signature requirements are 10% for statutory measures, 15% for constitutional amendments, and 5% for referendum of the votes cast for governor (Initiative and Referendum Guide, 2018; NCLS, 2015).

Direct Democracy

Commonly referred to as direct democracy, the initiative and referendum process is how some of the most controversial and polarizing issues have been recently decided (Alexander, 2015). Despite the limitations of direct democracy at the state level, citizens prefer the ability to participate directly by way of initiatives, propositions, referendum, and recall rather than work through the representative channels. Polling indicates a strong preference of direct democracy by citizens and campaign professionals (Coffe & Michels, 2014; Alexander, 2015). Even among campaign professionals, more than half agreed that direct democracy has a positive effect on democracy despite their awareness that special interest groups can influence policy due to their money and organization (Alexander, 2015).

The politics of ballot and referendum initiatives within states remains an under investigated institution within U.S. policy making despite its importance in shaping laws. There have been more frequent initiatives and referendum put forth that allow citizens to participate in direct democracy since the 1970s (Alexander, 2015). Furthermore, the amount and type of money has drastically increased (Lee et al., 2016). The 2018 Arizona

ballot initiatives provided an opportunity to explore and understand the corporate, and oftentimes outside of state, interest effects on ballot and referendum initiatives.

Popular Trust

Some researchers argue that there would not be a need for direct democracy if citizens trusted in the branches of government (Alexander, 2015). Furthermore, research by Coffe and Michels (2014) identified individuals with lower levels of political trust, efficacy, and satisfaction are more supportive of direct democracy. Overall, citizens and campaign professionals have more confidence in direct democracy compared with representative democracy.

In addition to the lack of faith in representative democracy, which I noted previously, campaign professionals provide a unique perspective. Thought-provoking research on interest group leaders, who have first-hand experience with the initiative and referendum process, provided a more skeptical view of direct democracy (Alexander, 2015). Leaders across the surveyed states indicated their belief that the initiative and referendum process sought to manipulate citizens that interest groups dominate initiative and referendum campaigns, and that money determines policy outcomes (Alexander, 2015). However, the same respondents also believe that direct democracy provided a way to check and balance the government as well as provided accountability to the people (Alexander, 2015).

Theoretical Foundations

MSA is a classic framework in public policy (Cairney & Jones, 2016; Jones, 2016; Kingdon, 1995, 2005; Rawat & Morris, 2016; Sabatier, 2014) and was the

theoretical foundation of this study. Kingdon's (1984; 2003) MSA focused on answering the "how" and "why" questions of what issues make it to the governmental agenda and are then addressed. "What" questions, such as the one guiding this study, are used broadly in case study research to describe and explore the phenomenon (Yin, 2014). To answer these questions, Kingdon used case studies on the deregulation of aviation, trucking, and railroads, national health insurance, on health maintenance organizations, the federal budget, the Tax Reform Act of 1986, and the failed health care reform efforts of the Clinton administration.

MSA is based in the tradition of Cohen, March, and Olsen's (1972) garbage can model of organizational choice. Unlike the garbage can model, intended for any organization, MSA focuses solely on political organizations. MSA also shares aspects of systems and complexity theories. It is applicable to a broad range of settings and valid enough to explain policy activity. Kingdon's (1984; 2003) modification of the garbage can model with focus on three streams (the problem, the policy, and the politics) were well suited to explain the policy process at the state level within a case study.

MSA was aligned with the initiative and referendum situation in Arizona and was especially relevant when exploring the role of corporate money within the political stream. The political stream is the final stream in Kingdon's three stream model and my focus in this research study. Within the political stream, Kingdon (1984; 2003) distinguished national mood, organized political forces, and events within the government itself to explain the stream.

According to MSA, policy change occurs when an issue is on the decision agenda and reaches the appropriate policy window (Kingdon, 2003). This policy window is the point in time when governments can decide because of the alignment between the problem, policy, and politics. When this instance occurs, policy entrepreneurs are capable of ushering in substantive changes.

The national mood describes the preferences and ways large groups of individuals think within a country and acknowledges that the mood changes over time. Government officials and policy makers monitor the national mood through surveys and polls to determine what agenda items to support or oppose. Additionally, Zahariadis (2007) described that whether interest groups supported or opposed measures often indicated consent or dissent in the larger political arena. Interest groups represent the most powerful organized political forces in American politics. Furthermore, in the common case of conflicting views, politicians balance support and opposition when determining their stance. Government actors are constantly monitoring the national mood and preferences of interest groups to determine their stances on issues.

Previous Applications of Multiple Streams Approach

Kingdon's MSA has been widely used in scholarly research since its publication in 1984. Researchers have utilized MSA at varying levels of governance and within a multitude of policy areas all over the world (Jones et al., 2016). To demonstrate MSA's prevalence in the literature, Google Scholar identifies 2,470,000 citations for MSA (as of late November 2018). Rawat and Morris (2016) conducted a literature review of MSA, while Jones et al. (2016) meta-review examined 311 peer-reviewed articles utilizing

MSA that were published between 2000 and 2013; and Cairney and Jones (2016) provided a qualitative analysis of 41 of the best-case MSA applications based on Zaharaidis' (2014) "*Illustrative List of Empirical Research Using Multiple Streams Since 2003*". Zaharaidis (1999; 2007; 2014) is regarded by Cairney and Jones (2016) as an expert of MSA who has offered understanding and interpretation of MSA over the course of many years. Findings from research not only demonstrated the prevalence of Kingdon's work and the meaningfulness in policy scholarship, but also the evolution and expansion of ideas over its thirty-year existence (Cairney & Jones, 2016). Additionally, the value of understanding the broad appeal of MSA is represented within the literature.

Application of MSA and Government

Over half of all studies on MSA were conducted at the federal level in the United States (Jones et al., 2016). Kingdon originally developed the MSA framework at the federal level. However, it is noteworthy that Liu and fellows (2010) highlighted its usefulness at the lower levels of governance. Additionally, Sabatier, and Weible (2014) called for additional research in areas beyond the federal level. Furthermore, Jones et al. (2016) determined between state, at 12%, and local governance, at 15%, MSA was utilized in 27% of the research in their study. Interestingly, most cases in Cairney and Jones' (2016) research, demonstrated how MSA had been adjusted and applied outside the realm of the federal level of the United States, within other countries, and throughout varying levels of government. These findings reinforced Rawat and Morris (2016) research which determined that over the course of the thirty years of existence the trend

shifted away from the federal level of the United States as the model was applied worldwide.

Application of MSA and Political Stream

In this study, MSA was applied to understand and explore the perception of corporate money on state ballot and referendum initiatives in the 2018 Arizona ballot initiatives. The problem and policy stream were coupled by interest groups, in the case of Arizona Proposition 127 and Referendum 305, ultimately leaving the decision to the voters. Thus, this research was specifically focused on Kingdon's third stream, the political stream, as well as components within the stream, along with special consideration of the role of interest groups, and policy entrepreneurs with access to heavy anonymous spending.

Jones et al. (2016) concluded that 63% of MSA applications within their research utilized the political stream. Several MSA studies have explored issues at the state level. Zaharaidis (2014) identified twelve of the best applications of MSA and four were relevant to the current study because of the application of MSA within state level governance (Greathouse et al., 2005; McLendon, 2003; Robinson & Eller, 2010). While topics ranged from multiple education policies to creating a smoke free policy the application at the subnational, in these cases state level, which was like the application of MSA in Arizona.

Political Stream

Cairney and Jones (2016) recommend research focused on a specific aspect within one of the three streams. Jones et al. (2016) meta-analysis concluded that 66% of

research studies analyzed some component within the political stream. However, the researchers argued that the political stream is one that has not researched thoroughly compared to the other two streams (Jones et al., 2016). In the case of Arizona Proposition 127 and Referendum 305, a case study focused on the interest groups and corporations funding those groups may shed light on policy formulation. Furthermore, an understanding of perceptions of democracy within Arizona, may inform others that utilize the direct democracy.

Policy agendas are deeply affected by events within government. A change of administration exemplifies a key event within government which allows for issue movement. A new administration often ushers in a whole new set of agenda items and priorities, which pushes out the previous administration's pet issues (Kingdon, 2003). An example of MSA in the literature that fits into the context of the study is Mamudu and fellows (2014) research on smoke free policy making in Tennessee. This research utilized a case study, along with MSA, at the state level to understand the opening of the policy window when the streams aligned. This demonstrates Kingdon's point that quite often the result of the change provides opportunities for coupling and policy windows to open.

Entrepreneurship

In addition, MSA research, where policy entrepreneurs are studied, made up 58% of the meta-review (Jones et al., 2016). Block and Pardis (2013) research on the need for entrepreneurial political leadership is a noteworthy example of MSA's application at the subnational level and share the overlap of subnational level and policy entrepreneurial topic. Research conducted by Huitema et al. (2011) analyzed policy entrepreneur

strategies regarding water policies. Other researchers utilized MSA to distinguish the function and tactics of policy entrepreneurs who facilitated policy changes (Martin & Thomas, 2013; Zhu 2008, 2013).

National Mood

National mood was identified as a major component of the political stream within MSA (Kingdon, 2003). The subcomponents of national mood and balance of interests were each identified within 20% of the studies (Jones et al., 2016). Knaggard's (2015) research focused on the framing of the problem and that frame matching the national mood for the policy to be successfully implemented. Few studies have focused on the political stream for state and local level (Mosier, 2013; Harris & Morris, 2017) especially states that employ ballot and referendum initiatives. For instance, Mamudu associates (2014) researched MSA in tobacco growing states regarding tobacco control policy making. Of the four most prominent tobacco growing states, Tennessee, Kentucky, South Carolina, and North Carolina, only North Carolina utilizes ballot initiatives (Mamudu et al., 2014).

Rationale

Concerning this study, Kingdon's (1984; 1995; 2003) MSA theory was relevant, applicable, and appropriate. Jones et al. (2016) meta-analysis of research that utilized MSA confirms the alignment between the choice of MSA and the research proposal. Jones et al. (2016) found that 88% of MSA studies were qualitative, and 43% were case studies specifically. Each of these components was conducted within the study. While most of studies were conducted at the federal level, 12% were conducted at the state level

and further research was called for in the state and local areas (Jones et al., 2016; Sabatier & Weible 2014; Rawat & Morris, 2016). Cairney and Jones (2016) highlighted the importance of future research aimed at a specific policy solution focused on a well-defined problem. The application of the theory to public policy and its continued relevance in explaining what issues make their way through the streams and into policy made it suitable for the exploration of the perceived influence of corporate money on state ballot and referendum initiatives. Furthermore, this research contributed at the state level regarding Arizona which was one gap identified in the literature.

Design Methods and MSA

MSA has been applied across qualitative, quantitative, and mixed methodologies. Jones and authors (2016) found 88% of their meta-review were qualitative (Buhr, 2012; Tjernshaugen, 2011) and quantitative and mixed methods collectively totaled nearly 11%. Within the subset of qualitative studies, 43% were case studies, 42% used interviews, 6% utilized surveys, 4% focused on document review, 3% employed participant observation, and 2% used focus groups (Jones et al., 2016). Rawat and Morris (2016), Cairney and Jones (2016), and Jones et al., (2016) research findings all concluded that MSA is primarily used in qualitative case study research studies where questions are posed to determine, describe, or explore “what” the impact of the phenomenon was. Furthermore, MSA was utilized in research where the focus is on some real life, often complex, phenomena.

Literature Review Related to Key Concepts

The remainder of the chapter focused on literature surrounding the key concepts in this research. First, the research was situated in the broader context of the history of campaign finance reform and money in the political environment. Next, financial transparency and disclosure topics were discussed. Then, the influence of outside money in elections, and the history of Arizona and money, laid the foundation to explore the role of corporate money on direct democracy within Arizona. Literature that related to the influences on direct democracy, other than money, was discussed next. Then, the literature regarding the influence of money on ballot and referendum initiatives was explored. Moving on, the studies related to the key concepts, methodology and methods consistent with the scope of the study was discussed. Finally, the connection between all the elements for the study are outlined.

History of Campaign Finance Reform

The ebb and flow of money in politics was not a new phenomenon. Money has been compared to water, throughout the literature, in the sense that money always found an outlet into American politics despite the reforms and laws that were built to control it (Fuller, 2014; Gerken, 2014; Issacharoff & Karlan, 1999). Even when there were laws to regulate campaign finance; oftentimes, there was no enforcement from the regulating agencies (Dowling & Wichowsky, 2013; Gerken, 2014; Lee et al., 2016). Simultaneously, when new campaign finance regulations were formed, loopholes were identified and exploited immediately. Further reform was then focused on closing the

loopholes and the cycle continued (Gerken, 2014). Fuller (2014) outlined the history of campaign finance reform, between 1757 and 2014, and the cycle was apparent.

Early Finance Campaigns

While the entire history of campaign finance reform was pertinent to this research, some notable legislation and court cases were briefly highlighted. Campaign finance reform laws date back to 1757 with a legislative response prohibiting candidates from providing voters anything to be elected (Fuller, 2014). This law was passed after George Washington spent \$195 to purchase hard cider and punch and was elected. The first attempt to regulate campaign finance at the Federal level was in 1867 when soliciting naval yard workers for money was outlawed. Prior to 1883, government workers were expected to pay to keep their employment (Fuller, 2014). Therefore, extortion prompted the passage of law. The Pendleton Civil Service Reform Act prohibited solicitation of money by government officials from civil service workers (Fuller, 2014). Campaign finance reform was as relevant in the 1700s and 1800s as it is today.

Early 20th Century

In 1907, the Tillman Act was passed, which made corporate contributions, to federal candidates, illegal. In 1910, Congress passed The Federal Corrupt Practices Act, which was the first law specifically focused on House candidates disclosing their finances (United States. Congress. Senate. Special committee to investigate campaign expenditures, & United States Civil Service, C., 1944) and by 1911, the Senate and primary candidates were required to do the same. Furthermore, in 1925, the laws were

expanded to whom must file the reports and monetary values that should be included. Fuller (2014) explained that all requirements were easily avoided by setting up various committees, there were no penalties for failing to file, and no stricter enforcement legislation was adopted. Although disclosure was upheld by the Supreme Court in 1934 the ruling did not curtail wealthy donors' ability to make contributions.

In 1943 The Smith-Connally Act passed, which added Unions to the prohibited groups of corporations and banks, from making contributions to federal candidates (La Raja & Schaffner, 2014). Ironically, 1943 also marked the 50th anniversary of the first PAC which utilized a loophole to provide union money to federal candidates (Ruth, 2016). The Taft-Hartley Act was passed in 1947 and had two major components (Young, 1950). The first banned corporations and unions from making independent expenditures in federal elections. The second component was the creation of the publicly funded campaign provided the candidate promised not to use private donations or money raised during the primaries. In 1967, Congress collected campaign finance reports, for the first time, despite the law being in place for fifty years.

Mid-20th Century

In 1971, the Federal Election Campaign Act was passed. The act had many clarifications and restrictions outlined and were further amended after Watergate. Colemanaro (2015) and Torres-Spelliscy (2012) each argued that the Watergate scandal revealed how money corrupted politics through secretive and illegal corporate contributions, wealthy donors, and private slush funds. Also passed was the 1971 Revenue Act that helped to fund Presidential Elections. Later that same decade, the

Supreme Court struck down some of the provisions in the Federal Election Campaign Act in *Buckley v. Valeo*, (1976) primarily based on First Amendment infractions.

Since *Buckley v. Valeo* (1976) the occurrence of corporations and unions granted first amendment rights has increased. First Amendment rights, historically only granted to individuals, were extended to corporations and unions (Strine, 2016). Pertinent to the research the Supreme Court Ruling *First National Bank of Boston v. Bellotti* (1978) in which the court ruled that corporations could contribute money to ballot initiatives (Brown, 2017). History demonstrated the ebb and flow of individual rights, in the form of campaign contributions and disclosure, regulated then deregulated, in the legislation and reflected in case law. For example, the Supreme Court upheld Michigan's law that banned company money in independent expenditures on the grounds that the state had a compelling interest to stop corruption in *Austin v. Michigan Chamber of Commerce* (1990). However, stretching the legal parameters and maneuvering around campaign finance regulation persisted.

Finance Reform in the 21st Century

The beginning of the 21st century ushered in the most substantial campaign finance reform observed since the 1970s. In 2002, The McCain-Feingold Bipartisan Campaign Reform Act (BCRA) passed. The focus of this reform was aimed at curbing “soft money” which resulted from groups utilizing loopholes born out of the Federal Election Campaign Act (FECA; Geddis, 2000). According to Fuller (2014), BCRA primarily curtailed fundraising under the guise of “get-out-the-vote” campaign efforts when the funds were used for alternative political activity. Colemanaro (2015) purported

that “soft money” which was largely used to fund “sham ads” and circumvented FECA regulation rose from \$86 million in 1992; to \$260 million in 1996, to \$400 million in 2000. However, because money tends to find its way, BCRA subsequently prompted a dramatic increase in the number of 501(c) and 527 groups which were exempt from BCRA legislation (Fuller, 2014). Several restrictions such as rules against the paying for advertising and direct advocacy of candidates were placed on 501(c) and 527 groups. However, the benefits allowed money to channel into the groups at record pace. In response to BCRA opponents filed suit based on Free Speech violations and the breadth of BCRA. However, the Supreme Court upheld BCRA in *McConnell v. FEC* (2003).

Two Supreme Court cases: *Randall v. Sorrell* (2006), and *Federal Election Commission v. Wisconsin Right to Life, Inc.* (2007), signaled a change of tides, for campaign finance reform. In *Randall v. Sorrell* (2006) The Supreme Court ruled that Vermont’s campaign contribution limits violated First Amendment rights. Next, in *Federal Election Commission v. Wisconsin Right to Life, Inc.* (2007) the Court reversed their view on issue ads in *McConnell v. FEC* (2003) and ruled that it is unconstitutional to limit electioneering spending by nonprofit groups. Further indication of changes to come occurred when, in 2008, then presidential candidate Senator Barrack Obama, declined public financing in the general election. This marked the first time a presidential candidate from a major party declined public financing. Interestingly, his opponent was Senator John McCain, one of the primary advocates of BCRA, and Obama’s decision to not use public financing was the focus of much debate. A portion of this debate will be discussed in the section below regarding “lip service” (Hasen, 2014) regarding Obama’s

alleged support of campaign finance reform; however, contradictory actions that may have damaged campaign finance reform efforts significantly.

A decade following BCRA, the Supreme Court ruled on *Citizens United v. FEC* (2010) that corporations and labor unions could use independent expenditures because they are protected by the First Amendment. Therefore, the BCRA provisions were struck down. Moreover, for the first time since the 1907 Tillman Act, it would be legal for corporations and unions to spend unlimited amounts of their own money to directly support or oppose candidates (Kaplan et al., 2014). A few months after *Citizens United v. FEC* (2010) the ruling was applied to *Speechnow.org v. FEC* (2010) in the D.C. Circuit Court of Appeals. The court ruled that there was no merit, based on the *Citizens United* ruling, that unlimited expenditures would lead to corruption. After these two cases, it was as if a dam opened, and the power and money of 501 (c) 4s and super PACs flooded in. Super PACs are permitted to raise unlimited funds from corporations or individuals and may advertise for, or against, candidates (Ruth, 2016). Perhaps no other ruling had impacted the flow of unanimous money into politics so significantly.

The following presidential election cycle, after *Citizens United v. FEC* (2010) and *Speechnow.org v. FEC* (2010), something unprecedented occurred. In 2012, for the first time in history, neither presidential candidate accepted public financing (Fuller, 2014). Next, The Supreme Court ruled on *McCutcheon v. FEC* (2014). The court ruled that aggregate contribution limits infringed on First Amendment rights. Therefore, the ruling removed aggregate spending caps on PAC contributions and ruled that the number of separate PACs may not be limited.

Systematic attacks on campaign finance reform have evolved from the federal level to the state level in the years post *Citizens United v. FEC*. (2010). Furthermore, disclosure law and precedent requiring transparency, which had traditionally gone unchallenged have also been brought to court. In some instances, pro-disclosure rulings were issued, yet, in other cases, disclosure was ruled unconstitutional. Uncertainty remains in the states where the direct democracy is employed in terms of campaign finance regulation, the influence of money on ballot initiatives, and the future for campaign finance, disclosure, and transparency.

The Influence of Soft, Grey, and Dark Money

Historically, disclosure was considered the balance between First Amendment corporate rights and providing transparency within campaign donations and ballot and referendum initiatives. In other words, even amongst those who argued against campaign finance reform measures, disclosure was accepted as a compromise between the tradeoff of unlimited money in politics, and the public's ability to know who was behind the money (Briffault, 2012; Gerken, 2014; Torres-Spelliscy, 2018). While much of campaign finance reform has been overturned based on First Amendment Rights, disclosure has been upheld. Wood and Spencer (2016) described disclosure acceptance as a less intrusive means to root out corruption. When disclosure was challenged in the *Buckley v. Valeo* (1974), case three governmental interests were identified that justified disclosure of money in politics. First, the voter informational interest, second, the anti-corruption interest, and third, the anti-circumvention interest. Even in *Citizens United v. FEC* (2010), the justices upheld strong disclosure and disclaimer requirements. The

constitutionality of transparency measures was demonstrated through the eight to one ruling in favor of transparency measures (*Citizens United v. FEC*, 2010).

Dark Money Sources

Most “dark” money is channeled through legal outlets. Political money that is untraceable, and has been routed through an opaque nonprofit organization, is commonly referred to in the literature as “dark money” (Center for Responsible Politics, 2018; Claypool, 2016; Strine, 2016, Sugin, 2016). The source of this money could be individuals, nonprofits, for-profit businesses, or unions but the true source is hidden from voters and other stakeholders. Since *Citizens United v. FEC* (2010) most dark money is routed through either social welfare 501 (c) (4) or trade associations 501 (c) (6) organizations. Researchers focused on tax issues since *Citizens United v. FEC* (2010), argued that politically motivated groups file under 501 (c) (4) precisely for the lower disclosure provisions (Colinvaux, 2014; Dougherty, 2012; Miller, 2015). Miller (2015) reported that many of these groups are specifically formed to work in conjunction with super PACs to allow independent political spending rather than social welfare activities. According to the Center for Responsible Politics (2018), between 2010 and April of 2018, dark money spent in federal elections alone, totaled \$822.55 million.

Dark Money and Corruption

After *Citizens United*, the “soft” money of the past has transitioned and been labeled “dark” money. A host of researchers place blame on the regulating agencies such as the Federal Election Committee (FEC), Securities and Exchange Commission (SEC), and Internal Revenue Service (IRS) for allowing the lack of transparency and poor

disclosure after *Citizens United v. FEC* (2010) which lead to the exponential growth of undisclosed money (Dowling & Wichowsky 2013; Gerken, 2014; Lee et al., 2016, Torres-Spelliscy, 2017). Others argue that, in addition to campaign finance reform being a violation of free speech, that vague language and the swift recognition of loopholes render disclosure requirements pointless in curbing soft or dark money. Smith (2001) argued that the system might become more transparent without formal disclosure laws. Hasen (2014) argued that disclosure is a poor substitute for comprehensive campaign reform. Furthermore, loopholes increased the risk of actual or perceived corruption as well as deprived voters of heuristic information that was necessary in making voting decisions.

Disclosure and Corruption

However, Wood (2017) argued that while the court has upheld disclosure, most of the legal justification for it, has been eliminated. Malloy (2011) contended that despite disclosure being upheld, loopholes were immediately exploited under the premise of “issue advocacy” being differentiated from “campaign finance disclosure.” These distinctions are aligned with the sentiment of “get out the vote” rhetoric mentioned above. Much of issue advocacy included other vague political activity labeled “educational purposes” and included loopholes to provide money to get out the vote campaigns or for public broadcast advertising. Wood (2017) contended that the loopholes allowed for too much dark money and unregulated avenues such as Internet campaign advertising to flourish. Also, Miller (2015) noted that while only the anti-corruption rationale stands, there are three additional governmental interests. The equality interest,

the participation interest, and the informational interest are all essential in maintaining a fair and honorable election system. Additionally, Raaii (2015) argued that loopholes, present at both the federal and state level, undermine the anti-corruption purpose of disclosure.

Overturn of Disclosure Laws

Furthermore, disclosure laws that may have been upheld in the past have been overturned in the courts. For example: *Minnesota Citizens Concerned for Life, Inc. v. Swanson* (2011) and *Iowa Right to Life Committee, Inc. v. Tooker* (2013), each ruled ongoing reports to be infringements of First Amendment rights that had been extended to non-profits, thereby removing state disclosure requirements (Sund, 2015). Additionally, Heerwig and Shaw (2014) stated that opponents of campaign finance regulation, including the legal team behind Citizens United, had challenged disclosure laws in twenty-eight state or federal courts. There is an exception to disclosure that allows for the protection of anonymity when lives are at stake. This applied, for example, to the NAACP members in the 1950s. Meanwhile, continued attempts to apply the harassment legal argument for anonymous corporate contributions and interests persist (Dranias, 2015; Torres-Spelliscy, 2018; Malloy & Smith, 2014).

Disclosure Opposition and Dark Money

Opponents of disclosure argued that, because dark money is a small percentage of the overall total of funds, roughly 4%, and disclosure rules stand, that the concern over “dark money” is basically political “hype” (Smith, 2013). Primo (2013) argued that voters are already privy to an abundance of information, and based on his survey

research, questioned the informational benefit of disclosure regarding voters at the margin for ballot issues. Ansolabehere and Snyder (2000) argued that closing soft money loopholes would affect state and local party organizations due to a reduction of subsidies which funded a wide range of campaign activities and further warned that it would infringe on grassroots campaigns thereby contributing to lower voter turnout.

Gilbert (2013) and Dranius (2015) argued, while disclosure allowed voters to gain information on the speaker, it may chill speech. Wood and Spencer (2016) addressed critic's claims that disclosure halted speech and deterred political participation and concluded that the data does not support this assertion. Based on analysis of state election data, between 2000 and 2008, some research determined that speech chilling effects of disclosure were negligible (Wood & Spencer, 2016). Furthermore, Gora (2013) argued that, raising or perhaps eliminating campaign finance limits altogether, may be a preferable alternative to increase accountability and transparency. Meanwhile, proponents of disclosure, argued the influence, actual or perceived, of wealthy elite gaining more influence and power is a detriment to democracy (Gerken, 2014; Jones, 2016; La Raja, 2013; Strine, 2016).

Limiting Corruption

To combat dark money, the literature is riddled with the analogy of shining a light on the problem and using sunlight to increase transparency through disclosure (Bebchuck & Jackson, 2013; Chand, 2015; La Raja, 2007; Wood & Spencer 2016). The Sunlight Foundation, an online non-profit, is entirely dedicated to creating more transparent and accountable government and politics (Sunlight Foundation, 2018). La Raja's (2007)

research on disclosure and the press determined that disclosure laws are generally working. However, La Raja (2007) researched beyond the perspective that “sunshine” disclosure could increase trust in the government and analyzed relationships between the quality of disclosure laws and how the laws affect print news media.

In, Bebchuck and Jackson’s (2013) *Shining light on corporate political spending*, the researchers urged the SEC to develop political spending disclosure rules for public companies to provide to its shareholders. As a counterpart to the sunlight vernacular, researchers that focused on the IRS suggest “bright line” approaches, which also use the light analogy and calls for clarification and reform, to enable better transparency, within the IRS rules and regulations (Colinvaux, 2014; Dougherty, 2012). The Bright Lines Project is an endeavor that focuses on charities and seeking clarity in the rules and regulations of what is allowed under the IRS following the alleged targeting of conservative groups applying for tax exemption (Bright Lines Project, 2018).

The FEC is the entity tasked with the oversight of campaign finance disclosure, which is quite complicated and riddled with challenges. Heerwig and Shaw (2014) thoroughly outlined the flaws and limitations of the FEC regarding disclosure regulation. The authors began with the structure of the FEC which is composed of an even number of commissioners. These highly political and partisan positions which lead to the problem of gridlock and infighting over political stances associated with disclosure. Oftentimes the commissioners administer the very PACs they are supposed to regulate. Next, they detail the collection, processing, and dissemination of disclosure data with the numerous shortfalls with each category. As an example, one of the points Heerwig and Shaw (2014)

made is that voters do not have an unmediated understanding of disclosure data. Informational intermediaries, like journalists, filter, interpret, and then disseminate the incomplete and unwieldy disclosure data set. Current issues with the FEC's treatment of disclosure are complex, need improvement, and multifaceted at every level.

Although there are major shortfalls within disclosure regulation, some researchers still recommend working within the system, to update and make disclosure more transparent (Briffault, 2012; Torres-Spelliscy, 2011). Briffault (2012), for instance, recommended the FEC adopt similar laws that govern candidate contributions be extended to independent committees. Hasen (2014) recommended fighting to keep state and local disclosure laws in place until there is an opportunity for more comprehensive reform. Gerken (2014) remained cautiously optimistic in the "party faithful" having the ability to balance the "party elite". However, Gerken (2014) warned of the power and influence of the "shadow parties". As shadow party interests dominate and become more powerful, the ability of informed and involved citizen stakeholder's, to temper the moneyed interests is eliminated.

Voluntary Disclosure

Interesting research on voluntary disclosure is also proposed as a partial remedy to increase transparency specifically within advertising campaigns. Wood's (2016) research suggested that voluntary disclosure increased participant's trust in campaign advertising and provided better heuristic clues to them. Carpenter (2009) described the potential, benefits, and pressure of voluntary disclosure. If the culture shifted to one of voluntary disclosure it would become a liability to those who decide to withhold

disclosure information. The perception of having something to hide in order to remain anonymous would appear suspect. Creative solutions may be required to allow for meaningful disclosure that increases transparency. Another creative example is to apply the safe harbor strategy to the bribery statute to regulate quid pro quo corruption (Robertson et al., 2016; Stein, 2012).

Transparency, by way of disclosure, has long been regarded as a good tenant of governance and a fundamental corruption deterrent. In fact, at the state level, disclosure is regarded as the cornerstone of all state campaign finance reform measures (Davis-Denny, 2005). Whether it is actual corruption, or the perception corruption, people's faith in government has long been skeptical (Sarbanes & O'Mara, 2016). While disclosure was historically regarded as the balance between First Amendment Rights of corporate donors and the public, disclosure is under threat of being eliminated, making it more difficult to clearly identify the interests that are influencing policy and governance. In the next section perceptions of money will be discussed. Specifically, the problem of the perception of corporate money's influence over direct democracy and why this is influence is a problem.

Gray Money. In addition, to the dark money problem, there is the matter of "gray money" which describes the situation where PACs donate to other PACs making it difficult to identify the original donors (Lee et al., 2016). This circumstance is heightened when groups intentionally choose non-informative names. Garrett and Smith (2005) referred to these groups as "veiled political actors". Heerwig and Shaw (2014) suggested that veiled political actors believed that it would be detrimental to the campaign funder's

interests for the public to understand who and what is truly behind the organizations if their names were more accurate, informative, or descriptive. Dowling and Wichowsky (2013) purport that the basis of *McConnell v. FEC* (2003), *Citizens United v. FEC* (2010), and *Doe v. Reed* (2010) each justify the government's interest in disclosure to balance corporate interest and the small number of wealthy donors that often are disguised veiled political actors in their research focused on political advertising. Weber et al., (2012) echoes the importance of transparency in the origins of advertisements to balance the "persuasive appeal" of the "benignly" named interest groups behind the advertisements (p. 19).

Perceived Influence of Money and Elections

The perception of money, held by both citizens and elected officials, demonstrate the power of influence corporations and wealthy elite have in politics. Overwhelming concern with non-disclosed and nontransparent money is one policy issue which unites both Republican and Democrat Americans. Sarbanes and O'Mara (2016) described the Tea Party and Occupy Wall Street movements as two groups, usually polarized on issues, united in their perception of a corrupt government that is more responsive to a "shadowy" elite than the public (p. 3). Polling indicated that 84% of respondents agreed that money had too much influence in political campaigns; 85% agreed that the campaign funding system needs to be overhauled; and 77% believe there should be caps on individual contributions to campaigns (Confessore & Thee-Brenan, 2015). Moreover, an additional poll reported that although 96% of respondents believe that money in politics is a problem in need of a solution, 91% believe reform is unlikely (Sarbanes & O'Mara,

2016). Furthermore, 79% of respondents agreed that they would alter their purchasing power based on corporation's political spending (Torres-Spelliscy, 2016). Regardless of if the elected official is being influenced by dark money, or not, it is problematic if the public perceives this to be the case (Lee et al., 2016).

Related to Agenda. The perceptions held by elected officials determined that the preferences of moneyed interests not only matter in getting elected but also in the agendas the elected officials are willing to pursue (Strine, 2016). In 2014, the candidate that spent more money was elected more often as illustrated in 94.2% of the House and 81.8% of the Senate races. Fortier and Malbin (2013) argued that money and competition are significantly more complicated and purport that scholars would reject a “unidirectional causal statement about money and outcomes” (p. 460). While the reality may be based on incumbents' ability to raise money (Campbell, 2003), or that marginal money may make the difference (Jacobson, 1990; Green & Krasno, 1990), or the diminishing effect of money (Milyo, 2013), Strine (2016) contended the perception is that to survive politically candidates must be aligned with powerful corporations and wealthy elites or risk damage to their career in politics.

Related to Access. Concern over the influence of a small wealthy group of individuals gaining direct access and influence within government, and over elected officials, is a sentiment echoed within the literature surrounding campaign finance reform (Broder, 2000; Conlin, 2004). For instance, Gerken (2014) described the phenomena of “shadow parties” eventually becoming more powerful and influential than the actual parties. The threat to democracy is in the shift of power towards moneyed interests and

away from ordinary citizens. The perception is to have a career in politics one must be aligned with the elite who contribute to campaigns. The power, influence, and control are then shifted to those with wealth and away from almost all citizens. Policy issues important to nearly all citizens are subverted by moneyed special interests.

Related to Power. The perceptions of money's influence and power, by voters and elected officials alike, is quite concerning from one perspective. Jones' (2014) poll determined that Congressional approval ratings for feelings of trust and confidence reached an all-time low of 13% after the government shut down in 2013. In the following midterm election only 37% of eligible voters voted (McDonald, 2014). Low voter turnout is not surprising given the premise that the lack of confidence contributes to a decline in civic participation. As mentioned before, high support ratings for direct democracy, such as ballot and referendum initiatives, also indicates lack of trust in representative government. In fact, a host of researchers have studied political apathy and political disengagement within many aspects of our governance: voting, fulfilling jury duty, volunteering, and being involved in elections (Pateman, 2012; Putman, 1995; 2000).

Alternative Perspective. Meanwhile, there is an alternative perspective which argued that political participation is just evolving, from inside to outside the formal and historical political avenues, particularly in the realm of utilizing information communication technology in political participation (Bentivegna, 2006; Vissers & Stolle, 2014). Technology allowed for political participation within social movements, single issue, or discussion groups demonstrating the evolution and change of political involvement. As an example, the Outlaw Dirty Money initiative (2018) group, discussed

below, had a strong presence through social media and other means of technology.

Importantly, there is some overlap with the recommendations of technology as a means of disclosure that may offer transparency and ultimately increase citizen trust.

Money in Arizona

The perception of influence of money in Arizona elections is especially important to understand given Arizona's sordid past and numerous scandals. To begin, the relevant history, in 1988 Governor Evan Mecham was impeached on multiple corruption charges pertaining to his misuse of money (Pont & Pollock, 2016). A year later, in 1989, the "Keating Five" scandal uncovered \$1.3 million in campaign contributions from Charles H. Keating Jr. to two Arizona Senators, Dennis DeConcini and John McCain, and three other Senators from other states (Pont & Pollock, 2016). The five Senators urged the Federal Home Loan Bank Board to overlook federal banking violations committed by Keating Jr. and his bank, after the market collapse and subsequent bailout, and in doing so, spurred an ethics investigation (Nowicki, 2014). McCain was issued a warning and DeConcini did not campaign for reelection (Nowicki, 2014). Then, in 1991, the AzScam scandal ensued (Latzman, 2016). An undercover agent offered bribes in exchange for legalizing gambling in Arizona (Pont & Pollack, 2016). Seven legislators were indicted for accepting hundreds of thousands in bribes (Pont & Pollack, 2016). Finally, in 1997, Governor Fife Symington resigned after he was convicted on seven felony counts of filing false financial reports (Pitzl, 2007). Although all charges were overturned, Symington agreed to repay two million to the pension fund (Pitzl, 2007).

Corruption in Recent Years

More recently, while Arizona politicians convicted of crimes involving money served time, the scandals continued. For example, from 2010 through 2012, Octavio García Von Borsted, served two and a half years of his three-and-a-half-year sentence, for bribery, theft, fraud, and money laundering (Clark 2014). Von Borsted used his influence as Mayor of Nogales to grant city contracts to business associates (Clark, 2014). In 2012, state representative Richard Miranda was sentenced to 27 months for wire fraud and tax evasion (Hendley, 2012). Miranda was in the Arizona House of Representatives from 1999-2002 and then in the State Senate where he became the minority whip.

Arizona Corruption Mitigation

Also, in 2012, state representative Ben Arredondo was placed on house arrest and three years of probation for bribery, lying, extortion, and fraud. Arredondo accepted tickets in exchange for providing insider information to land developer associates (Hogan, 2016). A final example, former United States representative, Rick Renzi, was convicted on 17 of the 35 counts of extortion, racketeering, and other federal charges in 2013 (Associated Press, 2017). Renzi served three years in federal prison after he was convicted of using his congressional post to arrange land deals with business associates and filing false insurance statement policies (Associated Press, 2017). The history of corruption and widespread misuse of money contributes to continued mistrust of Arizona government officials.

Arizona voters attempted to regulate and address corruption, increase transparency, and limit the influence of money on state politics. In 1998, Arizonans utilized the initiative process to pass the Arizona Citizens Clean Elections Act and amended the Arizona constitution with the Voter Protection Act (VPA). The Clean Elections Act created a public-financed system, with a matching funds provision, and limited the amount nonparticipants could fundraise (Pont & Pollack, 2016). The Voter Protection Act was a constitutional amendment. Because a constitutional amendment required three quarters of both houses to change, VPA essentially guaranteed that the Clean Elections Act would be upheld. Prior to VPA, because the legislature may amend initiatives if under half of all registered voters enact a law, they had done so and allowed more campaign finance on three previous occasions through a simple majority vote (Pont & Pollack, 2016). It appeared that Arizonans were attempting to limit special interest money, increase transparency, and reduce corruption.

In the wake of the Citizens United decision, Arizona was involved with two key cases. The first, *Arizona Free Enterprise Club's Freedom Club PAC v. Bennet* (2011), is relevant because the Supreme Court struck down a portion of the Clean Elections Act, related to matching funds (Pont & Pollack, 2016). This ruling was aligned with Citizens United in that it focused on free speech rights of privately financed candidates and independent expenditure groups. The next case took place after the Arizona legislature amended the law that limits campaign contributions. This move promptly spurred the *Arizona Citizens Clean Elections Commission v. Brain* case (2013), decided in 2014; by the Arizona Supreme Court (Pont & Pollack, 2016). In the end, the Arizona Supreme

Court ruled that the Clean Elections Act was intended to create a formula that the legislature could adjust. The ruling validated a loophole in the campaign finance law and rendered the act almost entirely obsolete (Pont & Pollack, 2016).

Dark Money and Arizona

The combination of the federal cases *Citizens United v. FEC* (2010) and *Speechnow.org v. FEC* (2010), and the weakening of Arizona Clean Elections Act (1998), allowed dark money to flood into the State. Research conducted by Lee and fellows (2016) concluded that, between 2006 and 2014, Arizona experienced a 295% increase in dark money and was identified as the outlier of the six states studied. The research included: Alaska, Arizona, California, Colorado, Maine, and Massachusetts. Arizona experienced the largest influx of untraceable money into the state, since the *Citizens United v. FEC* (2010) decision (Lee et al., 2016). In addition, Claypool (2016) conducted case study research on several states specifically analyzing corporate money's influence on ballot initiatives and found that corporate donors outspent non-corporate donors ten dollars to one.

Arizona Legislation

Legislation which prohibits ballot initiative signature collectors to be paid per signature, HB 2404, passed the Arizona State Legislature in March of 2017. HB 2404 required ballot initiative and referendum collectors are paid per hour, rather than per signature, which was the past practice. Proponents of the legislation argued that this legislation will reduce fraud while opponents are adamant that it will only curb grassroots movements while driving the costs higher to put an initiative on the ballot (Pitzl, 2017).

Newspaper accounts connect the legislation and reports that HB 2404 is “backlash” from Proposition 206, which raised the minimum wage, and had passed the previous year (Pitzl, 2017).

The 2018 Outlaw Dirty Money constitutional amendment was the latest attempt that sought to make public the identity of all major campaign contributors. The term “dirty money” is synonymous with “dark money”. However, organizers argued the term “dirty” better conveyed the danger and prominence of powerful people and corporations. Moreover, the ability to spend unlimited money in elections and on attack ads, robo dialers, and mail justified the term “dirty” (Outlaw Dirty Money, 2018). The committee submitted 285,768 signatures on July 5th, 2018. Opponents, included directors of Americans for Prosperity and Arizona Free Enterprise Club of the initiative, immediately filed a lawsuit challenging the signatures on July 19th, 2018 (Gardiner, 2018a). The Arizona Supreme Court ruled in favor of the challenge to disqualify the signatures in question on August 29th, 2018, effectively removing the initiative from the November ballot (Gardiner, 2018b). The initiative would have required anyone spending more than \$10,000 to oppose or support candidates or ballot measures, and, the “original source,” of all contributions over \$2,500 (Outlaw Dirty Money, 2018). Given the political controversies over dark money, specifically in Arizona, a case study of the 2018 election will provide policy makers with more knowledge and information to make informed decisions regarding direct democracy.

The history, as well as the current politics and citizen interest and efforts to address campaign finance reform and transparency within Arizona, makes the research

timely, interesting, and important. The next segment will explore influences on ballot and referendum initiatives, aside from money. Money, specifically, is addressed in the following subsection.

Influences on Ballot and Referendum Initiatives

The circumstances and politics surrounding ballot and referendum initiatives are multidimensional and dynamic, yet based on this literature review, remain under-investigated. A broad approach to the question of why some ballot and referendum initiatives pass while others fail is a critical place to begin. The focus of this section is to situate this research within a larger spectrum and consider factors other than money. The literature concerning the topics of money and ballot and referendum initiatives will be analyzed in the next section. Aside from money, three themes emerged from the literature that warrant mentioning. First, the initiative and referendum alignment with political parties. Second, broad-based interests that have an advantage over economic based interests. Third, the influence of the pursuit of other goals appears to influence ballot and referendum initiatives outcomes.

Affiliations to a Party

Party affiliation is an important factor that influences ballot and referendum initiative outcomes. Smith and Tolbert (2001) determined that 77% of the California initiatives and referendum studied were able to be associated with party affiliation. Even when competing explanations were controlled for, party affiliation was the single most salient predictor of voting behavior (Branton, 2003; Tolbert, 2001). Smith and Tolbert (2001) determined that the two major parties in California used the ballot and referendum

initiative “to bolster voter turnout for their candidates, divide the opposition with ‘wedge’ issues and promote their own party’s platform and ideology” (p. 739). Additionally, Gash and Murakami’s (2015) research on partisanship and venue found that independents differ from their partisan counterparts in their support for court rather than majoritarian proceedings. Both democrats and republicans were less supportive of policy, compared to Independents, when it was the result of a court rather than created by the legislature or direct democracy (Gash & Murakami, 2015). Primo (2013) argued that positions of interest groups are typically well known either by the groups themselves or by the groups that oppose them, and this provides the party cues voters rely on. Research conducted by Alvarez and Bedolla (2004) noted the influence of presidential candidates on ballot and referendum initiatives thereby providing party cues. Finally, it is not uncommon for political parties to take a public stance regarding ballot and referendum initiatives and be involved in the process, for example in California in the 1990’s (Hasen, 2000).

Ballot Placement

Political parties also strategically place initiatives and referendum on the ballot thereby forcing candidates to take a stance resulting in the phenomena of “ballot proposition spillover” (Theodore, 2013, p. 1414). The situation where a highly controversial ballot or referendum initiative is put on the ballot to help support candidates in tight races, constitutes spillover. For example, in 2004 several same-sex marriage ban initiatives were put on ballots to increase republican turn out and retain George W. Bush for the presidency (Theodore, 2013). Conversely, in ten of the seventeen most competitive candidate races, democrats were responsible for placing minimum wage

initiatives on the ballot in 2006 (Theodore, 2013). Spillover effect has a slightly different meaning to Smith and Tolbert (2005) who purport the “educative effects” of direct democracy can change citizen attitudes and beliefs. Strategies of interest groups and political parties may also be altered through the spillover effect (Smith & Tolbert, 2006).

Wilson Typology

Ballot initiatives and referendum with broad based interests, where both broad costs and broad benefits, are at stake, have realized high passage rates. There is a nearly 30-year consensus within the research that confirms Majoritarian Politics-type situations within direct democracy and high passage rates (Stroo, 2014). The Wilson Typology has been utilized in several research endeavors, specifically focused on ballot initiative and referendum contests, which provided evidence of broad-based initiatives having an advantage over economic based interests (Campbell, 1997; Donovan et al., 1998; McCuan, 2005).

Originally used as a cost benefits distribution typology, the Wilson Typology describes the political situations, which arise from four different policy types that range from narrow to broad: interest-group politics, client politics, entrepreneurial politics, and majoritarian politics (Wilson, 1980). Wilson’s typology offers insight and may have contributed to the outcomes within the Arizona 2016 ballot initiatives. The increase of minimum wage and defeat of recreational marijuana were the focus of the 2016 propositions and may have impacted the 2018 election results. Matsusaka (2005) contended that ballot initiatives and referendum serve the broadly based “many” rather than the narrowly concentrated “few”. Later research also conducted by Matsusaka

(2017) determined that direct democracy allowed the majority to divert power away from special interests in policy making. In turn, policy preferences are typically reflective of median voter preferences regardless of the ideological substance of the particular policy on the ballot.

The “Softening Up” Concept

Finally, while formal passage of initiatives or referendum is the primary objective of sponsors, one would be remiss to believe that it is the exclusive goal of the actors within direct democracy politics (McConnel, 2010). Only part of the story is revealed when analyzing the formal passage and rejection of initiatives and referendum. Kingdon (2003) referred to this concept as “softening up” (p. 128). Policy entrepreneurs may introduce an initiative or referendum to move their particular issue closer to acceptance at a later date. A relevant example of softening up has occurred in state ballot initiatives across the country surrounding the topics of medical and followed by legalized marijuana. Most states begin with medical marijuana initiatives, sometimes with repeated attempts, and then move towards legalization, which also usually takes multiple initiatives, and eventually results in passage. As briefly outlined above, several factors surfaced in the review of literature. The factors include alignment with political parties, broad-based initiatives advantage in passing over economic based interests, and the influence of the pursuit of other goals such as softening up. The next section will examine the influence of money on ballot and referendum initiatives.

Influence of Money on Direct Democracy

Positive Impacts within Ballots

The influence of money on ballot and referendum initiatives remains unclear. Research findings vary between, arguments that more money equals greater influence with higher passage rates, to more money does not influence the outcome of new initiatives. Also, arguments that more money may only impact rejection efforts have been made. Research conducted by Rogers and Middleton (2015) on spending within initiative campaigns concluded that policy outcomes are affected whether the spending was in support of or opposed to the initiative. Their research indicated compelling evidence that independent expenditures can affect the outcome of ballot and referendum initiatives. Additional research supporting the argument that more money results in more success is demonstrated within the literature (Broder 2000; De Figueiredo et al., 2011; Ellis 2002; Smith 1998). Stratmann's (2006) research on media markets within California ballot initiatives and referendum from 2000 to 2004 drew the same conclusion.

Negative Impacts within Ballots

These findings are contrary to past research that argued money does not have any effect on initiative and referendum outcomes (Bowler & Donovan, 1998; Garrett & Gerber, 2001; Gerber, 1999). Moreover, research concluded that rejection efforts were more successful when one side had more money but not in passage of new initiatives (Bowler & Donovan, 1998; Lowenstein, 1982; Magleby 1984; Owens & Wade, 1986). Matsusaka (2018) research also confirmed that where overwhelming opposition spending was employed the results benefited the efforts substantially.

Underlying these research findings confirms the *status quo* bias where people prefer to leave things as they are rather than make change (Samuelson & Zechhauser, 1988). Lupia's (1994) research related to disclosure on the size of contributions at the ballot level reveal that if voters are generally content with current policy when initiative or referendum groups spend large amounts of money the voter would be signaled and able to infer how far away from the *status quo* this change would equate to and vote accordingly. Carpenter (2009) researched disclosure within direct democracy. Participants strongly confirmed their support of disclosure for corporations. However, when the issue was personalized, the respondents equivocated on their belief that their name, and especially their employer, should be revealed. Carpenter (2009) determined more research into voter interest and transparency as well as the costs and benefits of disclosure surrounding ballot and referendum initiatives would be useful.

Ballot Funding

Conlin (2004) asserted that moneyed interests enjoy an advantage when it came time to gather the required, and costly, ballot initiative signatures. Pound (2002) reported that in many states, if the initiative and referendum circulators were funded adequately, it is almost guaranteed the initiative would qualify for the ballot. In 2018, the average cost of a successful initiative was between \$1.1 and \$1.2 million and the cost per required signature (CPRS) was between \$6.19 and \$6.85 (Ballotpedia, 2018). In Arizona, the average costs were \$2,374.984, and the CPRS was \$10.58 (Ballotpedia, 2018). Arizona Proposition 127 had the highest cost per required signature out of all 2018 nationwide measures at \$25.86 (Ballotpedia, 2018). Consequently, cost is one of the major hurdles

that grassroots organizations face in utilizing direct democracy. Importantly, others argue the cost of running a ballot or referendum initiative inhibits the very grassroots movements it was intended for. Furthermore, use of direct democracy has morphed into a mechanism for policy entrepreneurs with access to money to push their own interests (Conlin, 2004; Connery & Weiner, 2017). Leon and Weitzer (2014) argued that funding is an important variable in the context of ballot and referendum initiatives because there is correlation between the amount of money raised and winning elections as well as the amount of money raised and laws passing.

Opposition Spending

Matsusaka's (2018) research contended that, compared to working through legislative channels, businesses and corporations do not fare well under direct democracy. Research findings conclude that wealthy individuals utilize direct democracy. However, corporations and unions move their issues much more efficiently through representative democracy (Matsusaka, 2018). Theodore (2013) utilized the "peak initiative year", 1996, to demonstrate this point. Compared to almost 14,000 laws and resolutions adopted by legislatures, the ninety-three initiatives that made it onto ballots were small in comparison. Especially, considering that only forty-four that passed and were adopted (Theodore, 2013). As mentioned above, where corporate and business interest has significant advantage is in the cases where overwhelming opposition spending is effectively utilized.

In the instances where heavy opposition spending was employed, in nine out of ten instances, the initiatives opposed were defeated (Matsusaka, 2018). In terms of heavy

spending in support of propositions and referendums, evidence is less clear and questions persist regarding the decision to spend heavily in support of propositions and referendums. However, there are several hypothesis researchers have suggested that may explain heavy spending. Gerber's research (1999) indicated signaling the legislature, pressuring the legislature, and demonstrating the willingness to fight to discourage future legislation due to the cost associated with the effort may all be relevant factors. Matsusaka (2017) also argued that referendum and initiative should be analyzed separately since certain aspects vary between the two. For instance, regarding referendum, states have lower spending and debt where voter approval is required for any new spending or debt. Initiatives are associated with lower taxes and spending at the state level; however, spending is higher at the local level (Matsusaka, 2017).

Campaign Finance Regulation

A theme that researchers have identified within the research surrounding the topic of campaign finance reform is the circumstance where "hard" regulation leading to more "soft" money within politics (Ansolabehere & Snyder, 2000). Issacharoff and Peterman (2013) noted that following FECA the number of PACs grew rapidly and stated "BCRA may have paradoxically encouraged the normalization of the role of independent spending" (p. 24). Following the *Speechnow.org v. FEC* (2010) decision groups rushed to form Super PACs. Just as in earlier accounts of money making its way into politics the power and influence that is recognized through dark money has flown through. In fact, this situation was briefly outlined in the earlier segment on the history leading up to BCRA and then the result of flourishing of 527 groups. When regulation passed, and

loopholes were immediately identified and exploited, often less transparent sets of problems arose. Sarbanes and O'Mara (2016) use the example of the Lobbying Disclosure Act of 2007 which placed strict compliance regulation on lobbying firms.

The act had the inadvertent and unintended effect of driving smaller firms out of business. Rather than tempering the influential lobbying firms, the power and influence of the firms increased. The large firms had the capacity to evolve into the unregulated "political intelligence" industry (p. 14). As a result, rather than the annual 3.2 billion reported, experts estimated the actual money spent on lobbying was at least three times higher (Sarbanes & O'Mara, 2016). The very purpose of lobbying is to make the client's interests known and promote their interests to public officials (Gerken & Tausanovitch, 2014). Campaign funding is the fundamental way lobbyists entice politicians for their time and perhaps support of their client's interests (Hasen, 2012; Smith, 2013). Lobbying is particularly significant to this study because past research determined that corporations spend roughly nine times as much on lobbying efforts compared to influencing elections (Matsusaka, 2018; Milyo et al., 2000).

Moreover, Tolbert and Smith (2006) argued that initiatives and referendum are susceptible to the influence of money much like the legislative process. Connery and Weiner (2017) purported that 40% of ballot initiatives are successfully passed. A much smaller percentage of bills proposed through the representative channels make it into policy. Therefore, it is logical that ballot initiatives and referendum will be utilized to further the interests of the wealthy (Connery & Weiner, 2017). Gerber (1999) suggested that voters supported disclosure in ballot initiatives for transparency and to prevent

moneyed interests from utilizing the process for their gain at the expense of the public's interests. Other research in California described how spending on ballot initiatives and referendum was 50% higher than the amount the federal candidates spend in the same election year (Conlin, 2004). Tolbert and Smith (2006) argued that more important than the sum of money that is channeled into ballot initiatives and referendum is the mobilization of partisan voters as well as the strategy of draining the resources of opponents.

Legal Countermeasures

The issue of money's influence on direct democracy is complex and multifaceted. It is unclear and complex regarding solutions as well. Sugin (2016) recommended starting at the state level and regulating dark money through nonprofit law as an alternative to working through state election law. Sugin (2016) argued that a federal solution would be necessary to regulate dark money; however, state regulation may "pave the way" for federal government regulation. Douglas (2017) focused on 2016 local initiatives and echoed the sentiments of local ballot and referendum initiatives collectively having a great impact over democracy. Local jurisdictions conduct the elections for the local, state, and federal level. Innovative policies may be adopted by other cities followed by state and federal policy (Douglas, 2017). These ideas are related to Kingdon's (2003) softening up discussed previously in the chapter. Softening up related to having the public get used to an issue's presence in the public sphere and eventually having the issue move to the agenda. For example, Douglas (2017) discussed

local campaign finance reform as one issue not only important at the local area but significant at the state and federal level as well.

Wrong Progressive Approaches

Additionally, Hasen (2014) argued for working at the state level to both preserve what law remains as well as implementing creative state-based solutions. Hasen (2014) discussed three wrong approaches and one viable solution. Hasen's (2014) recommendation was to work to eventually overturn *Citizens United* (2010). The three wrong progressive approaches also provide insight into the issues with campaign finance reform from his perspective as a long-time researcher and scholar in this area. The first wrong approach Hasen (2014) discussed is to amend the constitution which is highly unrealistic given the partisan environment. The proposed amendments, such as the Tester-Murphy or the Move to Amend Proposed 28th Amendment to the Constitution, have not balanced the speech and robust debate argument versus the anti-corruption and political equality position (Hasen, 2014). This delicate balance would be essential for any meaningful reform.

The second wrong approach is to “pay lip service” to the issue; which Hasen (2014) defined as true political theater and does nothing but push opposing sides further apart in a highly partisan environment. As mentioned above, Hasen (2014) described Obama's vocal support of campaign finance reform as paying lip service to the issue. Hasen (2014) argued that Obama's decision to not take public funding or implement stronger campaign finance reform during his presidency was more important than his proclaimed support. The third bad idea Hasen (2014) described is “throwing in the towel”

or giving up on trying to make meaningful reform. Hasen (2014) cited his earlier work, Hasen (2012) in which he argued that deregulation allowed the purchase of more access and influenced the outcomes of policy.

Foreign Money Influence

Funding of ballot and referendum initiatives has not historically been regulated like direct contributions to candidates. The standing basis is that there is no one specifically to corrupt; therefore, ballot and referendum initiatives are regulated differently. A specific instance where this is relevant and pertains to this study is the matter of foreign money's influence on ballot and referendum initiatives. The concern, and laws preventing, the influence of foreign money over American elected officials within the political process as well as limiting foreign ownership of broadcaster's dates to World War I (Torres-Spelliscy, 2017). While it is illegal for foreign money to be contributed to candidate campaigns it is still unclear regarding the legality of dark money related to the possibility of foreign money funding ballot and referendum measures. As of October of 2015; the FEC deadlocked and failed to provide a ruling on the matter (Torres-Spelliscy, 2017). However, the concern of who and what interests fund initiatives, and furthermore, who benefits from the referendum and initiatives remains a pressing issue within American democracy.

Further understanding of money, especially corporate money, effects on ballot and referendum initiatives was a fundamental question when studying the role of unlimited funds in this process. Research conducted by Alexander (2015) provided valuable information regarding interest group leader's perspectives on direct democracy.

These individual's perspectives are important to take into consideration. Interest group leaders have intimate knowledge of the process and experiences with working directly within the system. While the interest group leaders believed that direct democracy holds government accountable to citizens, they indicated their belief that the population is manipulated by political consultants, public relation firms and the initiative industry. Interest group leaders also indicated their belief that wealthy interest groups and money is likely to determine outcomes of ballot and referendum initiatives (Alexander, 2015).

Studies Related to the Key Concepts

In 24 states voters utilize direct democracy in some capacity. Arizona is one of six states (Arizona, California, Colorado, North Dakota, Oregon, and Washington) where over 60% of the initiatives and referendum have taken place (Pound, 2002; Theodore, 2013). Arizona has not been the subject of an abundance of scholarly focus; however, there are some key studies that justified additional research to fill gaps and provide information to stakeholders. Moreover, further research was recommended at the state level for the topic area and methodology. The following research discussed in this chapter describe the studies related to key concepts that were explored in the case study of Arizona's 2018 ballot and referendum initiatives.

Fortier and Malbin's (2013) working group brought 18 cross-discipline scholars together during the 2012 election season to discuss money in United States politics. The scholar's specialties included political science, law, communications, and economics along with their varying perspectives of money and politics. Many of the scholar's research contributions are cited within this chapter. Fortier and Malbin's (2013) working

group recommended a shift in priorities away from teasing out the relationship between money and competition. The group recommended focusing instead on the underlying questions of how are more informed and engaged citizens and responsive public servants enticed to become involved (Fortier & Malbin, 2013). The working group determined that a broad body of state level comparative research would be highly beneficial for future research and does not currently exist. State-level comparative research was recommended by Fortier & Malbin (2013).

More specifically Fortier and Malbin (2013) recommend research that will increase “broader understandings of the longer-term, systemic effects of the new political environment in which campaign money is being raised and spent” (p. 470). Furthermore, Fortier and Malbin (2013) specifically recommended case study research to understand campaign finance reform; and their rationale was applied to Arizona ballot and referendum initiatives as a new paradigm of money in politics. The research focused on the influence of corporate money in Arizona’s 2018 ballot and referendum initiatives was aligned with the recommendations within Fortier and Malbin’s (2013) cross discipline working group.

Cooperate Money and Ballots

Claypool (2016) conducted case study research on the influence of corporate money on several states’ ballot initiatives. Unfortunately, Arizona’s ballot initiatives were not included. Claypool (2016) explained that the corporate money interests outspent individual donors, on average, \$10: \$1 and argued that concentrated wealth that corporations used in politics distorted institutions of democracy. Considering Lee et al.

(2016) findings that Arizona has had a 295% increase in dark money between the years 2006-2014, further research on the 2018 Arizona ballot and referendum initiatives remains to be studied. In the states where Lee and colleagues (2016) conducted case study research, gray money rose from 15% in 2006, to 59%, in 2014. In Arizona, specifically, the amount of gray money rose from \$359,000 in 2006, to \$6.4 million, in 2014.

La Raja's (2007) research focused on disclosure laws and the media at the state level. This research is relevant and interesting and pertains to the current research based on several findings. For instance, La Raja's (2007) research determined that states with the highest disclosure rates serve as means to keep political servants accountable. However, La Raja (2007) also acknowledged that politicians may just be more vigilant and spend more on attorneys to make sure they work within the law. Additionally, La Raja (2007) found that the environmental context matters and the presence of "soft money" increased media scrutiny of large contributions which may appear corrupting. This element is especially important for the state of Arizona given the history and presence of soft or gray and dark money.

Passing of Ballots Considerations

Leon and Weitzer (2014) compared ballot outcomes in four states regarding the legalization of recreational marijuana. The topic focused on direct democracy and methodology, which will be discussed further in the section below, and were each relevant to the research. Leon and Weitzer's (2014) case study was relevant because of

the national mood, spillover, and MSA agenda movement components, highlighted throughout this chapter.

Additionally, Leon and Weitzer (2014) argued and researched additional factors that may determine whether, or not, ballot reforms passed. In addition to the predictors of vice legalization discussed within their research, the researchers identified three more predictors that are especially relevant to the research. The spending, the political climate, and the endorsement of the major newspapers in the state were all contributing factors to whether initiatives and referendum passed or failed. Funding was a predictor in two of the states; however, while significant money may help sway voters, they determined that other factors may be more important. Age of voters was determined to play a key role in ballot measures success or failure rates. The absence of younger voter turnout in California may have contributed to the defeat while a higher turnout in Colorado and Washington may have impacted the passage.

Interestingly, while liberal political culture was expected to be a potential factor contributing to passage rates the researchers purported that it is not a robust predictor based on their findings. Additional research also purported instances of conservative states that passed vice or vice tolerant states which passed hard regulation (DiChiara & Galliher, 1994; Galliher & Cross, 1982; Leon & Weitzer, 2014). Political culture was deemed significant in Washington's success, namely the public endorsements from former federal law enforcement officers and the legal community. Framing of the issue from the opposing side and how it was presented within the media was also a factor in this research and was consistent with Kingdon's ideas on the importance of framing.

In-State Corruption

Arizona is one of 17 states where restrictions on campaign finance reform were removed after the *Citizens United v. FEC* (2010) decision. Although ballot initiatives have not ever been regulated like candidate contributions it is a relevant and interesting topic considering perceptions of outside money on the system. The perceived impact of outside money and how the political strategies were altered compared to before the *Citizens United v. FEC* (2010) decision was important to this research. Milyo's (2012) research focused on public trust and campaign finance reform measures and determined that campaign finance laws are not connected to perceptions of corruption or the integrity of democracy within the state.

Milyo (2012) offered other factors such as a healthy economy, smaller state government, and united or divided party control that may correlate more with trust in state government. Carpenter's (2009) future research recommendations were also pertinent to study. Research concerning the dynamics surrounding transparency, costs and benefits of mandating disclosure for ballot initiatives, and voter's participation in the process including voting, volunteering their time, and making financial contributions were recommended (Carpenter, 2009). These were interesting elements to probe given Arizona's history and efforts to utilize the direct democracy to regulate the ballot and referendum initiative and campaign finance processes.

Out-of-State Corruption

Moreover, some researchers argued that it was even more important to consider the influence of corporate money in a direct democracy environment. For example,

Conlin (2004) argued that the ballot initiative fails to reflect the true voice of the people. While proponents argued that people are heard; Conlin (2004) argued, that while citizens vote on a proposal, the proposals themselves are priorities of a small number of interest groups. This aspect is aligned with the study of Kingdon's political stream where the problem and policy has been coupled by interest groups in attempt to further their interests by way direct democracy within the political stream. Furthermore, it is timely research considering the partisan environment and the shift of tactics utilized by the major parties towards more state and local politics, and the strategic use of ballot and referendum initiative.

Campaign Finance Regulation

Campaign finance regulation has become a highly partisan issue (Hasen, 2014) and the uncompromising solutions seem to reflect those positions. This makes it more important for researchers to add to the body of scholarly data and information available to provide policy makers, stakeholders, and citizen's scholarly data to make informed decisions. The perceived influence of money was especially important for ballot and referendum initiatives as well as the regulations that govern them. While Alexander's (2015) research on the perspectives of interest group leaders concluded that ballot initiatives are "necessary evil" it was interesting to inquire within Arizona political professionals regarding the two 2018 ballot and referendum initiatives that were purposefully selected because of the presence of corporate, and outside, money funding each measure.

The two controversial ballot and referendum topics were relevant and important. Proposition 127 was focused on renewable energy with substantial funding from out of state interests. Referendum 305 was a part of an on-going educational battle that has been a long-time issue for Arizona. Educational savings accounts are part of a larger educational controversy which has drawn money from out of state interests. Elements of the research add to the body of literature surrounding the issue of direct democracy, dark money, transparency, disclosure and may serve to inform future policy making and understanding of these issues.

Methodology and Methods Consistent with the Scope of Study

Research conducted on the topics related to ballot initiatives, direct democracy, campaign finance and disclosure encompassed a full range of methods and designs. Both quantitative and qualitative designs were represented. For instance, studies that focused on ballot initiatives, utilized qualitative case studies (Connery & Weiner, 2017; Leon & Weitzer, 2014), as well as quantitative field experiments and survey experiments using stratified random samples (Rogers & Middleton, 2015; Primo, 2013). Furthermore, Smith and Tolbert (2007) reviewed 50 state studies of direct democracy primarily using quantitative methods of individual and aggregate level data and multivariate analyses.

The analysis of secondary data is a predominant and complimentary form exploring the topics of campaign finance reform, ballot initiatives, media, disclosure, election results, public financing, independent expenditures, journalistic accounts of issues, and moreover, are a fundamental aspect of most case study research. For example, Mamudu and colleagues (2014) used a case study approach, and secondary data of

archival documents, as well as transcripts of legislative debates. This is a standard approach to triangulate the data sources. In addition, the researchers also analyzed qualitative research including the historical development and result of ballot initiatives, case studies, and law review and journalistic aspects of direct democracy. Smith and Tolbert (2007) concluded that “funding remains crucial to ballot issue success” (p. 435). Further study in areas of the “educative influence” and other complex indirect effects of direct democracy are also recommended (Smith & Tolbert, 2007).

Based on the methods used in the literature reviewed one could choose from various methods. There are strengths and weaknesses of any method. However, some methods are better suited and aligned based on research interests and question(s). When paired with the central question guiding this study it became clear that this research was appropriately aligned with qualitative case study. MSA and qualitative case study were both appropriate and relevant to explore questions to determine what the impact was. “What” questions are specifically utilized to explore and describe a phenomenon. Moreover, MSA and qualitative case studies were well suited for questions that focused on real life, often complex phenomena like the central research question in this study: What was the perceived influence of corporate money on the 2018 Arizona initiative and referendum measures?

MSA theory was an appropriate framework for future case study research, as demonstrated and justified by past applications, and more importantly recommended within the literature (Cairney & Jones, 2016; Jones et al., 2016, Liu, 2010; Rowat & Morris; 2016; Sabatier & Weible, 2014). Research on the political stream within MSA

and at the state level within Arizona provided opportunities to fill space within the literature. Additional study on political professional's perceptions also contributed insight into recommendations for future policy. Additionally, this research aimed to inform Arizona policy makers, stakeholders, citizens, and other researchers interested in the perceived role of corporate money on the Arizona initiative process. This research is a case study specifically focused on the perceived influence of corporate money on Arizona's 2018 ballot and referendum initiatives. The methods are aligned with the scope of the study. The findings provided valuable insight into current Arizona policymaking through the initiative and referendum process and have implications for future policymaking.

Connecting the Elements of the Research

A total of 158 statewide ballot and referendum measures were decided in 37 states in November 2018 (Initiative & Referendum Institute, 2018). Nationwide a total of \$490.3 million was contributed to all direct democracy efforts as of late September 2018 and of that total, \$29 million was contributed to Arizona propositions and referendum (Ballotpedia, 2018). In Arizona, five direct democracy initiatives were decided by voters. Regarding the five initiatives, Proposition 127 and Referendum 305, were purposively sampled for case study research. Proposition 127 Renewable Energy Standards Initiative was one of the most expensive 2018 measures in the entire country. NextGen Climate Action supported the measure and contributed a total of \$8.26 million, while, Pinnacle West Capital Corporation raised \$11 million and opposed Proposition 127, for a total of almost \$19 million.

Empowerment Scholarship Accounts Referendums

The second Arizona Proposition selected was Proposition 305 the Expansion of Empowerment Scholarship Accounts Referendum. This referendum measure was a challenge to the 2017 Senate Bill 1431 that was passed to expand and phase in educational savings accounts. There were no political action committees registered in support of Proposition 305 and only one, Save Our Schools Arizona, which contributed a total of 692,555.86 and included a few small individual donors in opposition. The lack of money involved in this measure did not match the importance of this referendum for national or state political importance. Arizona was the first state where educational tax programs, such as educational savings accounts, paved the way for other states across the country. Public education is typically the responsibility of the states. Arizona was the state to lead the way in tax redirection programs, voucher programs, and educational savings accounts. Arizona; however, consistently ranked at or near the bottom for education. Referendum 305 was interesting precisely for the lack of money involved and the politics surrounding the measure. Moreover, the money that is reflected in the campaign finance reports does not reflect the money that was spent to prevent the referendum from getting on the ballot. Nor do the campaign finance reports indicate the cost of a lengthy trial which advanced all the way to the Arizona Supreme Court.

Renewable Energy Reform

The political stream and policy regarding renewable energy and educational savings accounts were prominent issues throughout the United States and both issues contributed to the national mood and mobilization of political forces on every side.

Regarding energy policy the federal level offered no consensus on how to address the matters legislatively. The states, especially states that allowed direct democracy, experienced an influx of propositions addressing these issues. For example, Nevada had a nearly identical initiative on the ballot for 2018, Question 6. The Arizona and Nevada initiatives were both funded by the same PAC, NextGen Climate Action, and each required 50% of electrical power to come from renewable resources by 2030, which would have been consistent with California's standards (Ballotpedia, 2018). Nevada Question 6 was the most expensive 2018 ballot measure immediately following the 2018 California initiatives. Support of Nevada's Question 6 totaled \$19.7 million and opposition raised \$12.7 million (Ballotpedia, 2018). Washington also had Initiative 1631 which focused on the reduction of fossil fuels and on the increased use of renewable energy sources.

Educational Reforms

Education, and more specifically, the funding public education, for Arizona and across the country persisted in being a "hot topic." An Education Week's rankings in the *Quality Counts 2018 Grading the States* (2018) report listed Arizona at 46th overall among the 50 states and in 50th place for school finance. Arizona was the first state to create a tax credit program in 1997. This policy paved the way and provided a model for special interests with the goal of supplementing private education in other states. Currently, there are 14 other states that have tax-credit programs although most required that the scholarships go to lower-income and special needs students (Rau, 2015). Arizona was also the first state that enacted the educational savings account (ESA) program in

2011. ESA programs are contested with arguments on both sides. Most public-school officials are on the one side of the debate and argued that ESAs diverted money from underfunded public schools. The other side of the ESA debate arguments centered around parental choice and access to better schools for their children.

Direct Democracy Themes

Post Citizens United Impact

Several themes and corresponding questions emerged from the literature pertaining to direct democracy in Arizona. The crux of the questions that persisted centered on perceptions that Arizona political professionals hold. The first, broad perceptions of how money has changed before Citizens United (2010) and since Citizens United (2010) regarding direct democracy. Claypool (2016) and Lee and associates (2016) findings each indicated the need for more research surrounding these topics. Moreover, the combined effect of Citizens United (2010), Spechnow.org, and the weakening of Arizona clean election laws related to the perception of change in contributions is a question that persisted. Furthermore, questions remained on how the combination of events altered strategies for direct democracy efforts in the state. While Pont and Pollock's (2016) research focused on candidate campaigns regarding these components research focused on the understanding Arizona political professional's impressions regarding direct democracy was valuable.

Perspectives of Political Actors

Second, Arizona political professional's perspectives on disclosure and transparency of corporate donors remained to be explored. A wealth of information could

have been considered in this category, for both disclosure and transparency (Colinvaux, 2014; Dougherty, 2012; Heerwig & Shaw, 2014; Miller, 2015; Sund, 2015), based on the findings from the research highlighted within chapter two. For example, perspectives for each disclosure and transparency, may have been analyzed within the context of loopholes (Malloy, 2011, Raai, 2015; Wood, 2017) campaign advertising (Weber et al., 2012; Wood, 2016), independent expenditures (Miller, 2015), and voluntary disclosure (Carpenter, 2009; Wood, 2016). The cost and benefit of disclosure and transparency may have also been an interesting perspective that emerged from the Arizona political professionals. Costs and benefits of direct democracy was also discussed in Theodore's (2013) research.

Influence of the Wealthy

A third and final key theme regarding perceptions of political professionals, and echoed by citizen stakeholders, was the concern over the perceived influence of wealthy individuals and corporate interests within democracy (Confessore & Thee-Brenan, 2015; Lee et al., 2016; Sarbanes & O'Mara, 2016; Strine, 2016). Gerken (2014) described a threat to democracy where power was shifted away from most citizens towards moneyed interests or "shadow parties". These concerns were echoed in the literature surrounding campaign finance reform (Broder, 2000; Conlin, 2004) as well as within literature focused on interest group leaders within direct democracy (Alexander, 2015). Moreover, concern over veiled political actors gaining influence and power within politics was demonstrated within the literature (Garrett & Smith, 2005; Heerwig & Shaw, 2014) and appeared to be the primary focus of citizen efforts such as near successful attempt in

Arizona to bring The Outlaw Dirty Money (2018) ballot initiative to the vote, or the successful, although now obsolete, Arizona Citizens Clean Elections Act (1998).

Renewable energy and funding education were both examples of issues supported and opposed by diverse sets of interests. Interest groups on all sides have put tremendous pressure on policy makers and yet there was no immediate path to legislation through representative channels. This was where states with ballot and referendum initiatives were targeted by special interest groups, and their resources, which utilized direct democracy channels to push their agendas. In Arizona, the 2018 ballot and referendum initiatives shed light on power and corporate special interests in state and local politics. The problem and policy stream were coupled when initiatives and referendum were placed on the ballot. What remained was the ultimate decision determined by the political will of the voters.

The perceived effect of corporate money on the 2018 Arizona ballot and referendum initiatives was interesting and worthy of study from many facets. The topics of energy and education policy were important and controversial. The initiative and referenda were the most recent measures in proximity to the study. The historical background, lack of transparency, presence of dark and gray money, and numerous examples demonstrated the unlawful use of money and power within Arizona. The national mood of the country regarding the influence of corporate money upon direct democracy was also a factor. Moreover, there was a gap in the literature for Arizona, direct democracy, and the use of MSA to engage in case study research. Furthermore, this research aimed to contribute to the body of scholarly literature on the influence of money

on ballot measures. There was a need for useful information for policy makers and citizens alike, to help make informed policy recommendations and decisions.

Furthermore, the impact of corporations being granted First Amendment Rights of, “free speech”, through the *Citizens United v. FEC* (2010) and *Speechnow.org v. FEC* (2010), and the ability to contribute unregulated and unlimited campaign funds begged the question of how much influence money bought in the 2018 Arizona ballot and referendum initiatives.

Summary and Conclusions

The research question was focused on what the perceived influences corporate money had on the Arizona 2018 ballot and referendum initiatives Proposition 127 and Referendum 305. Ballot and referendum initiatives were originally created for citizens to have direct control over legislation; however, the states that use ballot initiatives have seen a dramatic increase in moneyed special interest groups funding initiatives and influencing policy (Theodore, 2013). MSA theory was used to explore the dynamics of this phenomenon. When the ballot and referendum initiative process was used, the problem and policy streams were combined, leaving the politics stream for the voters to decide policy. The MSA theory had a direct linkage to this study as it provided the foundation to explore the research question of the perceived influence of outside money over the politics surrounding the 2018 ballot and referendum initiatives.

Since Arizona’s statehood was established, voters were afforded the ability to use direct democracy to propose new laws or amend existing laws through the utilization of the ballot and referendum initiative process (Initiative, Referendum, and Recall

Handbook, 2017). The connection between addressing moneyed interests and direct democracy has also been a constant and consistent concern. The very reason direct democracy exists was the culmination of the Progressive and Populist movements early in the 20th century to address moneyed interest and the power and influence that is realized from wealthy interests (Stroo, 2014; Theodore, 2013). Despite the ongoing concern of moneyed interests gaining influence and power (Confessore & Thee-Brenan, 2015; Gerken, 2014; Heerwig & Shaw, 2014; Sarbanes & O'Mara, 2016), and the overwhelming support of direct democracy by citizens and campaign professionals alike (Alexander, 2015; Coffe & Michels, 2014), of the perceived influence of money remains an important factor to consider within the larger context of a complex political environment (Fortier & Malbin, 2013; Smith & Tolbert, 2007).

Environmental context matters and specifically the presence of soft money within a state increased media's scrutiny of large donations that may appear corrupting, according to La Raja (2007). Lee and authors (2016) purported that dark and gray money's presence in Arizona increased dramatically after 2010. Money was compared to water throughout the literature in the sense that it always made its way into politics no matter what reforms or laws that are established to regulate it (Fuller, 2014; Gerken, 2014; Issacharoff & Karlan, 1999). Despite campaign finance regulation, issues persisted with enforcement (Dowling & Wichowsky, 2013; Gerken, 2014). Furthermore, the immediate identification and exploitation of loopholes and subsequent regulation was then focused on closing loopholes (Gerken, 2014). The combined effect of the history of campaign finance reform (Fuller, 2014) and the money situation in Arizona (Lee et al.,

2016), especially since the *Citizens United v. FEC* (2010) ruling, (Strine, 2016), made and understanding of Arizona's 2018 ballot and referendum measures important.

Disclosure was historically the acceptable means to balance First Amendment corporate rights on one side while providing transparency for who or what was behind campaign and direct democracy efforts on the other (Briffault, 2012; Gerken, 2014; Torres-Spelliscy, 2018). To combat actual or perceived corruption, disclosure was accepted (Davis-Denny, 2005; Gerken, 2014; Strine, 2016). However, much of the legal justification for disclosure has been eviscerated (Miller, 2015; Raai, 2015; Sund, 2015; Wood, 2017). Heerwig and Shaw (2014) described how the legal team behind *Citizens United* challenged disclosure laws in twenty-eight state or federal courts.

Transparency allows for the identity of those behind "dark" money be disclosed. Dark money sources may include individuals, nonprofits, for-profit businesses, corporations, associations, or unions but the true source of the funding is hidden from stakeholders. Most dark money is legally routed through either social welfare 501 (c)(4) or trade associations 501 (c)(6) organizations and many are organized for the lower disclosure provisions and the intention of working with Super PACs (Colinvaux, 2014; Dougherty, 2012; Leon & Miller, 2015). There were several suggested improvements regarding increased disclosure. Increasing transparency through "sunlight" (Bebchuck & Jackson, 2013; Chand, 2015; Wood & Spencer, 2016), or "bright line" approaches for the IRS (Colinvaux, 2014; Dougherty, 2012), or improving the FEC (Heerwig & Shaw, 2014) would each provide increased disclosure. Voluntary disclosure (Carpenter, 2009; Wood, 2016) was also suggested as an improvement for disclosure. Major shortfalls for

disclosure persisted which lead to a lack of transparency and resulted in a skeptical populace with a lack of faith in government (Sarbanes & O'Mara, 2016).

The literature established a connection between money and the perception of increased access and political influence of both citizens and political actors (Alexander, 2015; Hasen, 2012). This was an especially significant component when researching direct democracy within the Arizona ballot and referendum initiatives. The combination of factors that were present in Arizona justified a case study on the 2018 ballot and referendum initiatives, specifically Proposition 127 and Referendum 305. For instance, Arizona's past scandals including AZScam, the "Keating Five" and governors being impeached or resigning (Latzman, 2016; Nowicki, 2014; Pitzl, 2007; Pont & Pollack, 2016). The history of campaign finance reform measures like the Arizona Clean Elections Act (Pont & Pollack, 2016) combined with the presence of a significant amount of dark money within the state (Lee, 2016). Additionally, more research at the state and local level was recommended (Douglas, 2017, Fortier & Malbin, 2013). Furthermore, the research was timely as it provided an understanding of current legal challenges and future direct democracy measures within Arizona and other states that utilize direct democracy.

What extent corporate money affected the 2018 Arizona ballot and referendum initiatives remained unclear and provided a research opportunity. An in depth look of the perceptions of key political actors regarding direct democracy within Arizona was undertaken. Gaining a deeper understanding of direct democracy and specifically, the perceived influence of corporate money over ballot and referendum propositions, was explored with the participants. A qualitative case study was utilized to answer the central

research question and contribute to the gap in the literature. The research was well-timed and could make an original contribution to the body of scholarly literature. Interviews and document review were used to explore and understand the phenomena.

In Chapter 3, the research design and methodology were addressed. A qualitative case study was conducted to explore the perceived influence of corporate money on the 2018 Arizona ballot initiative 127 and referendum 305. Chapter 3 begins with the research design and rationale, role of the researcher, methodology, and instrumentation. Then proceeded to address issues of trustworthiness including credibility, transferability, dependability, and confirmability. Finally, ethical procedures were addressed.

Chapter 3: Research Method

Introduction

The problem that I addressed in this study is that corporate money in elections is inconsistent with the tenants of direct democracy. The Arizona direct democracy process was designed for minimal use by citizens (Initiative, Referendum, and Recall Handbook, 2017). However, corporate interests now dominate the process (Donovan, 2014). This situation is problematic because wealthy special interests subvert citizen interests by using strategic, costly, and sophisticated techniques (Donovan, 2014). The influence of unregulated corporate money on direct democracy may contribute to and further enhance the problem. Since *Citizens United vs. FEC* (2010) corporate money increased exponentially (Chand, 2015; Potter, 2013; Theodore, 2013). In addition, Claypool (2016) reported corporations outspent individuals ten dollars to one in 2016 for direct democracy measures. My purpose in this qualitative case study was to explore political professional's perceptions of the influence of corporate money on the Arizona 2018 initiative and referendum measures. For this research, I conducted a case study to explore the perceived influence of corporate money on the 2018 Arizona ballot initiative 127 and referendum 305. I used interviews and document review to address the research question.

In the subsequent sections, I discuss the research methodology and design that explains the rationale and alignment of a case study. First, I discuss why case study is best suited for the study. Next, I address how my biases or ethical issues could have affected the data collection process and how these issues were minimized. Then, I outline

the data identified and collection methods. Finally, I address issues of trustworthiness and procedures to ensure validity and reliability.

Research Design and Rationale

The central research question guiding this study is: What was the perceived influence of corporate money on the 2018 Arizona ballot initiative and referendum measures. I addressed this question by developing a case study. A qualitative case study is bound by time and place (Miles, Huberman, & Saldana, 2014). Using the Arizona 2018 initiative and referendum measures, Proposition 127 and Referendum 305, allowed this case study to be bound within time and space. In addition, Stake (1995) described a case as a “specific, complex, functioning thing” (p. 2). As demonstrated within Chapter 2, Arizona direct democracy focused on the two 2018 measures was current, complex, and multidimensional. Researchers using the qualitative case study design seek to understand “information rich” (Patton, 2015; p. 53) cases and use different data sources (Baxter & Jack, 2008; Yin, 2014). “What” questions are used to explore and describe (Yin, 2014). Case study research questions focus on questions that are contemporary and complex (Yin, 2014). The case study format was ideal for my study in using interviews to gain an understanding of the perceptions of Arizona political actors and conducting supplemental data review.

Subject Focus

My research question was: What was the perceived influence of corporate money on the Arizona 2018 initiative and referendum measures? This question was appropriate to explore using a case study design. I used purposeful sampling to select Proposition 127

and Referendum 305 to narrow and focus the study to manageable proportions.

Researchers use case studies to understand a current real-life phenomenon in depth and from a holistic perspective (Patton, 2015). Understanding the perceived influence of corporate money on the Arizona 2018 ballot initiative and referendum measures was a current real-life phenomenon and using a case study allowed for a holistic and in-depth perspective of the phenomenon. Each of these elements were aligned and well suited to explore the perceived influence of corporate money on the Arizona 2018 initiative and referendum measures.

Qualitative Research Selection

In qualitative case study interviews, observations, and focus groups are common research components (Patton, 2015; Yin, 2014). For this study, I conducted interviews with Arizona political professionals. In addition, I used supplemental print material such as archival documents, newspaper articles, meeting minutes, and reports, to research complex topics as recommended by Yin (2014). I used campaign finance reports and the 2018 General Election Publicity Pamphlet to supplement the interviews for the research. The combined use of interviews and print material provided a comprehensive analysis of the case. Furthermore, case study research is common within many disciplines. Case study has been applied to various environments including public administration, public policy, urban planning, educational environments, and non-profit management (Yin, 2014). To understand the perceived influence of corporate money on the Arizona 2018 initiative and referendum measures I used the case study design to study public policy.

As I demonstrated in Chapter 2, the study of the 2018 ballot and referendum initiatives was interesting and complex with numerous topics to explore. Moreover, the use of ballot initiative and referendum increased since the 1970 and as a result laws regarding some of the most polarizing issues have been decided through direct democracy. Case study research provides the researcher a deep understanding of a case, or phenomenon, in a current environment. As applied to this study, the research question, research design, and methodology lent themselves to a case study research approach. Furthermore, I intended to understand a single unit of study (perception of corporate money) through the central units of analysis (Proposition 127 and Referendum 305). The variety of sources and combined data enabled a holistic understanding of the 2018 Arizona ballot and referendum initiatives. My study required the flexibility of a case study and addressed the gap in the literature surrounding the topic. This research topic was best suited for a case study through data analysis collected from document review and interviews with key political professionals within Arizona.

Other Research Designs

A quantitative inquiry was not appropriate for this study. Quantitative research is meant to test theories by analyzing relationships between variables (Patton, 2015). Quantitative research focuses on questions of “how many” and the numbers associated with the question(s). Rather than validity and reliability measures, used in quantitative research, this research is aligned with believability, insight, instrumental utility, and trustworthiness (Eisner, 1991; Lincoln & Guba, 1985). A quantitative study focused on

statistical analysis would not provide the type of in-depth and comprehensively descriptive analysis that was better aligned with the research.

Case study research was justified and recommended within the scholarly literature. As discussed in Chapter two, a case study was used to explore the outcomes of ballot initiatives, the presence of dark and gray money within states, and the perceived influence corporate money over ballot initiatives (Claypool, 2016, Lee et al., 2016, Leon & Weitzer, 2014). The research brought these components together and explored the perceived influence of corporate money on the 2018 Arizona ballot and referendum initiatives Proposition 127 and Referendum 305.

Role of the Researcher

Researcher Bias and Data Collection

In qualitative research, the researcher is the primary tool for analysis (Patton, 2015). The researcher's role within this case study research was of an observer-participant. Maxwell (2013) described the importance of being clear in describing the purpose of the research, what could be done with the data, and being mindful of how the participants perceive the research and the researcher. Each of these components were necessary to foster a useful and ethical relationship between researcher and participant. The impression began from the first E-mail or phone interaction and I was courteous and professional in all written and verbal interaction. Researcher bias is a threat to trustworthiness (Rubin & Rubin, 2012). To avoid bias researchers must remain fair and neutral. Being fair and neutral included avoiding the sharing of personal opinions and setting boundaries which avoided disclosing sensitive information (Patton, 2015; Flick,

2018). Researchers must be aware of their own attitudes, stereotypes, and strong feelings to understand how these stereotypes may help or hinder their research (Rubin & Rubin, 2012). Furthermore, researchers must also be sensitive to these aspects within their participants to best connect without stifling the participant's responses. As such, I remained aware of both, my own and my participant's, biases, beliefs, and expectations during data collection.

Personal Values and Bias

To avoid cognitive research bias the researcher must be mindful of their beliefs, stereotypes, and privilege. Researchers can plan to limit or reduce their biases as much as possible through detailed planning. As such it was important for the researcher to reflect on these aspects and how these views may have potentially impacted the research.

I remained unbiased and impartial in my research and data collection processes. There were no power relationships with any research participants. I had no predetermined preferences for referendum or ballot initiative topic. Moreover, I implemented an interview protocol, data collection methodology, and research design which increased validity and reliability of the data components collected. I kept a journal throughout the data collection process. A journal allows the researcher to record feelings and notice biases, personal viewpoints, and additional issues that may potentially influence the research.

Furthermore, following the IRB protocol ensured proper ethical considerations to protect participants. Flick (2018) discussed the importance of protecting participants and awareness of potential power imbalances during interview processes. One specific

concern for this study was due to the nature of the research and the potential misperception of participants that I was a journalist rather than a researcher. Rubin and Rubin (2012) addressed this concern and advised when making appointments with public officials to highlight the fact that the interview is for research; opposed to searching for scandals or conflicts. Patton (2015) noted that politicians may be categorized as “elites” or “experts” and respond well to broad topics and open-ended questions. Therefore, the questions regarding the initiative and referendum were broad and open ended. Open ended questions allowed the political professionals to elaborate and cite instances most appropriate regarding their vast experiences centered on the central research question. Follow up questions were developed to inquire into proposition 127 and referendum 305 where appropriate. Regarding the interviews within the study I utilized semi-structured, face to face interviews, recorded field notes directly after the interviews, and transcribed the interviews in a timely fashion.

Methodology

Population

The population for this study could have technically included all the initiatives and referendum since the *Citizens United v. FEC* (2010) in states where citizens used direct democracy. Since 2010, the average number of measures across the states is 173, for even numbered years (Ballotpedia, 2018). Arizona was selected based on its history of direct democracy and the influence of money in campaign finance outlined in Chapter two. Furthermore, the gap in the literature identified for Arizona and for the influence of corporate money on direct democracy generally made its selection logical. Finally, the

convenience and proximity to the researcher, allowed for this case study research. The selection of the 2018 measures made for a timely and robust study.

Sampling Strategy

Arizona 2018 ballot initiative 127 and referendum 305 were the units of analysis for this study. I utilized purposeful sampling to identify these cases. Researchers conducting qualitative case study often utilize purposeful sampling (Patton, 2015; Yin, 2014). The advantage of purposeful sampling is that it allows the researcher to explore information rich and relevant subject matter for a deeper and fuller understanding of the case. In the instance of the 2018 Arizona ballot referendum and initiatives were the most recent, and relevant, initiative and referendum, to this study. The initiatives were current “hot topics” and relevant to other states with similar initiatives on the ballot, and each had received corporate money that helped fund the campaigns. Finally, the literature recommended more research at the state level and within the political stream for MSA.

Inclusion and Exclusion Criteria

The other 2018 initiative and referendum measures were not as well aligned with the elements outlined in this research. For case study research, the researcher must be clear about what is inside the research study, and alternatively, what is outside of the study (Patton, 2015). Sample size is typically small in case study design. Focusing on a low number of propositions and referendum allowed for a deep understanding of each. In order to comprehensively explore and understand the information rich elements of both, initiative 127 and referendum 305, the other measures were excluded.

Data Sources

I utilized interviews and document analysis for this case study. Regarding interview participants purposive maximum variation sampling is widely used in qualitative studies (Maxwell, 2013; Miles & Huberman, 1994). As the name implies, the researcher utilizes sampling to gain an understanding of a phenomena from different angles and varying perspectives. And, more important than high numbers of participants, is including “key knowledgeable” participants (Patton, 2015). Key knowledgeable participants are highly valued in qualitative study as they are experienced, willing to share their wealth of information, and may provide deep insight to the topic. It was fundamental to explore the perspectives of Arizona key knowledgeable referred to throughout this study as political professionals regarding their perception of the role of corporate money over the 2018 Arizona referendum and ballot initiatives. To identify key knowledgeable participants for interviews I searched the 2018 General Election Publicity Pamphlet, newspaper articles, and utilized political professionals’ recommendations of others to contact for this study. Political professional participants included political actors, consultants, lobbyists, attorneys, and engaged citizens familiar with Arizona politics.

Document Review

I used document review to supplement the interviews and completed the case study. I used the Arizona Secretary of State’s online campaign reports and online and print versions, of the 2018 General Election Publicity Pamphlet. In Arizona, it is mandatory for campaign finance reports to be submitted on a regular basis. I used the

2018 General Election Publicity Pamphlet specifically to analyze the arguments “for” and “against” Proposition 127 and Referendum 305 which yielded additional and useful information to a complete case study. The publicity pamphlet was sent to all voters and was available online for voters to read and review prior to casting their ballots.

Saturation

Saturation is the goal of case study and is accomplished when the information and data that is collected becomes repetitive or redundant (Ravitch & Carl, 2016). While a single “key knowledgeable” participant may have contributed enough insight, understanding, and knowledge to be a standalone participant (Patton, 2015), it is far more common to have around 10 participants, and utilize supplemental document review, for case study research. Therefore, the goal of this study was to interview 8-12 political professional participants and use supplemental document review data for a full and complete case study.

Instrumentation

I conducted face-to-face, semi-structured interviews with 10 key political professional participants. Document review of the campaign finance reports and Arizona’s 2018 General Election Publicity Pamphlet was collected and analyzed for each of the propositions. Information from the reports and pamphlet sources provided financial information and provided the ability to explore corporate money. Interviews with political professionals allowed for an understanding of their perceptions of the effect of corporate money on the ballot and referendum initiatives in Arizona.

Basis for Interview Questions Instrument Development

Based on the literature reviewed I cultivated interview questions that encouraged Arizona political professionals to provide elaborate answers. Procuring detailed answers from the political professionals assisted in understanding and exploring their perceptions of corporate money regarding the 2018 Arizona ballot and referendum initiatives. The interview questions covered categories that resulted from the literature review to explore my central research question. Three themes emerged from the literature review that warranted a deeper exploration and understanding from key knowledgeable participants.

Corporate Money Perceptions

The first theme inquired into the political professionals' perceptions of the influence of corporate money before *Citizens United vs. FEC* (2010). Research showed that Arizona experienced a significant increase in the amount of corporate money that was spent in Arizona since 2010. Claypool (2016) noted that a \$10: \$1 ratio of corporate money versus individual contributions. Lee and fellows (2016) reported a 295% increase in dark/gray/soft money in Arizona between 2006 and 2014.

Disclosure and Transparency Perceptions

The second theme inquired into the political actor's perspectives of the influence of corporate money on disclosure and transparency within Arizona ballot initiative and referendum processes. Based on the literature review findings there were several follow-up questions that could have been asked. Inquiries into political professional's perspectives of corporate financial disclosure on transparency within advertisements, media framing (Leon & Weitzer, 2014) independent expenditures, campaign strategy,

outcomes of the measures, and their thoughts on regulation (Sugin, 2016) would all have been appropriate.

Corporate Money vs. Ballot Initiative

The third theme involved political professionals' perceptions of the influence of corporate money on the ballot initiative and referendum in Arizona. The research suggested alignment with political parties, broad based initiatives advantage in passing over economic based interests, and the intentional "softening up" (Douglas, 2017) as explanations for why initiative and referendum measures pass. This research focused on the perceived influence of corporate money. Moreover, interviewee's perspectives of corporate moneyed interests and the power that is recognized due to corporate resources within Arizona direct democracy was explored. For instance, Hasen (2012) purported that more money equated to more access to politicians which affected policy outcomes. Additionally, Tolbert and Smith's (2006) argument that more important than the sum of money that went into direct democracy was the mobilization of partisan voters and the strategy of draining resources of political opponents. From the Arizona political professional's perspectives an understanding of these elements within Arizona direct democracy was important to help explore the main research question.

Types of Questions

Patton (2015) and Ravitch along with Carl (2016) discussed the six different question types: experience and behavior, opinion and value, feeling, background/demographic questions as well as the time frame and importance of ordering the questions to yield the most informative data. The intention of the research questions

for this study was to gain an understanding of political professional's perceptions and experiences regarding the research question. Patton (2015) also contended the researcher could inquire about the past, present, or future, with questions in the present being most ideal. This study was timed where interviews were conducted within months of the ballot initiative Proposition 127 and Referendum 305 decisions. The topic was fresh in the political professionals' minds equating to the ability to inquire to a present situation to explore the research question. Inquiry into a present situation increases reliability (Patton, 2015). While Patton (2015) recommended starting with a question relating to something the participant was presently working on, to ease into the more pertinent questions, and condition longer more detailed answers, the entire study was timed well and through rapport building yielded rich, timely, and meaningful data.

Interview Questions

The interview questions (Appendix C) were open ended to explore and understand the political professional's perspectives and insight into the research questions. I developed semi-structured and open-ended research questions and followed an interview script (see Appendix D) for each interview. I was mindful in the development of questions to avoid leading, dichotomous, or "why" questions as to increase a true understanding from the key knowledgeable participants in this study (Patton, 2015). I used the same sequence with some flexibility related to probes and specifics of relevant proposition or referendum. I did not offer personal impressions or disclose sensitive personal information with the intention of increased trust and neutrality. Non-judgmental rapport increases trust and the research participant's

willingness to be open and share perspectives (Patton, 2015). While what participants shared with me was very important, I remained neutral throughout the interview regarding the content of their responses. The interview questions were based on the themes that emerged within the literature review. Furthermore, the interview questions were developed to provide an understanding of perspectives of political professionals within Arizona politics.

Specifically, interviewee's perception of influence of corporate money on the 2018 direct democracy measures. The sufficiency of the data collection instruments to answer the research questions allowed for triangulation and provided for a comprehensive case study. The questions and probes were developed to cover the themes addressed in Chapter 2 and to answer the central research question of this study and the three broad themes that emerged from the literature review. The first theme that prompted questions revolved around the perceived influence of corporate money on Arizona direct democracy before and after the Citizens United decision (2010). The second theme centered on corporate financial disclosure and the quality of transparency for initiative and referendum measures. The third theme attempted to understand the unclear effect of corporate money within Arizona direct democracy.

Therefore, one main question for each ballot measure was created to allow for a natural free flowing conversation type of interview. The first question for interviewees familiar with Proposition 127 was: What is your perception of how money impacted the Proposition 127 campaign? The first question for interviewees familiar with Referendum 305 was: What is your perception of how money impacted the Referendum 305

campaign? Next, the follow up probes were developed, to cover each additional subtheme identified within the literature. The following probes were asked within the interviews if the information was not garnered from the first question: what is your perception of the influence of corporate money regarding: getting on the ballot, campaign strategy, media campaign, outcome, and disclosure and transparency. Finally, the last question was asked of all participants: Do you believe any of these aspects would have been different in a pre-Citizens United era?

Foundations for Interview Questions

The interview questions were primarily established to answer the central question of this study and were based on the themes that emerged in the literature review. One main question for each ballot measure was created to allow for a natural and free flowing conversation type of interview. Then, the follow-up probes were developed, to cover each of the sub-themes identified within the literature. The case study provided an in-depth study of perceptions of Arizona political professionals. Moreover, the research is useful for policy makers, citizens, stakeholders, and those interested in the perceived influence that corporate money plays within direct democracy.

Procedures for Data Collection

Prior to the commencement of any data collection for this study, Walden University IRB approval was applied for and granted (05-16-19-0603497). I was the sole collector of data. The two types of data that I collected included interviews and document review.

Interviews. Interviews were arranged with Arizona political professionals and specifically those who were knowledgeable about Proposition 127 and Referendum 305. I contacted individuals directly. Therefore, consent or partnership with organizations, was not necessary. These individuals were identified through the data sources, 2018 General Election Publicity Pamphlet and campaign finance reports, that provided a place to begin identifying sources. For instance, the publicity pamphlet had written support and opposition to ballot and referendum initiatives. These arguments offered a direct way to observe overall opinions of the potential participants, and their stance on the ballot or referendum initiative. Political professionals were selected because of their known experience within Arizona politics or expertise with the topic of interest.

Additional Recruitment. My goal was to conduct 8-12 face-to-face semi-structured interviews with participants. The interview questions were open ended and developed to elicit comprehensive responses in the participant's own words (Rubin & Rubin, 2012). While there were limitations of conducting interviews, there was also advantages with direct face-to-face interviews (Patton, 2015). For instance, the interviewer's skill and experience has an influence on the quality of data gathered. Patton (2015) explained the ability to sense and interpret verbal and non-verbal responses, and use probes, or silence, where appropriate is an art and skill. However, face-to-face interviewing allows the opportunity to experience more direct cues. These cues offer valuable information for beginning researchers. The benefit of structure, even semi-structure, is that it provides more consistency and comparability for interpretation and analysis. I developed a recruitment letter (see Appendix C) that invited political

professionals to the study and was sent through E-mail. After key political professional participants agreed to be a part of the study, I followed up to set up the interview in a quiet, convenient location for the interviewees, preferably their personal work office. More structure, planning, and forethought was recommended for new researchers (Patton, 2015) and was built into this study.

Informed Consent

At the beginning of the interview, the interview script was followed (see Appendix D), which included a review of the consent form, a general interview overview, and invited and answered any questions the participants had. Flick (2018) highlighted the benefits of informed consent in which the participant was fully informed of the study, their participation was voluntary, and they could withdraw from the study at any time. These elements were essential in fostering a professional and a respectful relationship with the participant and emphasized the importance of building a trusting relationship between the interviewer and interviewee, consistent with responsive interviewing (Rubin & Rubin, 2012). These elements were included in this study.

Each interview was scheduled to last no longer than 30 minutes. I was mindful and respectful of the participants time and kept track of the time as we proceeded through the interview questions. If, however, the participant required more interview time, and it worked with both of our schedules, we continued with the interview. I recorded the interview with a recording device and utilized a voice to text application that started the transcription process. Rubin and Rubin (2012) explained that while transcribing is time consuming it allows the researcher to become more intimately familiar with the data. To

ensure the information was interpreted correctly, each participant was offered the opportunity to review a transcript of the interview. This practice is known as member checking and is highly beneficial to ensure understanding of the participants responses (Ravitch & Carl, 2016). I allowed each participant seven days to review and respond to me if there were any discrepancies or errors that needed addressed.

Document Review. A common and complimentary element of case study research is the use of document review and analysis (Patton, 2016; Rubin & Rubin, 2012; Yin, 2014). Documents include written records such as public and private records or reports, newspapers, memos, diaries, digital media and may also include graffiti and pictures (Patton, 2016; Rubin & Rubin, 2012). Using multiple data sources increases validity within case study research and allows for a more complete analysis of the case (Yin, 2014). The type of documents I collected, reviewed, and analyzed are the campaign finance reports and the 2018 ballot and referendum book regarding Proposition 127 and Referendum 305. Rubin and Rubin (2012) contended that most documentary archives are not fully complete. However, the use of the campaign finance reports and “for” and “against” arguments the plan included, was adequate for the case study.

Campaign Finance Reports. The first document source that I utilized for this case study was the final campaign finance reports for Arizona 2018 Proposition 127 and Referendum 305. Campaign finance reports must be filed quarterly within Arizona. For 2018 the dates were: by April 16, 2018, July 16, 2018, October 15; 2018, and the fourth and final report, was filed by January 15; 2019 (Department of State Office of the Secretary of State, 2018). The rationale for including the campaign finance reports was

due to the research question regarding the perceived influence of corporate money over the ballot and referendum initiatives. Further, based on the addresses within the campaign finance report it was apparent if the source of the money was outside of Arizona as well. While document review is often incomplete (Patton, 2015; Rubin & Rubin, 2012) the final report captured pertinent corporate funding data for each measure. A potential problem I anticipated was with ambiguously named veiled political actors, political action committees (PACs), and independent expenditure (IE) groups as discussed in Chapter 2. However, this issue provided further insight into the issues surrounding campaign finance.

2018 Ballot Measure Arguments: For and Against. The final component of my document review was to analyze the 2018 Ballot Measure Arguments. These arguments were found within the Arizona 2018 General Election Publicity Pamphlet and could have been accessed online or in print as they were also mailed to voters prior to the vote. As discussed in Chapter 2 these documents are often used by voters to receive voting cues and determine how the ballot and referenda are aligned with political parties. In this instance the for and against arguments were used to explore the central research question and the themes that emerged in the literature. Furthermore, ballot and referendum language are often written at a master's degree level that requires knowledge of law and policy for understanding. The "for" and "against" arguments are written by political actors, citizens, and others who are compelled and pay the \$100 fee to have their arguments printed.

Data Analysis Plan

Interviews. To manage interview data and my time and resources most effectively and efficiently, I used a software tool to identify common themes that emerged from the interviews. Themes encompass various pieces of information, that when combined, form a common idea (Maxwell, 2013; Patton, 2015). Themes and data that stood out in the interviews were captured. I expected rich data to be aligned with the three central themes that emerged from the literature review. These themes were subsequently used to develop the interview questions. The common themes I looked for in the data and coded for included: perceptions of the political professionals regarding their perception of the influence of corporate money on Arizona direct democracy and how interest group strategies changed since the *Citizens United v. FEC* (2010) decision.

Additionally, several themes regarding corporate money and how it applied to Proposition 127 and 305 were explored. Themes were drawn from questions created to understand perceptions of the influence of corporate money on several aspects within the political stream. These aspects helped to form the following probes regarding the influence of corporate money. Ballot access, the impact on the campaign strategy, impact on the media campaign, and how money effected the outcome for each measure are the additional elements that were explored within the interviews. Finally, I coded for themes that emerged from the interviewee's perception of how these dynamics were different prior to 2010. Chapter 4 described the data analysis findings.

Document Analysis. Document collection and analysis of existing documents, or naturally occurring documents, were strongly recommended and regarded as important

supplementary data within qualitative research (Ravitch & Carl, 2016). Empirical knowledge and understanding can be obtained through document analysis. After establishing the relevance and connection to the study documents may be treated in a consistent manner to interview transcripts for analysis (Rubin & Rubin, 2012). Rubin and Rubin (2012) warned against treating documents as literal renditions of facts and rather to consider them as people's interpretations. Document analysis aid the researcher's understanding of multidimensional issues and supplement interviews through triangulation (Patton, 2015; Ravitch & Carl, 2016; Rubin & Rubin, 2012).

For document analysis I determined the meaning of each document and its relevance to the research. The problem, purpose, contribution to the main concepts, and themes being explored were considered. It is important for a researcher to determine what information is pertinent in the documents which allows for a deeper understanding of the case. I analyzed each document for completeness, incompleteness, and discrepant data. I used document review to analyze the data in the final campaign reports for Proposition 127 and Referendum 305, and the arguments "for" and "against" each measure within the 2018 General Election Publicity Pamphlet. Rubin and Rubin (2012) contended that document analysis enhances the researcher's ability to connect with participants during interviews because they become aware and familiar with the terminology and overall environment. Participants recognize the researcher as an informed person and someone who is worthy to talk to and share information with.

Campaign Finance Reports. The final campaign reports were used to capture, code, document, and analyze corporate money contributed and spent from the primary

PAC for Proposition 127 and Referendum 305. This component was a fundamental aspect for the overarching research question for this study. The final campaign finance reports yielded the most complete and finalized data including funding sources, funding amount, where the corporation was located, and how much money was spent for each measure. I analyzed for corroboration of themes identified and drawn from the literature review, which were then the basis for interview questions development. The intention was to triangulate data sources to form a complete the case study.

General Election Publicity Pamphlet. The information provided in the “for” and “against” portion of the 2018 General Election Publicity Pamphlet provided a rich narrative and opportunity for document analysis. Perceptions of each ballot measure were coded and analyzed for complimentary and supplemental themes related to the case study. This information indicated potential interviewees and provided the corporate donors who funded the “for” or “against” argument. Furthermore, support or opposition stances were assessable from the citizens and other stakeholders which pertained to the relevant and interesting themes within the research study. The “for” and “against” arguments aligned with the overall research question of the study as well as the themes that emerged within the literature review and subsequent interview questions. For analysis, a consistent approach to that of the interview analysis was undertaken that utilized qualitative software.

Discrepant Data Assessment

All data collected in this study was assessed for discrepant data as mentioned before. Any contradictory information that negated or undermined a developed theme or

pattern was labeled in various ways: disconfirming evidence, negative cases, discrepant data, or outliers (Ravitch & Carl, 2016). This situation is a complicated and problematic conundrum for qualitative research as “outliers” are often chosen for these exact reasons and used as teaching cases (Ravitch & Carl, 2016). Use of these terms must be thoroughly explained within the context of qualitative research. Moreover, the explanation of how themes, codes, and interpretation must be fully transparent and outlined in order to maintain fidelity of the research and provide robust results (Ravitch & Carl, 2016). This aspect was important as different “sides” and perspectives of the measures were analyzed within this research and everything was detailed.

Issues of Trustworthiness

Credibility

Qualitative researchers should consider and implement strategies to enhance the rigor and trustworthiness of qualitative research by establishing credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1985; Patton, 2015). While the exact criteria for qualitative research vigor remains elusive, a common strategy for researchers, is utilizing multiple sources of data collection methods (Lincoln & Guba, 1985; Miles, Huberman, & Saldana, 2014; Ravitch & Carl, 2016). In this qualitative case study, I established internal validity and credibility as follows:

- Implemented a weekly journaling during data collection process.
- Implemented open-ended and semi-structured interview questions.
- Audio-recorded each interview for transcription accuracy.
- Followed up with participants regarding the accuracy of interview responses.

- Conducted document reviews of campaign finance reports and “for” and “against” arguments from the 2018 General Election Publicity Pamphlet.
- Used a qualitative software to identify common themes from the interviews.
- Used a document review protocol to review data.

Transferability

To establish external validity, generalizations from the research regarding participants, setting, and sample size were clearly outlined. These generalizations allow the qualitative study to be transferable to broader contexts; yet, each case remains rich and context-specific (Ravitch & Carl, 2016). To enhance external validity, I showed the specific methods for collecting and analyzing the data and how it was collected. Further, I was conscious in developing the interview questions. This study has the potential to be transferable to study additional states that utilize direct democracy. For instance, researchers could replicate and utilize the central research question and the interview questions applying it to that state’s specific ballot initiative or referendum measure. The political environment in a different state regarding the influence of corporate money before *Citizens United vs. FEC* (2010) could be explored and analyzed.

Dependability

Dependability is established to account for changing conditions and allows for stability of the data (Lincoln & Guba, 1985; Ravitch & Carl, 2016). An articulated plan and triangulation of data increases dependability (Ravitch & Carl, 2016). As presented in the previous sections, this case study used interviews and document review data collection methods to supplement and corroborate the evidence I collected.

Confirmability

Confirmability is a goal of qualitative research and can be realized by keeping detailed records of procedures to allow others to verify the procedures. I included full documentation of all interviews, researcher notes, journal entries, coding notes, document review protocol, and participant clarification notes to ensure accuracy of responses. These suggestions are aligned with Lincoln and Guba's (1985) recommendations. Additionally, I corroborated interview data and documentation to decrease the questionability of the findings. The purpose of the study was made clear in the informed consent document. I remained mindful of personal biases and characteristics, including gender, age, race, class, and made every attempt to limit any biases that may have influenced the research. I did not allow my personal perspectives to shape the analysis of the data collected within this case study. I concentrated on the research question, major themes, and patterns identified to ensure that the data analysis was valid and the findings credible.

Ethical Procedures

Walden University has clearly outlined ethical procedures and guidelines established by the Internal Review Board (IRB) of this university. These procedures and guidelines were strictly adhered to and ensured protection of the interviewees within the study and addressed ethical concerns. I utilized the informed consent process and used the Walden University consent form. The informed consent included information about confidentiality, the right to withdraw from participation at any time, risks, and benefits to participants as recommended by Flick (2018) along with Ravitch and Carl (2016).

Informed consent was explained and gained prior to any interviewee's participation within the study. Interviewees were free to stop the interview at any time and no data collected from them would have been used. Only after the consent form was fully understood, and signed, did the interview take place.

In Chapter 4, political professionals were referred to confidentially by their position or role within Arizona politics. The type of data I collected included interviews, campaign finance reports, and "for" or "against" arguments within the 2018 General Election Publicity Pamphlet. All non-digital data, such as interview notes or audiotapes of the recorded interview, were stored in a locked file cabinet located in a closet within my personal residence. All digital data collected electronically was stored on a computer-encrypted, password-protected personal computer and cell phone, and can only be accessed by me. Data will be destroyed after 5 years of being securely stored either physically, or, if digital, by permanent deletion.

Summary

The purpose of this qualitative case study was to explore the perceived influence of corporate money on the Arizona 2018 ballot and referendum measures Proposition 127 and Referendum 305. The study addressed the perceptions of political actors within Arizona related to their perspective of the influence of corporate money and how it changed since the *Citizens United v. FEC* (2010) decision. The political stream within Arizona direct democracy with a focus on the most relevant initiative and referendum was used to explore the central question. A case study was used to develop an in depth understanding of the complex and multidimensional political environment encompassing

Arizona direct democracy through a variety of data collection methods. Interviews and document review were used to procure the information for the case study.

I purposively sampled Proposition 127 and Referendum 305 as the two most relevant 2018 Arizona direct democracy measures and explored the central research question in this study. The data collection process included interviews and document review, a typical combination for qualitative case study (Patton, 2015; Miles, Huberman, & Saldaña, 2014). The had the goal of interviewing 8-12 political professionals for their perspectives of the influence of corporate money over the 2018 ballot and referendum measures. Semi-structured, open ended interview questions were developed for participants to answer. Each interview was recorded and transcribed for accurate data collection and the ability to analyze the information.

The document review consisted of gathering and analyzing the final campaign finance report, and the “for” and “against” arguments from the 2018 General Election Publicity Pamphlet. First Cycle and Second Cycle codes were developed to identify patterns and assist in the recognition of themes that emerged within the documents. The data obtained and analyzed supplemented, substantiated, and corroborated the data collected from the interviews of Arizona political professionals for this study.

In Chapter 4, I described the data collection, analysis, and results including the trustworthiness of the data collected. I anticipated rich data that addressed the research question and provided a deeper understanding of the perceived influence of corporate money within direct democracy.

Chapter 4: Results

Introduction

My purpose in this this qualitative case study was to explore the perceived influence that money had on the Arizona 2018 initiative and referendum measures. My intent in this study was to explore the perception of corporate money influence within Arizona direct democracy and its role in explaining what issues make their way into public policy. The case study was focused on two of the Arizona 2018 initiative and referendum measures: Proposition 127 (Appendix A) and Referendum 305 (Appendix B). I interviewed 10 political professionals familiar with the measures and politics within Arizona to understand their perspective of corporate money's influence on direct democracy. The interviews were supplemented with document review of campaign finance reports and the "for" and "against" arguments within the 2018 General Election Publicity Pamphlet.

The major concepts from the literature that I addressed are as follows. I addressed perceptions of Arizona political actors regarding (a) concern of the influence of corporate interests within Arizona direct democracy, (b) disclosure and transparency of corporate donors, and (c) how corporate money had changed before and after the *Citizens United v. FEC* (2010) decision. Ultimately, consistencies within participant's responses emerged and indicated that in general the ability for a ballot measure to (a) access the ballot, (b) employ an effective campaign strategy, (c) run an effective paid media campaign, and (d) outcome all hinged on the money available to fund and support, or oppose, the measure.

In this chapter, I describe the data collection, demographics, and data analysis. Next, I highlight the trustworthiness of the collected data. Finally, I present the answer to the research question.

Data Collection

The target population for this study was individuals with extensive knowledge of Arizona politics, deemed political professionals. Ideally, political professionals for this study would include consultants, attorneys, lobbyists, journalists, and informed citizen stakeholders. The first group of potential political professionals were identified through the General Election Publicity Pamphlet. I contacted each potential interviewee by an email message, which included a recruitment letter with a description of my purpose in the study and reason I identified them as someone with knowledge of Arizona politics. I outlined the preference of meeting in their personal office or another quiet setting. Further, I explained the privacy and duration of the interview specifics. Also, I included the interview questions in the recruitment letter for the participant's information.

After I delivered the recruitment letter via email to 12 individuals, the first round of emails yielded three interviews and two recommendations for other people to contact. Dates and times were set with four individuals. During the first few interviews, the participants recommended other political professionals. Ultimately, I interviewed 10 Arizona political professionals within the Phoenix-metro area. The 10 participants included campaign finance and ballot initiative attorneys, political consultants, lobbyists, and active citizen stakeholders within the Arizona political system. I conducted interviews between May 21, 2019, and June 12, 2019.

Location, Frequency, and Duration

I conducted interviews with seven participants in their private home or work offices as a matter of convenience. I conducted three interviews in a public space that was quiet and private enough to record the political professional's responses. I audio recorded each interview using a Sony digital recording device and the Temi recording and transcription application. I provided, reviewed, and signed the consent form prior to the commencement of each interview. Although some interviewees knew of another's participation, because I used snowball sampling, I conducted all interviews separately. I kept the contents of each interview confidential. I followed the interview script (see Appendix D). I encouraged each interviewee to provide as much information they were willing to offer. The interviews stayed within the 30-minute timeframe for eight participants.

However, two participants had interviews that went closer to 40 minutes (39 minutes 50 seconds and 39 minutes 14 seconds). I was mindful of all the participants' time and as we approached the 30-minute mark for each of the extended interviews I made the interviewee aware of the time and provided them an option to end the interview. Yet, participants were gracious with their time, and each of our schedules allowed for the additional ten minutes to complete the interviews and capture the entirety of the information the participants chose to share. I used the interview questions and probes as provided in the interview script, and no incentives were promised in exchange for participation in the study.

Data Recording

I uploaded audio recordings of the interviews and utilized the Temi transcription software directly from my phone. The phone is password protected and only I have access. The Temi application streamlined the transcription process which allowed for proper use of the available technology. I utilized the Sony device as a back-up recorder to ensure capturing the interview audio. I also took notes during the interviews. To ensure the information collected from each interview was correct, I listened to each interview as I read and corrected the transcription later the same day of each interview. I crosschecked my notes as I went. I also provided each participant the option to review the final transcribed version of the interview to verify accuracy within a 7-day period. One interviewee indicated their desire to review the transcription of the interview and the participant found no typos, discrepancies, or changes. Additionally, a “thank you” email was sent to all participants that expressed my appreciation for their participation in the research study.

Document Review

I conducted document reviews to supplement the interviews and provide a complete case study. The documents I collected included the final campaign finance report for PACs associated with Proposition 127 and Referendum 305 and the “for” and “against” arguments from the Arizona 2018 General Election Publicity Pamphlet. I used documents such as public records for systematic evaluation and are a typical component for a comprehensive qualitative case study (Miles, Huberman, & Saldaña, 2014; Patton, 2015).

Final Campaign Reports. I located the final campaign reports that covered the reporting period of October 21, 2018-December 31, 2018 online through the Arizona Secretary of State website. The three reports were downloaded after correspondence with an employee who indicated where this information could be located, and directions provided on how the reports could be accessed. I accessed and analyzed the primary financial contributors, the Political Action Committees (PACs), for each side of Proposition 127 and the “no” side of Referendum 305. However, this is a slight variation of the original data collection plan presented in Chapter 3. During the planning stage, I was under the impression, that these reports could be analyzed by the specific ballot measure. Yet, the data must be gained through the individual PAC(s) that contributed to each measure. Yin (2016) described that a common limitation of using document review as an instrument is low retrievability and exactness. While I assumed that the information gathered from the final campaign reports is correct; the measurement capacity could be limited without all available data. To demonstrate this point, identification of all relevant PACs and other (legal) means to shield money spent, such as Independent Expenditures (IEs), could very easily be missed. Thus, one can fail to recognize the full amount of money that was utilized for ballot measures.

Additionally, any money spent prior to the measure accessing the ballot is not captured in any of the PAC reports. The documented disadvantage of the final campaign reports is the appearance of transparency and disclosure when in fact important financial information may be overlooked, buried, or not reported. The final campaign reports were analyzed using a document review protocol to identify patterns and assist in the

recognition of future policy implications. This data provided important indicators of the influence and advantage that well-funded interest groups realize regarding ballot measures in Arizona.

To locate the PAC information, I utilized the “for” and “against” arguments in the Arizona General Election Publicity Pamphlet to identify the main sponsors of the arguments. I also located the names of the associated PACs tied to each measure while doing my research within newspaper articles related to each proposition. The reports provided the final expenditures utilized by the main PACs within the measures for the end of the campaign period. Further, a “total to date” column, and a “summary of activity,” separated by income and expenditures, allowed for an overview of the information within the report, and provided a running total by contributor. Thus, enabling a fuller picture of the money involved. Then, more detailed information such as different schedules that provide the inquirer information regarding “Contributions From Corporations/LLC,” a more specific account of “Operating Expenses,” “Ballot Measure Expenditures,” and “In-Kind Contributions” is available in the reports.

Campaign Reports

The three following final campaign reports were analyzed to compliment this study:

- 1) The proponents regarding Proposition 127, was the Clean Energy For A Healthy Arizona PAC. Proposition 127 was financed primarily by NextGen Climate Action, a group listed as a Corporation or LLC, out of California, on the campaign finance report. The summary total in the final campaign report was: \$24,126,339.52.

2) The opponents for Proposition 127, was the Arizonans For Affordable Electricity PAC. Proposition 127 was financially opposed primarily by Pinnacle West Capital Corporation, a group listed as a Corporation or LLC, located within Arizona, on the campaign finance report. The summary total in the final campaign report was: \$39,992,148.24.

3) The opponents for Referendum 305, was the Save Our Schools Arizona PAC. The same Save Our Schools Arizona PAC, located within Arizona, was listed as a Corporation or LLC, on the campaign finance report. The summary total in the final campaign report was: \$692,555.86.

There was no PAC registered in support of Referendum 305. Although it may appear that no money was spent on this Referendum that is not accurate. Interviewees reported that there was money spent in suppression campaigns prior to it qualifying for the ballot. Further, an expensive lawsuit that made it all the way to the Arizona Supreme Court was paid for by proponents of the measure.

“For” and “Against” Arguments. The “for” and “against” arguments found in the 2018 General Election Publicity Pamphlet were also used as a source of data for this case study. Print and electronic data for the arguments was employed. The rationale of using “for” and “against” arguments was to corroborate, substantiate, and add to the data collected from interviews with the political professional participants and campaign finance reports to address the research question. The “for” and “against” arguments are especially important for this study to assess the arguments, positions, and views of the “yes” on 305 side and the “no” on 127 as prospective interview participants on these

positions were not responsive compared to the other sides of the initiatives, or compared to the written stances, in the “for” and “against” arguments.

I utilized the qualitative software Quirkos to organize, code, and analyze the arguments. Versus coding was employed to understand and explore each perspective in the “for” versus the “against” arguments. Saldana (2016) explained that versus coding highlights the contextual nature of conflicts and may be used in cases where there is no clear right or wrong perspective. As noted in chapter two, important information can be assessed from the “for” and “against” arguments. Examples of important information include identifying party cues, major funders and special interest groups sponsoring the arguments and assessing their support or opposition of ballot measures, indication of the political climate, and insight into the campaign’s media and overall strategy.

Variations in Data Collection

There were only minor alterations in the data collection plan. I proposed to gather interview data from 8-12 Arizona political professionals, and ultimately interviewed 10 participants. I also proposed to gather campaign finance reports and was able to analyze the 3 most important PAC campaign finance reports pertaining to Proposition 127 and Referendum 305. I proposed and was able to completely analyze the “for” and “against” arguments from the 2018 General Election Publicity Pamphlet. I was able to address the research question and compile a rich case study to gain insight by following the data collection plan that included interviews enhanced with supplemental information found in documents.

Data Analysis

I used Quirkos qualitative software, to code, categorize, and organize interview transcripts and the “for” and “against” arguments found in the General Election Publicity Pamphlet and then identified emerging themes. Analyzing and interpreting data collected from interviews and the arguments depended on the ability to organize, manage, and store the data. The data analysis began with an initial manual coding within the interview transcriptions and hard copies of the General Election Publicity Pamphlet and utilized an eclectic blend of generic, holistic, and versus coding methodology recommended by Saldana (2016). This method aligned with the exploratory nature of a “what” question that guided this study. I thoughtfully considered and examined the data from each collection method.

Interview Data Analysis

Later in the day of each interview, I transcribed the data using the transcription software, Temi. I listened to the interview and stopped the recording to correct any errors within the transcription as I went through. Then I relistened to the audio while reading the accurate transcription. Hearing the information three times (during the interview, while transcribing, and then one additional time) and seeing the written transcription, in one day, enhanced a deep understanding of the interview data. Saldana (2016) explained listening to the audio recordings repeatedly helps the researcher “gain intimate knowledge of their contents, to extract significant quotes, and to document emergent codes, themes, and concepts” (p. 74). This process improved the research clarity significantly. I was able to identify the frequency of references and concepts as well as

extract meaningful and relevant passages of text, quotes, and other pertinent information recognized within the interview data.

Codes, Categories, and Themes

Consistent with the data analysis plan outlined in chapter 3, the common themes from the literature I looked for in the data and coded for included: the political professionals perceptions of the influence of corporate money on Arizona direct democracy, perceptions of disclosure and transparency, and perceptions of how interest group strategies changed within the state since the *Citizens United v. FEC* (2010) decision. Predefined codes were used prior to the thematic analysis based on the research question. Further, the probes that were utilized in the interviews were derived from the extensive literature review.

Predetermined Codes

Additionally, because supplementary data from the document review was also included in this study, predetermined codes aided the analysis. The following codes were used to understand the themes: ballot access, ballot suppression, strategy, paid media, earned media, coalition building, secondary strategies, disclosure and transparency, outcome, and impact of Citizens United. Further, I also coded for perceptions of Arizona direct democracy and if the political professionals offered any policy recommendations.

Emergent Codes

It is important to note that each of the codes was applied to the ballot measures separately for Proposition 127 and Referendum 305. The thematic and coding structure was designed within Quirkos, which was based on the themes that emerged from the

literature review. This enabled a comparison of the very different measures in this study and allowed for a deeper understanding of the central research question. Ultimately, themes consistent within each participant's responses emerged and indicated that in general the ability for a ballot measure to (a) access the ballot, (b) employ an effective campaign strategy, (c) run an effective paid media campaign, and (d) outcome all hinged on the money available to fund and support, or oppose, the measure.

All data collected in this study was assessed for discrepant data as mentioned before. Any contradictory information that negated or undermined a developed theme or pattern was labeled in various ways: disconfirming evidence, negative cases, discrepant data, or outliers (Ravitch & Carl, 2016). This situation is a complicated and problematic conundrum for qualitative research as "outliers" are often chosen for these exact reasons and used as teaching cases (Ravitch & Carl, 2016). In fact, Proposition 127 and Referendum 305 may each be considered "discrepant" cases. Proposition 127 is the most expensive ballot initiative in Arizona history. Referendum 305 was truly unique as it was an authentic grassroots movement. Both measures could be considered "outliers" and for that very reason justify their selection for the focus of the study. The two measures were selected because of the ability to study and garner political professional's perceptions of the influence of money in general, then specifically, for direct democracy within Arizona.

Use of these terms must be thoroughly explained within the context of qualitative research. Moreover, the explanation of how themes, codes, and interpretation must be fully transparent and outlined to maintain fidelity of the research and provide robust results (Ravitch & Carl, 2016). This aspect was important as different "sides" and

perspectives of the measures were analyzed within this research and everything was detailed. As such, a full spectrum of varying perceptions was gathered and analyzed as expected within the interview data and document review.

Evidence of Trustworthiness

Credibility

Internal validity and credibility were established by implementing multiple sources of data collection methods as recommended (Lincoln & Guba, 1985; Miles, Huberman, & Saldana, 2014; Ravitch & Carl, 2016). I asked open-ended and semi-structured interview questions and conducted document reviews of campaign finance reports and “for” and “against” arguments from the 2018 General Election Publicity Pamphlet. Additionally, I established internal validity and credibility by audio-recording each interview for transcription accuracy, weekly journaling during data collection process, using a qualitative software to identify common themes from the interviews and document review, and utilizing a document review protocol to review data. These aspects were conducted before data collection and maintained throughout the research to increase credibility.

Transferability

To enhance external validity, I showed the specific methods for collecting and analyzing the data and how it was collected. Generalizations from the research regarding participants, setting, and sample size were clearly outlined. This study is transferable to additional states that utilize direct democracy. The political environment in a different state regarding the influence of corporate money before *Citizens United vs. FEC* (2010)

could be explored and analyzed. These generalizations allow the qualitative study to be transferable to broader contexts; yet, each case remains rich and context-specific (Ravitch & Carl, 2016).

Dependability

To enhance dependability multiple data collection strategies were implemented. I collected interview data and document reviews. Ravitch and Carl (2016) note that an articulated plan and triangulation of data increases dependability. I followed my research plan and utilized triangulation of data which increased the dependability of the study.

Confirmability

To establish confirmability, I kept detailed records of procedures that would allow others to verify the procedures. This included full documentation of all interviews, researcher notes, journal entries, coding notes, document review protocol, and participant clarification notes which ensured accuracy of responses. These suggestions are aligned with Lincoln and Guba's (1985) recommendations. Additionally, I corroborated interview data and documentation to decrease the questionability of the findings. The purpose of the study was made clear in the informed consent document. I remained mindful of personal biases and characteristics, including gender, age, race, class, and limited biases that may have influenced the research. I did not allow my personal perspectives to shape the analysis of the data collected within this case study. I concentrated on the research question, major themes, and patterns identified to ensure that the data analysis was valid and the findings credible.

Results

One research question guided this study: What was the perceived influence of corporate money on the Arizona 2018 initiative and referendum measures? Within the literature reviewed three themes emerged that shaped the inquiry (a) perceptions of the influence of corporate interests within Arizona direct democracy (b) perceptions of disclosure and transparency of corporate donors; and (c) perceptions of how corporate money changed before and after the *Citizens United v. FEC* (2010) decision. One main interview question and subsequent probes for each measure was designed to elicit responses from 10 political professionals to understand their perceptions of corporate money regarding the Arizona 2018 measures Proposition 127 and Referendum 305.

Main Interview Question

The interview data collected from the political professionals and data reviewed within the campaign finance reports and ballot book arguments yielded rich data for analysis. In response to the main interview question with the participants, four themes emerged through an eclectic combination of initial and holistic coding of the interview transcripts. Consistencies within each participant's responses indicated that in general the ability for a ballot measure to (a) access the ballot, (b) employ an effective campaign strategy, (c) run an effective paid media campaign, and (d) outcome all hinged on the money available to fund and support, or oppose, the measure. Participants' expressed their perceptions that more money generally equaled more success regarding each of these aspects and confirmed the importance of money.

Follow-up Questions

To explore the additional literature review themes, follow up questions were asked to understand participant's perceptions of disclosure and transparency and how money changed as a result of *Citizens United v. FEC* (2010). As expected and parallel to the findings within the literature reviewed the participant's perceptions were complex and multidimensional regarding corporate money and disclosure and transparency and how money changed as a result of *Citizens United v. FEC* (2010) and are discussed in the results.

Overlapping Themes

Area of overlap exist within these findings and is worthy of acknowledgement. As is the case for many complex and multidimensional issues, and demonstrated within the literature and results, there are overlapping relationships between the components of the themes within this study. For instance, running a paid media campaign is likely part of a campaign strategy, provided there are funds available. However, these elements were discussed separately in the literature and presented separately for clarity and organizational purposes. The outcome section is the culmination, or result of, the other aspects: ballot access, strategy, media campaign. When combined, these aspects, contributed to the eventual outcome for each measure. The results section is organized as follows: general perceptions of the themes that emerged, followed by a discussion of each theme, for Proposition 127 and Referendum 305, separately. Then, the interviewees' perceptions of disclosure and transparency and how money changed as a result of *Citizens United v. FEC* (2010) are presented.

Ballot Access

The money involved with ballot access and time period up until a measure gains access was regarded by political professionals within this study as the most interesting, and important, component within the Arizona ballot initiative process. Several discussed the history and progressiveness of Arizonan's constitution structure as outlined in the literature review and reflected in state statute (Initiative, Referendum, and Recall Handbook, 2017). There was a consensus within the perceptions of the interviewees that money plays a major roll, in general, regarding ballot access. Participants shared that typically ballot measure campaigns require several million dollars to get on the ballot. Most emphasized the point that while they felt the right to legislate was important for people to have, typically, it is only organized groups that utilize the ballot initiative and referendum system.

Theme Consensus

A political participant began the interview with "the whole purpose of the citizen initiative process is to allow voters to have a voice in the democracy...and even when it was more affordable, it was mostly utilized by special interest groups. And I don't use that term in a derogatory way. We had the hospitals that came together to run the Smoke Free Arizona Act. That's a special interest group. It's a coalition of businesses who have an interest in curbing smoking and improving public health. But it wasn't a grassroots organization". Thus, the interviewees within this study further confirmed Alexander's (2015) research findings regarding usage of direct democracy by interest groups.

There was also a consensus among the Arizona political professionals that the Arizona legislature has consistently made it more difficult to access the ballot whether it was through challenges to signatures, the way signature gatherers are paid, or requiring signature collectors to appear in court. Several interviewees shared the perception that legislators continue to make it more difficult to initiate legislation through direct democracy. One longtime political professional shared that in the mid-1990s he was tasked with writing a paper on how to challenge signatures. At that the time there were 21 different ways to challenge a signature and now there are 35.

The interviewee explained that invalidating signatures becomes easier as the number of ways to challenge a signature has increased. Several participants purported that because the legislature continues to make it easier to invalidate signatures it drives costs up even further. One participant explained that access to the ballot is more dependent on money because of the increasing costs associated with paying circulators by the hour rather than per signature. Additionally, moving towards strict adherence to the construct of the law increases the money it takes to get the signatures in the proper form to access the ballot. Nearly all participants shared their disdain with the cumbersome obstacles for ballot access.

Theme Discrepancy

However, one participant shared his perspective “when somebody comes to you with an idea about a law that they want to initiative it is important that they understand the huge effort it is going to take to get to the ballot...some people say it’s too hard, but it’s hard for a reason because it is an important right that we have. It also shouldn’t be

easy to do because it's not easy to pass legislation through the legislature and it's not easy to pass legislation through Congress....these things are really commensurate with the difficulty of passing legislation through the legislature as well". As presented earlier there was consensus that ballot access, in general, relies on interest group money.

Proposition 127 Access Cost. The estimated cost of access to the ballot for Proposition 127 ranged from six to seven million dollars according to the interviewees within this study. The cost was several times higher for Proposition 127 to access the ballot compared to typical initiatives because the measure was sponsored by an interest group from out of state and because the in-state interest group opposition each had unlimited funds at their disposal. One political professional explained "you had every signature gathering company in the world either getting paid to collect them or getting paid to go do something else". Another political professional described that their firm had run a different initiative in the same election that cost 1.3 million to get on the ballot. The participant explained that the four times more costs was attributed to using out of state political actors and it simply costs that much more to do that.

Referendum 305 Access Cost. Several participants juxtaposed Proposition 127 against Referendum 305 in describing their perspectives regarding ballot access. Most interviewees attributed money as the main factor in hiring signature gatherers and paying for the legal costs associated with ballot access for Proposition 127 compared to Referendum 305 in which volunteers with a vested interest went and collected signatures. One political professional shared how important it was that citizens who cared were involved in Referendum 305 through highlighting that in Proposition 127 "money's the

issue; you are here because somebody else is paying you to be here and you're here because APS is paying you to be here and you have little credibility. It just wasn't homegrown, it wasn't personal. Not that both parties didn't care about their client and their position, but they were more concerned about getting paid then pushing the issue".

Several participants explained that the "no" on Referendum 305 were organized and detailed throughout the effort. To exemplify the detail and organization several interviewees described the lengths that the "no" on Referendum 305 volunteers took to make sure the signatures collected were valid and counted. Participants described that the volunteers created a template to write over for the petition gathering to reduce the signatures being invalidated on a technicality. One participant shared the importance of a template because disqualifying signatures can be so devastating to ballot access. Typically, 15-20% of signatures are disqualified; but the participant had witnessed instances where between 40-50% of collected signatures had been disqualified. Several political professionals were impressed with a level of detailed organization and motivation to defeat Referendum 305 which began with the signature collecting.

Theme Discrepancy

However, one of the interviewees shared the perception that even amongst the very core organizers there was doubt that their grassroots effort was going to be capable of gathering enough signatures to qualify the referendum for the ballot. Several interviewees shared their perception that the doubt surrounding ballot access probably kept the moneyed interests from fully engaging to support the original legislation. Most

doubt was reflected in perceptions of the necessity of money to successfully access the ballot.

Ballot Access Suppression. According to the political professionals interviewed in this study there were ballot access suppression and circulator blocking campaigns utilized within the signature collecting phase of both measures within this study. One political professional purported that between 2014 and 2016 “buying off” petition circulators became an effective practice to suppress ballot access. The participant explained “anyone with gainful employment doesn’t do that [circulate petitions] and so those people are easily bought off. If you pay them a little bit more and you get them to either sabotage the effort or stop doing the work then you, as the payer think, I’m paying this guy to be sitting out there collecting signatures, but he’s in fact not doing it because he’s getting paid a higher amount from somebody else”. Additionally, political professionals described “blocking campaigns” to hinder ballot access.

Essentially counter circulators are paid to find a circulator, stand next to him or her, and discourage people from signing the petition. There are currently no campaign finance requirements to report the costs of these type of maneuvers. Therefore, the amount of money spent before the measure gets on the ballot remains unknown to others outside of funding these efforts.

Ballot Access Suppression Proposition 127. The political professionals in this study shared the perception that regarding Proposition 127 the costs associated with the measure were higher at every stage and ballot access suppression also demonstrated this point. Although it is challenging for anyone, other than the funders of the measure, to

fully know the costs associated with ballot suppression; there was a consensus among the political professionals that unprecedented amounts of money were spent on each side to suppress the efforts of the other. One political professional shared that petition gatherers were offered as much as \$5,000 to not circulate for the firm that had already paid to sector the petitions. Regarding a blocking campaign an interviewee shared that counter circulators would go find a circulator, stand next to him, and discourage people from signing the petition. The political professional said the person blocking would say things like “you know, this is going to raise your electric bill, or whatever”. A participant purported that the national group that had circulated petitions and gathered a half a million signatures for other ballot measures in other states were surprised at the level of opposition at the signature gathering phase for Proposition 127.

Ballot Access Suppression Referendum 305. The “No” on Referendum 305 side did not encounter the level of opposition at the signature collecting phase. A portion of this lack of push back was discussed above where even the campaign itself doubted the ability to collect the required signatures. It seemed unlikely that the interest groups in support of Referendum 305 considered the effort a meaningful threat. Furthermore, the fact that it was a grassroots and citizen’s initiative made these volunteers incapable of being “bought off” as discussed above regarding this vulnerability with paid circulators. One interviewee who was a core organizer of the “no” on Referendum 305 effort shared that being a truly grassroots organization helped because they did not have paid signature collectors and the resulting issues that some of the other measures encountered.

Legal Challenges to Ballot Access. The next costly step before Proposition 127 or Referendum 305 qualified for the ballot were the trials that ensued as legal challenges were employed to keep each measure from accessing the ballot. The consensus was that for Proposition 127 both sides spent millions of dollars in legal fees leading up to the ballot. Interviewees estimated that proponents of Referendum 305 spent close to one million dollars in attempt to limit ballot access. Again, none of these costs leading up to ballot access are captured in any campaign finance reports.

Proposition 127 Legal Costs. The interviewees in this study that estimated the six to seven million dollars spent on qualifying Proposition 127 for the ballot purported that the legal maneuvering of both sides drove the cost higher; however, does not even account for the opposition legal fees which would also be several million. One participant shared “we had a five-day trial for a ballot measure. It’s insane. I mean, I can’t imagine how much just the trial cost”. Within the trial certain components that are required by Arizona statute such as requiring petition circulators to appear in court drove the costs up. An interviewee reported that the trial cost more money at every stage. For instance, the opposition subpoenaed 1200 witnesses and to get 1200 witnesses to court was very expensive. The tactic of summoning petition circulators had been used in a previous, and unrelated, measure earlier in the year where an interviewee described how the initiative made it through the signature collecting phase; however, when petition circulators from out of state had to appear in court, and no one could afford to bring them in, the case failed based on that. The participant shared “ten years ago that wasn’t the case, almost

anybody could collect signatures as long as they were a registered voter in the state of Arizona”.

Referendum 305 Legal Costs. The “no” on Referendum 305 signatures were also challenged in court with the goal of blocking access to the ballot. A participant shared “just the fact that they had the money to bring on the lawsuit, and I think they thought that the opposition wouldn’t be able to come up with any attorney, but Save Our Schools did go to court...they [proponents of 305] had a very expensive legal team...”. Later in the interview the participant shared that money played an important role in the ability for the measure to reach the ballot. The participant said “I would say getting on the ballot, the opposition had much more money and it almost tripped us up. We were sweating bullets. We didn’t know how the judge would rule in the court case”. In the end Referendum 305 did qualify for the ballot and the voters supported the “no” on Referendum 305 side.

Campaign Strategy

Ballot measure campaign strategies are largely impacted by the amount of money in the budget. The amount of money also impacts the primary strategy and allows for testing secondary strategies within the political environment. Analyzing the strategies in Proposition 127 served as an interesting case study since it was the most expensive ballot measure in Arizona history. Referendum 305 is also significant because it demonstrated the power of a grassroots organization to offset the importance of money typically required to run a ballot measure.

Campaign Strategy Proposition 127. Several political professionals shared their perception that the money available to both sides of the Proposition 127 campaigns allowed for multiple strategies to be tested. One participant shared his perception that “for the pro side it was an effort and exercise in organizing, maybe more than gathering, it was an organizing effort. And on the con side, on the “no” side, I think it was a strong exercise for the Chamber of Commerce crowd, for the APS backed type organizations, for the quote unquote moneyed business interests to really explore the challenge process and understand what the new change is because it’s only been a couple years since the passage of SB 1516. So, a couple of years ago, several of these dark moneyed interests went down to the legislature and basically dramatically changed the petition gathering process and are attempting to bring strict compliance to the petition gathering effort which it’s not been applied to initiatives in the past”. The amount of money on each side enabled extensive strategy testing.

Another strategy that was mentioned by several participants was the amount of money spent on Proposition 127 allowed the hiring of many more people, thus, encouraging more political professionals to take a stand on something that most would not have normally engaged on. One participant shared that his colleagues who were hired to work for the “no” side were paid salaries that were double the amount of money they would normally earn if they were hired for a normal legislative race, city council race, or any other traditional ballot initiative. One political professional with a track record of winning ballot measure races shared that the only way to win is to keep the opposition from organizing. Further, the participant explained that their firm’s research determined

that there has never, in the history of Arizona direct democracy, been a measure that has won when the opposition has spent more than \$500,000 to oppose it.

The participant shared Proposition 127 had four or five million spent against it by the time it got to the ballot. “So historically that means it’s not going to pass, so in terms of campaign strategy, I don’t know what they were thinking because typically, what you should do, if you’re serious about passing an initiative, the first thing that you’d do is try and minimize your opposition. You try to reduce the organized paid opposition and you do whatever you need to do to get that done”. Many participants shared that secondary strategies may have been just as important, or perhaps more even important, than passing the measure. Whether it was softening up the political environment or an end goal of testing the voting base, interviewees purported the likelihood of testing secondary strategies enabled precisely because of the large amount of money involved on each side.

Theme Consensus

Several political professionals discussed the perception that to be effective in passing new ballot measures a coalition should be developed. The perceived strategy for Proposition 127 from most interviewees was that it came from out of state and therefore received the strongest of opposition. One participant said “I think there’s a lot to be said in campaigns about trying to communicate with the other side about what you’re doing and letting them know your intentions. You know 127 came in and said, we’re doing it this way, we don’t really care what anyone else says, we haven’t even really checked. They were out an outside group, an outside of Arizona group, that didn’t really check to see what the temperature was here and what groups thought about this. And then what

you do, when you do that, is you ensure opposition and that opposition is rabid because they feel like there has been no dialogue”.

The perception that Proposition 127 was an out of state group opposed by APS was also uncovered within the ballot book arguments in which versus coding revealed that each side’s strategy was to demonize the other. A participant quipped “once the Prop 127 campaign took off it became clear that there was going to be a lot of money involved because it was a combat, a face off, between two very moneyed interests. I do think that people were pretty surprised that it ended up being the most expensive campaign in Arizona history. So money played a tremendously huge role on both sides of the issue. And I think both sides tried to pose themselves as the side of the righteous here”.

For instance, the “yes” on Proposition 127 arguments included charges that APS was using rate payer money in politics, that APS was a monopoly and only cared about their profits, and that APS owns the Corporation Committee, in addition to the arguments based on environmental and health concerns. Alternatively, the “no” on Proposition 127 arguments repeatedly characterized the primary funder as an out of state California billionaire and argued that the proposition would increase electricity rates for households, schools, and small businesses, and further would be detrimental to the nuclear generating plant. One participant referenced the ballot book arguments and highlighted the sponsors of the arguments to demonstrate the point that the “no” side built a wider coalition than the “yes” side that reflected the demographics of Arizona voters. The participant stressed that Arizona is a republican state and the participant did not feel that the pro side ever attempted to embrace a republican friendly or even right-leaning argumentation which

contributed to the failed campaign strategy of Proposition 127. The sheer number of ballot arguments for and against also reflect the campaign strategy as far as the interest group involvement and messaging. The “yes” on Proposition 127 totaled 17 arguments from individuals and 34 arguments sponsored by the Clean Energy For A Healthy AZ interest group. The “no” on Proposition 127 totaled 38 individuals and 92 arguments sponsored by the AZ For Affordable Energy interest group. The campaign strategy messages were also reflected in the paid media campaigns that will be discussed in the next segment.

Campaign Strategy Referendum 305. Funding the campaign strategy for Referendum 305 was difficult on a grassroots budget. An interviewee shared that even getting the petitions printed was a large expense, from their perspective, and took cooperation from vendors. Several participants discussed the ingenuity of the organizers of Referendum 305 and their creativity in soliciting in kind donations to allow for success throughout the entire campaign. Once Referendum 305 volunteers collected the required signatures the interests that supported the original legislation deployed their legal strategy. One participant shared that even prior to the lawsuit proponents utilized a campaign strategy that required money.

The participant explained “the opposition had a lot of money and they paid people to videotape our volunteers talking to people and used some of that [footage] in their lawsuit to try and keep it off the ballot.” The participant further explained that the opposition employed people to oversee the Secretary of State’s office regarding compliance after the signatures were submitted. The Save Our Schools campaign did not

know such oversight was permitted and had to scramble at the last minute to have volunteers present. Apparently, the opposition's strategy was to explore the strict compliance laws for referendum measures, and legally challenge whenever possible, which amounted to a very costly legal battle.

The "no" on Referendum 305 also had the strategic vision to capitalize on the local and national Red For Ed movement that had just occurred and according to one participant "they made it out that you're taking money out of schools, you're taking money out of the classroom, and money out of teacher's pay". Another participant's perception was that "it lost because the Red For Ed movement had spent a year and half conditioning Arizonans to her story about how bad the schools were, how poorly paid the teachers were, and how much opposition there was amongst the normal people". These messages were also reflected in the against arguments within the 29 arguments submitted by individuals. There were no interest group sponsored against arguments. The proponents of Referendum 305 had two notable interest groups, The Goldwater Institute and the Center For Arizona Policy, who totaled 10 arguments and an additional 9 individuals submitted arguments supporting the measure. The polling also reflected voter's sentiment that education is underfunded in the state. According to one participant for the past 4 ½ years education was the top issue for voters and 60% believed that education was underfunded in Arizona. The "no" on Referendum 305 focused on and framed this message as part of their campaign strategy.

The "no" on Referendum 305 built coalitions as part of their strategy and would speak with anyone which was deemed highly important by the interviewees in this study.

One participant said “they proved their willingness to meet with anybody. They met with democratic groups, republican groups, they met with concerned folks, they met with school business officials, the school board association, they met with AEA... it was one of the greatest examples of what can be done when you get enough people upset and you get enough people activated and organized”. The coalition building and strategy also served to hold people accountable. Several participants shared the perception that because it was a controversial issue that other legislators who supported the original legislation ultimately stayed out of supporting it against Referendum 305.

Paid Media Campaign

The paid media campaign was regarded as both very important and very costly by the interviewees in this study. There was consensus in perception that the more coverage and times the campaign can reach the public, or touch voters, the more effective it is going to be and that is dependent on the available money for the campaign. Several interviewees discussed framing the issue based on what moves people emotionally. One participant explained “you see what moves people, whether it’s through testing or through the general survey work, and when you see what moves people, you begin to hammer on those points only”. Many participants also discussed the importance of allowing the message to evolve throughout the campaign. Finally, there was consensus that no campaigns are much easier to run than yes campaigns. One participant shared “when you’re running a no campaign you can almost agree with what they’re trying to do but say it’s a bad plan and that it has unintended consequences and they are devastating”.

Focusing on the fatal flaw(s) within a measure is an example of messages that could be highlighted throughout the paid media campaign.

Paid Media Campaign Proposition 127. Proposition 127 was the most expensive ballot measure in Arizona history and millions of dollars were spent on the paid media campaigns for both sides of the measure. Proposition 127 media campaigns began earlier than what is typical for ballot measure races. One participant shared that even during the signature collecting phase there were signs placed on street corners opposing Proposition 127 which is atypical. The participant shared “I remember driving by 7th Street and McDowell and there was a “he’s got a secret” sign up during the petition gathering stage and that was something I just thought was very different, that you’d have people sending out hit pieces then, and it really did escalate quick”. As demonstrated throughout every stage of this race, each phase was massively expensive, and the paid media campaign exemplified the money spent on this measure.

Campaign Budget

Several participants discussed that the percentage of the overall campaign budget that was spent on television and radio advertising for Proposition 127 was extensive. One participant said, “the television and radio stations love it and they give the big money folks, especially folks like APS who already advertised extensively, they give them better positioning, they give them cheaper rates because of the volume of stuff they’re buying”. Many participants discussed the paid media overshadowing the earned media and in the case of Proposition 127, specifically the “no” side, drowning out other messages. While most participants shared their frustration with corporate money dominating the paid

media outlets, one participant provided an alternative perspective, essentially that with more money spent on advertising the public was privy to more information regarding Proposition 127.

The interviewee stated “people understood exactly what they were voting on. When there’s a lot of money spent, the public really has the opportunity to get more information because what happens is, if there’s not a lot of money spent on it, the media coverage is not sufficient to really tell the story about what an issue is about. In this particular case there was \$40 million, or more, spent and so it was impossible to avoid the messaging. And then if you were confused by that messaging, then you could go find more information about it from both sides because they had complex websites with lots and lots of data. Both the “yes” and the “no” side were able to make their arguments”. The perception that it was common knowledge who and what was behind each side of the measure was shared by political professionals in this study. Consensus from political professionals was that it was clear what interest groups were on each side of the measure and what interests would benefit from the success or failure of the Proposition 127.

Campaign Media Strategy

The campaign media strategy for each side of Proposition 127 was aligned with the overall strategy discussed in the previous segment and each framed and messaged their side as righteous and demonized the other. The messages were consistent with the ballot book arguments. The “yes” on Proposition 127 arguments included charges that APS was using rate payer money in politics, that APS was a monopoly and only cared about their profits, and that APS owns the Corporation Committee, in addition to the

arguments for the environment and health concerns. Alternatively, the “no” on Proposition 127 repeatedly characterized the main funder as an out of state California billionaire and argued that the proposition would increase electricity rates for households, schools, and small businesses, and further would be detrimental to the Palo Verde Nuclear generating plant. The participants in this study also discussed the framing of the issue and were not surprised at the outcome of Proposition 127 by the time the voters decided the measure. Most understood and explained the effectiveness of a paid media campaign focused on Arizonans ill perception of emulating California’s policies, suspiciousness of out of state policy entrepreneurs, and the strong focus on Proposition 127 raising electricity rates.

Paid Media Campaign Referendum 305. The campaign media strategy for the “no” on Referendum 305 reflected the grassroots nature of the entire measure. One participant shared “just for the very basics like getting signs out there, and there was no way we were going to have money for a TV ad or radio or anything, we had to use the skills of our volunteers for getting the word out and doing press releases”. The “no” on Referendum 305 media campaign strategy also relied heavily social media for organization of volunteers and for their media campaign. They utilized strategies such as holding events in parks and coordinating volunteers to be at polling locations. One interviewee described how the campaign made t-shirts and how volunteers would wear the shirts when they went to places like the zoo and spread their message in creative and less expensive ways like walking campaigns. Volunteers were also incredibly resourceful. One participant shared that volunteers approached the owners of blank

billboards and proposed that they allow the “no” on Referendum 305 campaign to utilize the empty space as an “in kind” donation. The same type of strategies helped with printing costs and signage for the “no” on Referendum 305 media campaign.

Another political professional described how the messaging for the “no” on Referendum 305 was crafted towards the voters within Arizona’s political environment. The interviewee said “groups that are wanting to protect public education usually take the more progressive tone to their message and instead, they went and said you’re using vouchers for dolphin therapy or you’re using vouchers for visa gift cards, and they found the fraud in the system. And basically, they said this is about accountability. This is about how we have a dramatically underfunded school system and why would you take even more? Why are you drilling more holes in the bucket? And it really made them able to play offense.”

Earned and Paid Media

Referendum 305 relied on earned media compared to paid media. One political professional explained that, on average, the newspapers do two stories on ballot initiatives and organizers hope that they are in their favor. Further, the participant purported that ballot measures are typically challenging to explain and unless there is a controversy and a slow news cycle do not get much coverage. In general, for ballot measures that rely on volunteer organizations that do not have money and resources, getting the message out is extremely difficult. Regarding Referendum 305 specifically political professionals shared that while there was a lot of grassroots sentiment and the organizers did a great job of organizing people it was a huge challenge because of the

reliance of earner rather than paid media. Participants also shared that organizations often spend their money and energy to gain access to the ballot and then run out of these resources when it comes to the campaign and specifically the media campaign.

Further, there was discussion that there were conscious decisions made to not engage in Referendum 305 to support the measure after it qualified for the ballot and because it had a large volunteer group supporting it. One participant shared “it was interesting that not a lot of money was spent to promote it. Part of it was nobody wanted to be associated for paying for it....the charter groups, although wanting it didn’t really want to go out and promote it, and so it was the grassroots the “no” side was an easier sell”. Another political professional said “I think that when there is a business interest that is at risk, so for 127 APS could see dollars being flushed down the toilet for them if clean energy passed, you will see an uptick in the amount of money that people are willing to spend to make it go away. And for vouchers there is absolutely profitability in privatization of schools, we know that, but it’s either not worth that much money to the groups or the groups that really oppose it are more principled groups, more ideological groups, but not business entities”. The “no” on Referendum 305 media campaign relied on creative, grassroot efforts from volunteers, and did not face an organized paid media campaign opposition.

Outcome

Outcome of Proposition 127. The outcome for 127 did not surprise any of the political professionals by the end of the campaign. However, several interviewees provided their perceptions that without the amount of money spent, on both sides of the

measure, Proposition 127 would not have taken such a predominant space in the political sphere. One participant stated, “The issue wasn’t decided on what the facts of 127 were the issue was decided on the emotionally charged atmosphere that was created by these two big money giants throwing money at each other”. Several interviewees also expressed their belief that at a certain point more money would not have made any more of a difference.

Outcome of Referendum 305. The outcome regarding Referendum 305 was considered a rare event or outlier by the political professionals. Several longtime Arizona political professionals shared that they had not witnessed a grassroots citizen movement in their careers and had not thought it possible prior to Referendum 305. Rather interest groups typically utilized direct democracy. Political professionals explained that Referendum 305 proved that when a determined and organized group of coordinated citizens were united, and a window of opportunity was open, direct democracy was possible. The participants noted that a citizen run direct democracy ballot initiative is extremely rare and quite cumbersome.

However, participants shared that the lasting effects of a successful citizen run initiative, in this case Referendum 305, may have more long-lasting influence on the legislature. One participant described the situation as follows “I would say the 305 grass roots group is probably better positioned to have ongoing influence because they’ve got built in stakeholders. These are stakeholders that came together with very little money and have strong beliefs and they’ve worked together and made nearly the impossible happen and they’re going to keep going. And they’ve been effective down at the

legislature this year. I don't think there is a 127 coalition to speak of right now that's doing that work now".

Disclosure and Transparency of Corporate Donors

Disclosure and transparency of corporate donors was also explored with participants regarding Arizona direct democracy. The political professionals had a range of perspectives on this element of the research in general and specifically for Proposition 127 and Referendum 305. For instance, several participants said that currently Arizona has virtually no disclosure and transparency within the system. Some described the situation where money is contributed to a nonprofit c (4) and then routed through cleverly named PACs at which point there is no way to determine who or what interests are behind the money. However, participants also used Proposition 127 to demonstrate the point that with more money there may be more disclosure and transparency. All participant's perceptions were that it was widely known who was behind the money on each side for Proposition 127. The perception of the political professionals was that the interest groups that supported or opposed each side of Proposition 127 was made clear because of the unprecedented amount of money involved.

Several participants shared the fact that in Arizona there has always been a corporate right to participate in direct democracy. A couple participants expressed that for the most part they believed that corporate interests are not intentionally non-transparent. However, other participants shared their perceptions that corporations were reluctant to disclose their financial contributions. Other participants with direct knowledge of Referendum 305 expressed their frustration with not knowing exactly who

funded suppression efforts during the signature collection phase or those involved with funding the legal battle that ensued to get Referendum 305 on to the November ballot. Conversely, when it came to the “no” on 305 side, the perception was that organizers were quite transparent. Similar disclosure and transparency sentiments were confirmed within the General Election Publicity Pamphlet arguments “against” 305.

Corporate Money Before and After Citizens United

The final question asked of political professionals within this study, explored how corporate money changed before and after the *Citizens United v. FEC (2010)* decision within Arizona. Again, a full spectrum of perspectives was garnered within the interviews with political professionals. One political professional described the money involved in the Referendum 305 campaign as comparable to money that had traditionally been spent within Arizona direct democracy measures prior to the *Citizens United v. FEC (2010)* decision. Perceptions ranged from *Citizens United v. FEC (2010)* being the most detrimental change to the landscape within American politics to the belief that there was not a significant impact on Arizona initiative activity because Arizona had always allowed for corporate contributions.

One political professional began the entire interview with “I’ve been in politics since 1971 and I believe Citizens United has made the most negative change in American politics in the entire time”. However, another longtime Arizona political professional expressed his perception that *Citizens United vs. FEC (2010)* has not had any impact on initiative activity in Arizona because corporate contributions were always allowed which utilized vehicles like (c) 4s in ballot measure campaigns.

A third participant acknowledged the continuum of perspectives mentioned by the aforementioned participants yet provided an insightful reflection “I don’t think before Citizens United that APS or Pinnacle West had as much experience spending this amount of money, but they got into the business of spending money and having effective results through dark money expenditures. And we’ve come to find out, after the fact, they were having pretty significant influence on these elections and really playing a major role on a lot of these candidate campaigns, particularly the Corporation Committee. So if we assume that they learned that spending the money is worth their time for the policy goals that they want to accomplish, then yes, Citizens United, the empowerment that APS and Pinnacle West got from Citizens United, gave them the history or the habit of spending money to influence outcomes of elections that made them more likely to spend more in this election”.

Another participant acknowledged that The Outlaw Dirty Money initiative aims to ban corporate money however, made the point that *Citizens United vs. FEC* (2010) is a US Supreme Court case that says corporate interests have a right to participate which creates a preemption issue. Further, the participant provided “I think what that initiative doesn’t really contemplate is that there are always very creative people and they’re five steps ahead of where we are”.

Several participants justified their concern of the *Citizens United v. FEC* (2010) decision by sharing their perceptions of the power and influence APS has garnered since the decision. To demonstrate this point, multiple interviewees shared their perception of the power and influence APS has gained over the Corporation Commission, the body that

oversees public utilities, as a direct result of the decision and the ability of a corporation to spend unlimited amounts in campaigns. Further, several political professionals connected the *Citizens United v. FEC* (2010) decision to the fact that APS now employs a Political Director which is an executive level position within a public utility company. One participant shared that because of the environment where the public utility in Arizona has a political director and she can decide to spend millions of dollars of rate payer money to oppose an initiative that the effects of *Citizen United vs. FEC* (2010) is substantial.

The political professional shared “I think before Citizens United, you don’t have a political director there. Or if you do have a political director, I think it’s very, very different. It’s a very low-level person who’s running the separate segregated fund where Pinnacle West employees can contribute into this fund and then they give a check to the person who helps them build a power plant somewhere...I think then because of Citizens United, this office of political director becomes an executive, becomes an important person”. Another participant shared the perception that more important than the Citizens United decision specifically is that campaign finance laws are not capable of addressing the exploitation of loopholes that are immediately recognized and utilized by people who do not wish to be identified, use dark money, and are strategizing and planning before legislation is even adopted. The participant explained “I’m not sure it’s Citizens United so much as our campaign finance laws in the state, and I think this is true in other states, don’t evolve quickly enough to address the sort of sneaky things that happen”.

Summary

The study's results provide an answer to the research question by revealing specific thematic elements that explored the perceived influence of corporate money on Arizona direct democracy was. Four themes emerged within the data collected from political professionals regarding the perceived importance of corporate money on Arizona direct democracy: (a) access to the ballot (b) campaign strategy; (c) paid media campaign and (d) outcome. Further, disclosure and transparency as well as how corporate money changed before and after the *Citizens United v. FEC* (2010) decision were discussed.

Ballot Access through Money

The first theme that emerged from the analysis demonstrated the importance of money on access to the ballot for Arizona direct democracy. Participants shared that money is integral in the signature collection phase, tactics for suppressing measures, and expensive legal strategies that are employed prior to a measure accessing the ballot. The above average costs for Proposition 127 to access the ballot reflected the fact that it was the most expensive measure in Arizona's history. Conversely, Referendum 305 relied on citizen volunteers and grassroots solutions such as innovation and organization to overcome the costs associated with signature collecting, combating suppression tactics, and overcoming the lawsuit costs.

Money and Ballot Measure Strategy

The second theme that emerged from the analysis demonstrated the importance of money on ballot measure strategy for Arizona direct democracy. Political professionals

described the importance of money associated with polling, testing secondary strategies, forming coalitions, and capitalizing on national mood related to ballot measure strategies. Costs associated with Proposition 127 strategies for both sides broke records and utilized unprecedented amounts of corporate dollars in funding each aspect of strategy for the campaign. Regarding Referendum 305 and the limited funds available to the grassroots group the volunteers overcame the costly aspects of formulating an effective campaign by focusing on the more labor-intensive components and capitalizing on the strengths and ingenuity of volunteers. Creative solutions included forming coalitions and capitalizing on the local and national mood for education. The Referendum 305 campaign strategy may have been successful because, aside from challenging Referendum 305 through a lawsuit discussed in the access segment, the proponents of the original legislation were largely absent from formulating an official campaign strategy after Referendum 305 accessed the ballot.

Paid Media Campaigns

The third theme that emerged from the analysis demonstrated the importance of money to fund the paid media campaign for Arizona ballot initiatives and referendum. Political professionals in this study explained that the most expensive aspect of Proposition 127 was paying for the costs of advertising for television and radio broadcast spots. The framing of the message and evolution of these messages were discussed as elements within the costs of the paid media campaign. Further, discussions of paid versus earned media were analyzed. Interviewees also confirmed that “no” campaigns are typically much easier to run than “yes” campaigns. Regarding Referendum 305 the

advocacy group did not have the capacity for television or radio advertising. Organizers relied on the limited earned media and the strengths and ingenuity of volunteers to overcome the lack of a paid media campaign which would have enabled television and radio advertising. Referendum 305 used strategies of negotiating in kind donations for billboards and signage. Additionally, walking campaigns where volunteers wore t-shirts with No on Referendum 305 and discussed the campaign in busy public areas was utilized.

Ballot Outcome Impacts

The fourth theme that emerged from the analysis demonstrated the importance of money on the eventual outcome for Arizona direct democracy. Outcomes for ballot and initiative measures generally rely on interest group money for success in all the aspects discussed. The outcome for Proposition 127 and Referendum 305 were not surprising to the political professionals interviewed in this study by the end of the campaigns. However, political professionals concurred that without the level of corporate money involved in Proposition 127 the measure would not have been a predominant issue in the political sphere. Further, at a certain point more money would not of made any more of a difference for Proposition 127 which was ultimately the most expensive initiative in Arizona's history. Referendum 305 was a unique measure that constituted a rare event in Arizona's history. It was a truly grassroots and citizen's organized and run initiative that proved when a determined and organized group of coordinated citizens were united, and a window of opportunity was open, direct democracy was possible. The participants noted that a citizen run direct democracy ballot initiative is extremely rare and quite

cumbersome. However, participants shared that the lasting effects of a successful citizen run initiative, in this case Referendum 305, may have more long-lasting influence on the legislature.

General Findings

Elements within the research literature that pertain to the general findings and findings specific to the Arizona measures that resulted from this case study were reflected in the results. Political professional's perceptions of disclosure and transparency of corporate money within Arizona direct democracy. There was a wide range of perceptions, as expected, provided by the interviewees regarding transparency and disclosure. The spectrum ranged from the perception that there was little to no disclosure and transparency in Arizona to an interviewee who shared the perception that with more money comes more disclosure and transparency.

Finally, the perception of how corporate money changed before and after the *Citizens United v. FEC* (2010) decision was examined. Again, a full spectrum of perspectives was uncovered. On one side there was a very short answer that the participant gave that indicated the money had not changed at all because corporate interests have always been able to participate in initiative politics. However, on the other side of the spectrum, political professionals discussed the connections between the decision and the amount of money that has flooded into Arizona as demonstrated in Proposition 127. Further, a couple of political professionals discussed the power and influence of corporations that now have executive level political director positions that influence candidate campaigns and ballot measures. Finally, a couple of these political

professionals that shared lengthy explanations of their perceptions also shared some additional thoughts on direct democracy and recommendations for policy improvements.

Chapter 5 includes an interpretation of key findings, a discussion of the limitations of the study, recommendations for future research, and a conclusion.

Chapter 5: Discussion, Conclusions, and Recommendations

Introduction

My purpose in this qualitative case study was to explore the perceived influence of corporate money on the Arizona 2018 ballot and referendum measures Proposition 127 and Referendum 305. My qualitative case study was necessary to explore political professional's perceptions of corporate money within direct democracy. Using a qualitative case study to address the gap in the literature was the best approach and granted the flexibility needed to develop an in-depth understanding of the case through a variety of data collection methods. I conducted 10 interviews to explore what political professional's perceptions of corporate money regarding the Arizona 2018 measures Proposition 127 and Referendum 305 were in addition to reviewing documents. There was one broad open-ended interview question designed to elicit in-depth responses. I analyzed the responses through transcription, coding, categorizing the data using Quirkos software, and manual methods to draw out patterns and themes.

Key findings of this study indicated four overarching themes: (a) access to the ballot, (b) employing an effective campaign strategy, (c) running an effective paid media campaign, and (d) eventual outcome all hinged on the money available to fund and support, or oppose, the measure. Each of these elements helped to explain perceptions regarding Arizona direct democracy based upon the interview data collected and document reviews conducted. Consistent with the MSA framework of this research and literature, the findings revealed that political professional's perception are that the

political stream was significantly influenced by corporate money within Arizona direct democracy.

Interpretation of the Findings

In Chapter 2, in the literature review, I revealed that the influence of money continues to be a critical factor, worthy of study, within the larger context of a complex political environment (Fortier & Malbin, 2013; Smith & Tolbert, 2007). Further, corporate interests continue to dominate and use the process (Alexander, 2015; Donovan, 2014). Although corporate money has consistently been allowed in Arizona direct democracy, the amount reached an all-time high for Proposition 127. Interest groups on both sides spent record breaking amounts on Proposition 127. The importance of money was demonstrated within this study through the focus on Proposition 127.

Referendum 305 was one of the few grassroots citizen initiatives in Arizona history and highlighted that grassroots efforts can be successful without large sums of money under certain circumstances. However, several political professional's perceptions were that prior to Referendum 305 they did not think it was possible for citizens to use direct democracy primarily due to the large amount of money required to access the ballot and then fund a subsequent campaign effort.

Power of Moneyed Interests

Several political participants discussed the purpose of direct democracy, developed to check and balance the power of moneyed interests and its influence on politicians within representative government; however, the reality of their perceptions

that only interest groups utilized initiative and referendum measures to further their interests. One political professional began the interview by saying:

The whole purpose of the citizen initiative process is to allow voters to have a voice in the democracy. For decades, even when the initiative process was more affordable, it was mostly utilized by special interest groups. And I don't use that term in a derogatory way. We had the hospitals that came together to run the Smoke Free Arizona Act. That was a coalition of businesses who have an interest in curbing smoking and improving public health. But it wasn't a grassroots organization.

Participant's perceptions were consistent with Theodore's (2013) argument that rather than temper and restrain special interests, as intended, special interests currently dominate the process. It is notable that several political professionals regarded the citizen involvement regarding the Save Our Schools (SOS) group as having a more long-term effect for future policy endeavors. Further, holding elected representatives accountable was mentioned as a lasting result of Referendum 305.

I discuss specific interpretations of the four key findings of this study next in relation to the literature review. As indicated key findings revealed (a) access to the ballot, (b) employing an effective campaign strategy, (c) running an effective paid media campaign, and (d) eventual outcome all hinged on the money available to fund and support, or oppose, the measure. Then I discuss the literature related to the theoretical framework, MSA.

Access to the Ballot

Peer reviewed literature in Chapter 2 asserted the importance of money for an initiative or referendum to access the ballot and the interviews of Arizona political professionals for this study confirmed it. Chapter 2 highlighted legislation HB 2404 that passed in March of 2017 and was referenced by many political professionals within this study. The legislation mandated ballot initiative and referendum signature collectors to be paid per hour rather than per signature. Proponents of the legislation argued that the legislation would reduce fraud, whereas opponents were adamant that it would drive costs higher for ballot access (Pitzl, 2017). The participants in this study referenced this legislation and the laws that were updated to adhere to strict compliance for circulator's collecting ballot petitions and regarded the legislation as expensive ways to keep a ballot initiative or referendum from accessing the ballot. Interviewees for both Proposition 127 and Referendum 305 discussed the costly legal challenges that resulted from Arizona's cumbersome laws regarding ballot access.

Moneyed Interests

Participants in this study confirmed Conlin's (2004) argument that moneyed interests have an advantage to gather the required, and costly, ballot initiative signatures especially regarding Proposition 127. Many participants described the money available to fund ballot access for Proposition 127. In Arizona, although the average cost per required signature (CPRS) was between \$5.19 and \$6.85, Proposition 127 had the highest CPRS of all 2018 nationwide measures, at \$25.86 (Ballotpedia, 2018). Furthermore, participants in this study confirmed that the use of direct democracy has morphed into a mechanism

for policy entrepreneurs with access to money to push their own interests (Conlin, 2004; Connery & Weiner, 2017) as demonstrated through the NextGen Climate Action group funding Proposition 127. Political professionals also discussed the advantage that corporate money had in opposing Proposition 127, as demonstrated through Pinnacle West that is funded by APS. The effect of almost unlimited money on each side of this initiative resulted in the costliest initiative in Arizona's history.

Referendum 305

Referendum 305 presented a contradictory case where a grassroots citizen movement was able to overcome the barriers and utilize direct democracy as originally intended. There are various explanations for the “no” on Referendum 305 prevailing, and to start, one of the main factors was organizing volunteers to successfully collect the required signatures for ballot access. The “no” on Referendum 305 campaign endured only limited opposition at the signature collection stage. Several interviewees discussed the organization, creativity, and resourcefulness of the “no” on Referendum effort; however, the doubt remained that the campaign would be successful.

Proposition 127 and Literature

As discussed in Chapter 2, national mood is related to the preferences and ways large groups of individuals think within a country and acknowledges that the mood changes over time. Political professionals, government actors, and policy makers monitor the national mood through surveys and polls to determine what agenda items to support or oppose. This was confirmed with political professionals within this case study. In fact, one political professional provided polling their firm did regarding national mood and the

political climate within Arizona within the context of the interview regarding secondary strategies that may have been tested for the 2020 election in the Proposition 127 campaign. Several political professionals mentioned polling numbers and that prior to the campaign the energy initiative was polling very high; meaning voters indicated their support of the energy initiative in preliminary polling. However, the measure was overwhelmingly defeated by the time the campaign came to an end and the vote occurred. Matsasuka (2018) research determined that where overwhelming opposition spending was employed the results benefited the efforts substantial and these findings are consistent with this research. One political professional shared that there has never been a ballot initiative pass when more than \$500,000 was spent to oppose it.

Moreover, the literature revealed that in the common case of conflicting views, politicians balance support and opposition when determining their stance on issues (Zahariadis, 2007). Due to the highly politicized environment, which resulted with the most expensive initiative in Arizona history, many political professionals indicated that government actors and others who would not normally be involved in ballot politics took a stance and that involvement spilled over to the voters regarding Proposition 127. Political professional's perceptions were that the "yes" side had the money to come in from out of state and get the initiative on the ballot. One political professional shared that their firm estimated ballot access cost for Proposition 127 to be around \$6 million dollars (compared the \$1.3 million for the ballot initiative that their firm ran in the same election). Additionally, the "no" side had the money to employ most of the key political actors within the state. One participant discussed the number of political professionals

hired necessitated a stance from more political actors than would normally be involved in a ballot measure.

Several political professional's perceptions were that due to the amount of the money involved in Proposition 127, the environment became highly politicized and voters responded along polarized party lines. As detailed in Chapter 2, party affiliation is an important factor that influences ballot and referendum outcomes (Branton, 2003; Smith & Tolbert, 2001). This research study further confirmed Primo's (2013) assertion that positions of interest groups are typically well known either by the groups themselves or by the groups that oppose them, and thus provides party cues voters rely on. Moreover, within the context of ballot access cost, a political professional indicated the belief that the high cost of access regarding Proposition 127 may have a spillover effect, thereby inhibiting other out of state interests which may have considered accessing the Arizona ballot in the future but realize the amount of money required is out of reach. Smith and Tolbert (2006) argued that strategies of interest groups and political parties may be altered through the spillover effect.

Referendum 305 and Literature

Regarding Referendum 305 and polling related to education, Arizonan's ranked public education as one of the most important issues. Additionally, as discussed in chapter 2, Arizona consistently ranks at or near the bottom of national ranking lists for education and funding public education (Quality Counts 2018 Grading the States, 2018). The national mood surrounding educational issues, such as The Red For Ed, local and national movements, also influenced voters according to the political professionals

interviewed within this research study. Further, other educational initiatives had recently been denied access to the Arizona ballot based on lawsuits that focused on challenged signatures. The culmination of these aspects paired with a grassroots citizen referendum which served to hold elected officials accountable also appeared to have curbed political and financial support of the initial legislation. In effect, after the “no” on Referendum 305 won the legal challenge at the Arizona Supreme Court, and the referendum qualified for the ballot, there was no formal PAC registered to oppose SOS.

As discussed in Chapter 2 the political stream and policy regarding renewable energy and educational savings accounts were prominent issues throughout the United States and both issues contributed to the national mood and mobilization of political forces. States, especially states that allowed direct democracy experienced an influx of propositions addressing these issues which indicates a strategy to shape the state’s policy agendas. Nevada had a nearly identical measure funded by NextGen Climate Action, and both Nevada and Arizona’s policies would be consistent with California’s standards if approved (Ballotpedia, 2018). According to several Arizona political professionals the renewable energy topic polled very high and indicated that the local mood matched the national mood for the issue. While gauging the mood is a fundamental element to determine if the political environment is ripe for new policy, organizers of Proposition 127, did not expect the opposition mounted by Pinnacle West, to be so fierce, overwhelming, or successful.

Political professionals interviewed in this study suggested another possible strategy of Proposition 127 campaign may have been the goal of the testing of secondary

strategies. The testing of additional strategies such as “softening up” (Kingdon, 2003) as discussed in Chapter 2 may have been allowed precisely because of the massive amount of money on each side of Proposition 127. McConnel (2010) argued that while formal passage of initiatives or referendum is the primary objective of sponsors, one would be remiss to believe that it is the exclusive goal of the actors within direct democracy politics. The passage or rejection of initiative and referendum reveals only part of the story and was also present in the ballot measures under study. The interviewees confirmed the idea about utilizing Proposition 127 as a means of perhaps reaching other goals and highlighted the importance of money in testing strategies, such as softening up, regarding Proposition 127. On the pro side of Proposition 127 political professionals hypothesized that voter base motivation was tested. On the opposition side interviewees speculated that it was an opportunity to test the strict construct of the legislation regarding ballot circulators and signature collection.

Paid Media Campaign

Much of the discussion in Chapter 2 regarding paid advertising centers on disclosure and transparency (Colinvaux, 2014; Dougherty, 2012; Heerwig & Shaw, 2014; Miller, 2015; Sund, 2015) and the loopholes (Malloy, 2011; Raai, 2015; Wood, 2017) that are exploited to allow for campaign advertising (Weber et al., 2012; Wood, 2016). The discussion by political professionals of paid media within in this study focused more on the sheer amount of money it takes to advertise on television and radio broadcast stations. The participants confirmed that more money allowed for the campaign message(s) to reach voters. According to interviewees, in the case of Proposition 127, the

“no” side effectively bought much of the advertising space and effectively drowned out other paid media and the limited earned media. Despite being on the same ballot during a competitive Senate race, that employed heavy candidate media campaigns spending, Proposition 127 dominated the media space. Interviewees in this study shared their perceptions that a high percentage of money spent on Proposition 127 was utilized for the paid advertising strategy.

An aspect within national mood that is significant regarding MSA and was reflected in the perceptions of Arizona political professionals and regarded as a critical component of ballot and initiative politics is the framing of the issue. Knaggard's (2015) research focused on the framing of the problem and the frame matching the national mood for the policy to be successfully implemented. Although the political professionals did not discuss framing in the context of national mood specifically many mentioned the importance of framing the message and that being consistent with the political environment where it resonates with voters. However, for a ballot or initiative to access the ballot part of the multidimensional picture is the framing and the frame matching the national mood (Knaggard, 2015). For instance, Mamudu et al. (2014) researched MSA in tobacco growing states regarding tobacco control policy making. While Arizona does not grow tobacco, several political professionals used tobacco control policy making as an example of a coalition of interest groups coming together in Arizona and implementing policy through ballot initiatives. In each context the framing of the message was paramount to its success.

Participants in this study discussed the framing of the issue in the context of identifying the key messages for the campaign to advertise through media outlets. Many discussed their perception that “no” campaigns are much easier to run than “yes” campaigns. Further, identifying the fatal flaws can be exploited to urge voters to conform to the status quo bias as discussed by Samuelson and Zechhauser (1988) in Chapter 2. Research conducted by Lupia (1994) related to large amounts of money signaling how far away a policy would move from the current policy. However, one participant expressed his concern that voters are conditioned to the large amounts of money involved in campaigns, and most of that directed towards paid advertising. The participant shared “it used to be when really large amounts of money were spent people would say ‘wow that’s not good there’s gotta be something bad about that’ but in today’s atmosphere nobody cares”. Regarding Proposition 127 framing was critical to the paid media strategy.

For Proposition 127 each side attempted to vilify the other through the framing of their message. These sentiments were expressed during the interviews and were apparent within the “for” and “against” arguments in the 2018 General Election Publicity Pamphlet. As an attempt to portray the magnitude of the “for” and “against” arguments there were a total of 51 arguments published on the “yes” side and 130 arguments for the “no” side. Versus coding revealed the messages and how they were framed for the voters.

The “yes” side of Proposition 127 portrayed APS/Pinnacle West as a monopoly with massive power and influence within Arizona and over Arizona politicians specifically the regulating body the Corporation Commission. Additionally, they argued that APS/Pinnacle West used rate payer money in politics. Further, they highlighted

environmental and health concerns. The arguments were made that APS/Pinnacle West would do anything to protect their profits at the expense of the environment and people's health. They also argued that clean energy initiatives would create jobs.

The "no" side of Proposition 127 described a California billionaire who aimed to amend the Arizona constitution. This framing of pitting Arizona against California was a strong and clear message and one that also influenced the political professional's perceptions of identifying a historically "fatal flaw" in the measure. Several political professionals said that there has been a standing notion within Arizona that Arizona does not want to be like California. Another strong argument that the "no" on Proposition 127 used was that it would increase electricity rates for individuals, businesses, and schools. Repeatedly ballot book arguments stated that there would be an annual increase of \$1200 per household. Further, they presented the argument that it would potentially close a nuclear generating plant therefore ending the tax revenue and jobs that currently exist. One political professional shared that you can basically agree with a measure but portray it as the wrong policy solution and if that message is strong enough defeat ballot initiatives. This sentiment was reflected throughout the ballot arguments. One could make an argument that the arguments themselves were part of the interest group paid strategy as the arguments were sponsored by the main PACs supporting each side of Proposition 127. Most interviewees shared that running a no initiative is an easier task than attempting to pass an initiative. To defeat a measure, it takes proper framing of the fatal flaw and staying on message to derail an effort and, in the case of Proposition 127, there were several arguments backed by an enormous amount of money to advertise and

influence voters. Matsusaka's (2018) research was thoroughly confirmed that where overwhelming opposition spending was employed the results benefited substantially.

There was a distinct difference between Proposition 127 compared to Referendum 305. The "no" on Referendum 305 did not have access to money to finance paid television or radio advertisements. Therefore, the campaign strategy was to come up with creative solutions to overcome the lack of media coverage. Regarding the ballot book arguments, the "yes" side arguments totaled 19 and the "no" side totaled 29 individuals. The "no" side reflected the grass roots nature of the Referendum with all 29 arguments paid for by individuals. Political professional's perceptions of Referendum 305 reflected the doubt they had initially that "no" on Referendum 305 would even access the ballot. One political professional began the interview with "until this year I would have told you that any campaign requires several million dollars to get on the ballot". However, by the end of the campaign the grassroots citizen initiative maneuvered the cumbersome system, overcame resistance to uphold the referendum, and eventually prevailed. Several interviewees shared the perception of hesitation of other political actors within the state of openly supporting the measure; and in fact, even supporting the "no" side, although discretely. Multiple interviewees interpreted the lack of support for 305 as fear of being held accountable by a large, organized, and passionate group of citizens who continued to be active stakeholders in advocating for public education at the Arizona legislature after the Referendum vote.

Some interest group activity was represented in support of Referendum 305, the Goldwater Institute with four and the Center For Arizona Policy with six, sponsored

arguments were represented within the ballot book providing voters cues. Additionally, nine individuals argued to support Referendum 305. Interestingly, a couple of political professionals indicated that even amongst those who typically align with these interest groups, were people who parted from them and supportive of the “no” side of Referendum 305 with their votes and donations. Most stated that politically the perception was that individuals that were against Proposition 127 were aligned with their support for Referendum 305; however, made the decision to not engage on this issue. Furthermore, political professionals shared their perceptions that the grassroots nature served to hold elected officials accountable for their stances and may have deterred some from public support of an issue that was widely framed as further damaging to Arizona’s floundering public school system.

The 29 arguments that supported the “no” side of Referendum 305 highlighted the fact that the group was organized citizens compared to corporate interest groups. They argued that supporting Referendum 305 would defund Arizona public school’s further. Arguments focused on lack of accountability or transparency of funds being used in schools other than public schools. Arguments described how people who used the funds under the current guidelines would be hurt if the expansion was adopted.

Outcome

The fourth theme that emerged from the analysis demonstrated the importance of money on the eventual outcome for Arizona direct democracy. Outcomes for ballot and initiative measures generally rely on interest group money for success in all the aspects discussed. The outcome for Proposition 127 and Referendum 305 was not surprising to

the political professionals interviewed in this study by the end of the campaigns.

However, political professionals concurred that without the level of corporate money involved in Proposition 127 the measure would not have been a predominant issue in the political sphere. Further, at a certain point more money would not of made any more of a difference for Proposition 127, which confirmed research on the diminishing effect of money, conducted by Milyo (2013). Ultimately, Proposition 127 was the most expensive initiative in Arizona's history.

Referendum 305 was a unique measure in that constituted a rare event in Arizona's history. It was a truly grassroots and citizen's organized and run initiative that proved when a determined and organized group of coordinated citizens were united, and a window of opportunity was open, direct democracy was possible. The participants noted that a citizen run direct democracy ballot initiative is extremely rare and quite cumbersome. Chand (2015) and Donovan (2014) discussed the original intent of direct democracy being adopted for grassroots citizen movements to balance corporate and wealthy interests, yet, the complete domination of direct democracy by wealthy corporate interests. The success of the "no" on Referendum 305 measure demonstrated that in the rare case direct democracy was used, as intended, it served its purpose of checking and balancing the legislature. Participants shared that the lasting effects of a successful citizen run initiative, in this case Referendum 305, may have more long-lasting influence on the legislature, compared to more moneyed interests.

Multiple Streams Approach as the Theoretical Foundation

MSA was the theoretical foundation of this study (Kingdon, 1984; 2003). The problem, the policy, and the politics constitute the three streams of MSA and has been widely applied and studied within public policy (Cairney & Jones, 2016, Jones et al., 2016, Rawat & Morris, 2016, Zaharaidis, 1999; 2007; 2014). When the streams merge there is opportunity for public policy adoption. MSA was developed and studied at the federal level originally (Jones et al., 2016). However, research demonstrated how MSA had been adjusted and applied to other environments (Cairney & Jones, 2016). Rawat and Morris (2016) determined that over the course of MSAs thirty- year existence research trends evolved from the federal level of the United States as MSA was utilized worldwide. Further, research focused on a specific aspect within one of the three streams was recommended (Cairney & Jones, 2016) and highlighted the findings that the political stream was the stream that had not been researched as thoroughly (Jones et al., 2016). The focus of this research study was on the political stream and was relevant for exploring political professional's perceptions of corporate money within state level ballot and initiative measures.

Evidence in this study supported the anticipated findings from the literature that MSA is used in qualitative case study research where questions are posed to determine, describe, or explore "what" the impact of the real life, often complex, phenomenon was (Cairney & Jones, 2016; Jones et al., 2016; Rawat & Morris, 2016). The findings supported and strengthened the existing studies and contributed to expanding, deepening, and supplementing the discussions related to MSA, specifically within the political

stream. The body of literature regarding the political stream highlight the importance of national mood and policy entrepreneurship. National mood was discussed in Chapter 2 and in the previous segment. Further, framing was discussed in Chapter 2 and under the paid media segment of this chapter.

Political entrepreneurship was an important component within MSA scholarship as demonstrated within chapter two (Block & Pardis, 2013; Jones et al., 2016) as well as within the political stream regarding direct democracy. A skilled policy entrepreneur may be an integral part of moving policy. However, in the case of Proposition 127, having an individual from out of state, especially California, attempt to move energy policy within Arizona ended up being one of the “fatal flaws” identified and utilized by the “no” campaign.

Much of the literature from Chapter 2 was confirmed and extended related to the key findings highlighted within this study. Specifically, literature related to the influence of money was confirmed by participants and within the literature related to ballot access, campaign strategy, funding a paid media campaign, and the overall outcome for ballot initiatives and referendum. Further, elements of the theoretical foundation, MSA, was confirmed and extended by this research. Next, I address the limitations of the study.

Limitations of the Study

The limitations of sample size, trustworthiness, and researcher bias are considerations that need to be addressed. The findings are limited because of the small sample size of this study. However, in case study designs, the sample size is small in order to understand “information rich” cases (Patton, 2015; p. 53) and utilizes different

data sources (Baxter & Jack, 2008; Yin, 2014) and research questions that focus on questions that are contemporary and complex (Yin, 2014). The case study was designed to purposively sample two of the most recent and relevant Arizona 2018 direct democracy measures: Proposition 127 and Referendum 305. Saturation was achieved with a small sample size of two ballot measures, 10 interviews with Arizona political professionals, and supplemental document review. Evidence that this research study accomplished saturation occurred when it was evident that enough information from the interviews and documents was gathered to replicate this study, no new information was needed to continue, and additional coding was not feasible.

To enhance credibility and dependability of the findings in this study, I collected multiple sources of data: 10 interviews of Arizona political professionals, final campaign finance reports for each measure, and the “for” and “against” arguments in the 2018 General Election Publicity Pamphlet.

The transferability of study outcomes and generalization is potentially limiting because of the sample being reduced to other states that utilize direct democracy. The results may have limited meaning to other states and may not be representative due to the intricacies of ballot initiative and referendum topics.

Limitations are evident in qualitative research where the researcher is the primary instrument and personal biases have the potential to influence the data being collected (Patton, 2015; Rubin & Rubin, 2012). As the primary instrument for data collection, I used an interview script with predetermined questions, avoided asking leading questions,

exploiting participants, and sharing personal impressions with the interviewees at any stage of the research study to remain unbiased.

To establish confirmability and avoid researcher bias, I kept an audit trail of all documentation to allow others to verify the full documentation of all interviews, researcher notes and memos, coding notes, document review protocols, and participant clarification notes to ensure accuracy of responses. I also corroborated the interview data and documentation information collected to decrease the questionability of the findings.

Recommendations

Interstate Studies

Based on the literature reviewed in Chapter 2 and the findings from my analysis, the following recommendations for further research are presented. This study is meaningful because it illustrated the multiple streams theory of two direct democracy measures in the state of Arizona. Further research should be conducted within one or more of the other twelve states (NCSL, 2015) that utilizes direct democracy. Additionally, other initiative and referendum measure topics should be conducted to confirm, disconfirm, or extend knowledge within Arizona and other states direct democracy. As mentioned, this study does not reflect all types of direct democracy measures. Also, other states with direct democracy would benefit from the replication of this study. Specifically, conducting similar research in Nevada or California that had essentially the same issue on their ballot, as Proposition 127, could be interesting to inquire why outcomes were different. It would also be beneficial to research other states' citizen grassroots efforts similar to the "no" on Referendum 305 measure in this study.

Campaign Finance Regulations

This study was mainly focused on the perceptions of the influence of corporate money from political professionals because of their direct experience working with Arizona direct democracy. Future research should examine campaign finance regulation and loopholes which was recommended within the literature (Fuller, 2014; Gerken, 2014; Malloy, 2011; Raaii, 2015) as well as by participants within this study. Specifically, studies focused on capturing the amount of money paid for by veiled political factors that influence ballot access should be undertaken. Political professionals identified costs associated with the signature collection efforts such as, suppression and blocking campaigns, and the resulting lawsuit costs as significant; however currently not captured in any campaign finance reporting.

Campaign Advertising Financing

Future research should also focus on the money associated with campaign advertising as recommended within the research (Weber et al., 2012; Wood, 2016) and identified by participants in this study as worthy of future study. Finally, further study in areas of the “educative influence” and other complex indirect effects of direct democracy as recommended by Smith and Tolbert (2007) were identified by participants within this study. Specifically, secondary strategies that were tested as a result of corporate money in Proposition 127. Alternatively, as Carpenter (2009) recommended, voter’s participation in direct democracy through voting, volunteering their time, and making financial contributions, as demonstrated through Referendum 305, may be explored through obtaining the informed citizen’s perspectives.

Qualitative Research Expansion

Last, the case study approach gave me the flexibility needed to develop an in-depth understanding of the research question through a variety of data collection methods. A qualitative case study provided an avenue to explore and describe what the perceived influence corporate money had on the Arizona direct democracy measures. Moreover, MSA and qualitative case studies are well suited for questions that focus of real life, often complex phenomena like the central research questions in this study.

Implications

This study on Arizona political professionals regarding their perceptions of the influence of corporate money on direct democracy addresses and contributes to the gap in the literature. Since Arizona's statehood was established, voters were afforded the ability to use direct democracy to propose new laws or amend existing laws through the utilization of the ballot and referendum initiative process (Initiative, Referendum, and Recall Handbook, 2017). However, interest groups dominate the use of direct democracy and utilize corporate money to support or oppose initiatives and referendum. The connection between addressing moneyed interests and direct democracy has also been a constant and consistent concern. The very reason direct democracy exists was the culmination of the Progressive and Populist movements early in the 20th century to address moneyed interest and the power and influence that is realized from wealthy interests (Stroo, 2014; Theodore, 2013).

Despite the ongoing concern of moneyed interests gaining influence and power (Confessore & Thee-Brenan, 2015; Gerken, 2014; Heerwig & Shaw, 2014; Sarbanes &

O'Mara, 2016), and the overwhelming support of direct democracy by citizens and campaign professionals alike (Alexander, 2015; Coffe & Michels, 2014), the perceived influence of money remains an important factor to consider within the larger context of a complex political environment (Fortier & Malbin, 2013; Smith & Tolbert, 2007) and was recommended within the literature. This study contributes to the gap in the literature.

Impacts to Local Governments

At the state and local level this study provides information to citizens, stakeholders, and policy makers in order to make more informed decisions regarding the influence of corporate money on Arizona direct democracy. The conclusions of this study were consistent with the literature and MSA framework for this study and revealed that the political professional's perceptions are that the political stream was significantly influenced by corporate money within Arizona direct democracy. Specifically, key findings indicated four overarching themes (a) access to the ballot, (b) employing an effective campaign strategy, (c) running an effective paid media campaign, and (d) eventual outcome all hinged on the money available to fund and support, or oppose, the measure. These findings may also be applicable to other states that utilize direct democracy.

Arizona Referendum Impacts

The original contribution of this study was a comprehensive look into two significant Arizona ballot initiative and referendum measures: Proposition 127 and Referendum 305. Each was important for specific reasons: Proposition 127 was the most expensive ballot measure in Arizona history and Referendum 305 was a rare citizen's

grassroots effort. Providing information about the perceived influence of money on direct democracy may aid policy makers in their decisions regarding this complex and multidimensional topic. The conclusion of this study will give understanding to stakeholders and policy makers so they can consider any needed reforms to reach the original goal of citizen participation envisioned when the state's constitution was adopted.

Significance to Social Change

The findings from this study have the potential to effect positive social change in significant ways; first by providing information about the perceived influence of corporate money on the 2018 ballot initiative and referendum measures in Arizona. The implications for social change include policy makers utilizing the information from this study of the perceived influence of corporate money on direct democracy so they are equipped to implement policy aligned with the original goal of citizen participation in the state's constitution. Additionally, citizen stakeholders may be motivated and compelled to become more civically engaged which serves to hold representatives accountable to the people, drive policy change for citizens interests, and balance the interests of wealthy interest groups. The connection between perceptions of corporate money influence and direct democracy within Arizona also contributed to the body of scholarly literature. Moreover, this study helped expand the literature for the political stream of MSA.

Finally, findings may be extended to stakeholders in other states with direct democracy and yield the positive social change for its citizen stakeholders. Conceptualizing the perceptions of Arizona political professionals furthered the

understanding of the relationships between corporate money and direct democracy measures for Arizona voters, policy makers, and other stakeholders, made an original contribution to the literature, and has the potential for positive social change.

Conclusion

This study was designed to explore the perceived influence of what extent corporate money affected the 2018 Arizona ballot and referendum initiatives. Direct democracy was intended for minimal use by citizens. Although Arizona corporations have always exercised the right to contribute money to ballot campaigns, currently wealthy special interests dominate the process and use strategic, costly, and sophisticated techniques to advance their interests. The influence of corporate money on direct democracy remained unclear and provided a research opportunity. An in depth look of the perceptions of key political actors regarding direct democracy within Arizona was undertaken. Gaining a deeper understanding of direct democracy and specifically, the perceived influence of corporate money over ballot and referendum propositions, was explored with the political professionals. The research was well timed, and the findings made an original contribution to the body of scholarly literature. Interviews and document review were used to explore the phenomena.

In this study, four key thematic elements emerged (a) access to the ballot, (b) employing an effective campaign strategy, (c) running an effective paid media campaign, and (d) eventual outcome all hinged on the money available to fund and support, or oppose, the measure. The findings produced in this study and recommendations can provide valuable information to Arizona stakeholders and policy makers, contribute to

the gap in the literature, and inform other states that utilize direct democracy. While the recommendations offered will by no means solve all the challenges related to the problem of corporate money in elections being inconsistent with the tenants of direct democracy, they may offer valuable information to key stakeholders and policy makers, thus leading to positive social change.

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Appendix A: Proposition 127

Official Title amending article xv of the constitution of Arizona to require electricity providers to generate at least 50% of their annual sales of electricity from renewable energy sources

Descriptive Title The constitutional amendment would replace Arizona's current plan for increasing renewable energy use by imposing a new mandate requiring nongovernmental electric utilities to increase the portion of their retail energy sales generated from certain types of renewable energy resources to 50% by 2030.

A "YES" vote will replace Arizona's current plan for transitioning nongovernmental electric utilities to renewable energy with a constitutional mandate that, irrespective of cost to consumers, 50% of the retail energy sales of these utilities come from certain types of renewable energy by 2030 (neither pre-1997 hydropower nor any nuclear generation counts for this percentage); the current plan increases use of the same types of renewable energy from 8% this year to 15% in 2025. A "YES" vote also will mandate that these utilities increase their use of distributed renewable energy (energy locally generated and distributed from customers' premises) to 10% by 2030; will require the new mandates be met by obtaining renewable energy credits, which may be created through renewable energy production or purchased from others who own existing renewable energy credits; and will require the Arizona corporation commission to enact implementing regulations.

A “NO” vote will preserve the existing rules that govern the required annual percentage of retail sales of renewable energy by nongovernmental electric utilities.

Appendix B: Proposition 305

Official title amending sections 15-2401, 15-2402, 15-2403 and 42-2003, Arizona revised statutes; amending laws 2013, chapter 250, section 3; relating to empowerment scholarship accounts.

Descriptive title the law would expand eligibility for education empowerment scholarship accounts to increase the number of eligible students enrolled in kindergarten through twelfth grade, with greater funding provided for low-income students.

A “YES” vote would allow Senate Bill 1431 (2017) to go into effect, which would gradually increase for four years the percentage of students in kindergarten through twelfth grade eligible to receive an empowerment scholarship account to spend on tuition, textbooks, educational therapies, tutoring, or other qualified forms of instructional assistance at a private or home-based school in an amount equal to 90% of the allotted funding that otherwise would have been allocated to the student’s public school district or charter school (for low-income students, the amount would be equal to 100% of the allotted funding); make changes to the existing empowerment scholarship program by requiring a policy handbook to be published for program applicants and participants, clarifying parental rights to appeal department of education eligibility decisions, and placing scholarship spending information on the department’s website; and control the growth of the scholarship program by limiting new scholarship accounts each year through 2022 and eventually capping the number of new scholarship accounts at 2021-2022 fiscal year levels.

A “NO” vote will preserve the existing law regarding empowerment scholarship accounts.

Appendix C: Recruitment Letter with Interview Questions

Hello,

My name is Dena Hester and I am a PhD student at Walden University. I am conducting a research study about the influence of corporate money on the 2018 Arizona ballot and referendum initiatives. I am seeking to understand your perception of this topic based on your involvement and expertise in Arizona politics. I am reaching out to you to ask if you would like to participate in a 30-minute interview for this research project. Participation is completely voluntary, and your answers will be confidential. Your answers will not be attributed to you by name. The interview will take place at a convenient location in a quiet and private setting preferably your office. I will allow you 7 days to review a transcript of the interview before I incorporate it in my research. Further, if you would like a copy of the results from this study, I will email a summary to you.

The following questions will be asked: (this will be tailored for each participant to either Proposition 127 or Referendum 305)

1. What is your perception of how money impacted the Proposition 127 campaign?
2. What is your perception of how money impacted the Referendum 305 campaign?

Probes for questions 1 and 2:

Perceptions regarding:

- 1) getting on the ballot
- 2) campaign strategy
- 3) media campaign

- 4) outcome
 - 5) disclosure and transparency
3. Do you believe any of these aspects would have been different in a pre-Citizens United era?

If you are interested, please email me your response. I will also follow up with a phone call to see if you are interested. If you have any questions, please do not hesitate to contact me.

Thank you for your time.

Dena Hester

PhD Student at Walden University

Appendix D: Interview Script

“Thank you for agreeing to speak with me today.”

“The purpose of this interview is to understand your perspectives on the influence of corporate money on the 2018 ballot and referendum initiatives. Specifically, I would like to explore your perception of corporate money and how it changed since 2010. As a “Key Knowledgeable” person within Arizona politics your perspective will help contribute to a comprehensive case study on the influence of corporate money on direct democracy.”

“I will now review the consent form. The consent form establishes that the subject has (a) been informed about the study; (b) is participating voluntarily; and (c) may exit the study at any time.”

“The interview will last no longer than 30 minutes and I will audio record the interview to make sure that your responses are recorded accurately. Your answers aren’t going to be attributed to you by name and I will allow you to review a transcript of the interview before I incorporate in my research.”

“I am happy to answer any questions you have regarding the study. Do you have any questions for me before we begin?”

“Please read and sign the consent form.”