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Abstract: Does the state ballot initiative process affect American states' ability to meet widely accepted standards of "good governance?" This question is relevant in many places, but especially in California which makes the heaviest use of the popular initiative. While much recent non-academic work suggests the process has ill effects in the Golden State and elsewhere, there has been little systematic scholarly investigation of this topic; the notable exception is R.J. Dalton's work in 2008. Building on, updating, and extending his study, we examine whether the presence and extent of ballot initiative use affects Government Performance Project grades. Controlling for many other variables, we find a generally negative relationship between initiative use and such grades. This has worrisome implications for governance.

Keywords: direct democracy; initiative process; government performance; quantitative analysis.

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1 The Impact of Direct Democracy on Governance: A Replication and Extension

In their recent book advocating a drastic restructuring of California government, Joe Mathews and Mark Paul (2010, pp. 170–171) attribute much of the blame for the state's woes to the initiative process. They claim that ballot measures have hamstrung the legislative process, led to an inflexible taxing and spending system, and reduced accountability. They write:

> "*California has the most powerful – and thus the most inflexible – initiative process in the world. The legislature has no constitutional power to stop an initiative from reaching the ballot. Nor does the governor or any member of the executive branch... Such an inflexible system has many problems. Budget priorities can be locked in easily, and they persist even when revenues*

diminish or when the priorities of a majority of Californians change... Effectively, voters can set in cement laws and constitutional amendments that will govern the state long after they are dead or have moved away, even if new majorities would like something different."

Nor is this a unique argument. Several non-academic studies of California government and policy-making place significant blame on the initiative process, suggesting that the wide open nature of this system leads to particular burdens for the Golden State (e.g., Schrag 2004).

However, rigorous academic studies of effects of ballot initiatives on governance are rare. True, over the past two decades we have seen a burgeoning empirical literature on many aspects of the effects of the initiative process in the American states. For instance, many studies have examined whether the process leads to public policies closer to the preferences of the median voter, with mixed results. But these studies are not directly related to the question of whether or not ballot measures help states meet standards of good government, however these are defined.

The lack of attention to governance is interesting because establishment of the initiative process was one of the major reforms of the Progressive era which aimed to both reduce the power of special interests and make government work better, notably in California. The Progressives pushed for legislative, political, social, economic, and moral reforms during an era when big business entrenched itself in all levels of government by generating dependence on its monetary payouts and developed cozy relationships with elected officials and party bosses (Center for Governmental Studies 2008, p. 36). Political reforms such as the initiative process, the referendum, and the recall gained momentum in 1906 when states such as California began prosecuting officials for bribery and corruption. The Progressives were extremely successful and much of the changes enacted, in response to the corruption and power of the political machine and the spoils system, remain in place today. Despite the optimism about direct democracy's ability to neutralize special interests, increase voter turnout, and reduce alienation, the impact of the ballot initiatives remains controversial.

Why have contemporary political scientists largely failed to assess whether in fact the initiative process has lived up to its Progressive era promise of improving governance? The failure is likely due in part to uncertainty as to how to operationalize and measure the concept of good governance. However, an article by Russell J. Dalton (2008) outlines a means of doing so, drawing on the r Project. We build on Dalton's work, using a different and more recent data set, and including additional variables. Although the results vary for different specifications, we find some evidence that the ballot initiative process does in fact lead to less effective governance.

The remainder of this article is organized as follows. We begin by offering a brief discussion of California's experience with the initiative process as well as a review of the literature. Next we turn to our data source and methods, followed by our quantitative analysis. We end with consideration of specific implications for the Golden State.

2 The Ballot Initiative Process Today

The California experience with direct democracy has been widely studied due to the state's frequent use and highly sophisticated and organized campaigns. California's experience also suggests that if governance problems were to occur anywhere as a result of ballot initiatives, they should show themselves in the Golden State. Californians have voted on 329 ballot initiatives since 1911, the year direct democracy was adopted, and has spent millions on initiative campaigns (see Figure 1).

As shown in Figure 1, more money was spent on initiative campaigns held in California in 2004, 2005, 2006, and 2008 than all of the other initiative states combined for the same years. One of the widely emphasized examples of direct democracy is Proposition 13, passed in California in 1978. Proposition 13 placed limits on property taxes and required two-thirds vote by the legislature to increase taxes and approve new special local taxes. Although Proposition 13 was a California initiative, the proposition received an enormous amount of publicity throughout the United States and generated a national tax revolt. Proposition 13 set the precedent for ballot box budgeting, the process in which citizens directly or indirectly make decisions on portions of the state budget by popular vote. Yet thirty years after the passage of Proposition 13, in the midst of a global eco-
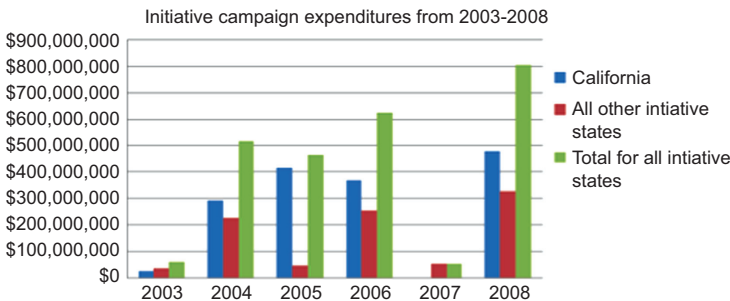

Figure 1: Initiative Spending Levels from 2003 to 2008.
Source: National Institute on Money in State Politics (2011).

nomic crisis, and huge state deficits, many are questioning whether the initiative process impedes government performance. Even journalists have noted this pattern. For instance, *The Economist* (2009) linked California's fiscal crisis to the initiative and referendum process and the problems associated with the process such as the inability of legislatures to override successful initiatives and the lack of a sunset clause for initiatives that passed.

3 Where Does this Research Fit with the Literature on Ballot Initiatives?

We noted previously that there has been a virtual explosion of systematic empirical research on ballot initiatives in the United States over the past couple of decades. We also readily acknowledge that recent work is appropriately comparative in nature, contrasting outcomes in states with and without the ballot initiative process, and/or across states that are light or heavy users of ballot measures. Yet the extant studies tend not to directly address whether direct democracy promotes good or bad governance, although they may have implications for that question (an exception is 2012 article by Cummins, which we will subsequently consider at more length) (Cummins 2012). More specifically, existing research has focused on topics such as the following.

Does the ballot initiative process lead to different policy outcomes? Research such as that by Bowler and Donovan (2004) addresses the question of whether the ballot initiative process simply leads to *different* policy choices than would be the case without this mechanism, or if the mechanism was present but used infrequently (Bowler and Donovan themselves find mixed results).

Do ballot initiatives lead to policies that correspond more closely with public opinion? Beginning with Lascher et al. (1996), another line of inquiry has focused on whether the presence of ballot measures leads to policies that correspond more closely with citizens' policy preferences or ideology. Results are decidedly mixed. For example, Matsusaka (2005) concludes that the initiative process leads to policies more in line with the public's desires whereas Monogan et al. (2009) conclude that it does not, consistent with the original findings of Lascher et al. (1996).

Do ballot initiatives harm minority interests? Still a third line of policy relevant research concentrates on whether ballot initiatives help or hurt the interests of members of minority groups that have traditionally suffered from various forms of discrimination, such as ethnic and sexual minority groups. Here as well results have been mixed, although some recent work (Haider-Markel et al. 2007) has

highlighted potential concerns about direct democracy's influence on minority interests.

Do ballot initiatives have beneficial secondary effects, not directly related to public policy? In recent years there have been a number of studies focusing on whether the ballot initiative process in some ways encourages civic engagement, separate and apart from any direct effect on governance. Many of these studies are traceable to the pioneering work of Smith and Tolbert (2004), who generally reported positive secondary effects of direct democracy on civic engagement in *Educated by Initiative*. However, more recent empirical work has generally been less supportive of such conclusions, casting doubt on whether in fact the ballot initiative process has the positive effects earlier claimed for it (Dyck 2009; Dyck and Lascher 2009; Schlozman and Yohai 2008).

Does direct democracy increase interest group organization and activity? Boehmke (2002, 2008) has conducted empirical studies that indicate the ballot initiative process generally increases the number, activity, and diversity of interest groups.

All of the above are important and worthwhile topics for research. However, they do not relate directly to broad questions of "good governance" such as whether a government is able to develop a budget in a timely manner and stick with it, balance revenues and expenditures, make appropriate infrastructure investments, acquire and promote workforce development, make decisions transparent to the public, and the like. There is much consensus that *all* state governments should be doing these things, regardless of the underlying political culture and ideology, as well as whether public policy tends towards a more conservative or liberal direction. And ballot measures might, for example, affect the ability of legislatures to develop a balanced budget (by perhaps removing legislative discretion over aspects of state spending) regardless of whether they lead to more liberal (or conservative) spending policies overall. In this regard, it is important to note that one recent study that focused directly on an aspect of good governance, timeliness of state budget adoption, found that voter passed ballot initiatives had a significant negative impact in California (Cummins 2012).

But if we are to look *across* states, comparing them in terms of initiative use, how would we know if governance is better or worse? Dalton (2008) suggests a promising option: rely on measures developed by groups focusing on governance issues at the state level. He used government performance and tax policy data for the Government Performance Project (GPP) from the Maxwell School of Citizenship. Significantly, when using multivariate analysis he found "a consistent negative effect of direct democracy on governance" (Dalton 2008, p. 167). We follow his lead, while using updated data and adding new variables; details of our measures are discussed in the next section.

4 Data and Methods

We obtained the original data used by Dalton (2008) and then proceeded to replicate and extend his analysis using more recent data from the Pew Center on the States as well as additional variables that were previously not included. This paper focuses on data available for the year 2008; however, if no data exists for 2008 we use information from the closest year with data available.

Our analysis is cross-sectional and we use ordinary least squares regression. The main dependent variable consists of the grades each state received from the GPP for 2008. The GPP is the only study in the nation that has measured the performance of each state in the country. The 2008 report aimed at evaluating the overall capacity of state governments to produce results is the fourth iteration that began in 1999 (see Table 1). The grades are presented in an A to F grading format, with an A grade equaling 4.00 and an F grade equaling 0.00. Plus and minus grades are included as +0.25 and −0.25. The report concentrated on four key areas of public management that are necessary for achieving policy goals:

- *Information* assesses the state on broad areas which include (1) active focus on making future policy and data collection to support policy direction, (2) appropriate data on the relationship of costs and performance and whether such information is used to make resource allocation decisions, (3) appropriate information required for management to make decisions, (4) appropriate data available to assess actual policy and program performance, and (5) availability of program to the public and the public's ability to provide input to officials.
- *Infrastructure* evaluates the state on broad areas which include (1) systematic and regular assessment of infrastructure needs and transparency in project selection, (2) effective and comprehensive monitoring process of infrastructure projects, (3) the utilization of recognized engineering practices for infrastructure maintenance, (4) comprehensive management of its infrastructure, and (5) effective intergovernmental and interstate coordination networks.
- *Fiscal assessment* includes (1) use of long-term perspective on budget decisions, (2) inclusive, transparent, and easy to follow budget process, (3) structural balance between revenue and expenditures, (4) efficient procurement activities supported by effective internal controls, and (5) utilization of systematic assessments of financial operations and management.
- *Human capital* evaluates the state on broad areas which include (1) the regularity of human capital needs assessments, (2) whether the state acquires the employees it needs, (3) ability to retain a skilled workforce,

(4) availability of workforce development, and (5) effective management of workforce performance programs.

The GPP report is a collaborative effort among Pew staff, academics, and journalists. Roughly 12,000 sources of information ranging from surveys, written documents, and interviews were compiled to obtain a comprehensive view of the performance of each state. The data for the GPP report were obtained from government reports, the states' websites, web based surveys of public officials as requested by Pew Center staff, and journalists at *Governing* magazine and the Pew Center on the States conducted interviews. Pew Center staff performed additional research on two state agencies – corrections and the agency responsible for child protective services – to evaluate agency level performance that was eventually factored into the overall score of each criteria. Grades were agreed upon collaboratively with the original team of researchers that collected the data. More weight was given to states that were able to produce tangible results rather than simply possessing plans, proposals, and data (Barrett and Greene 2008). The grade received by each state in the 2008 report is the most comparable to the Pew 2005 report because the same grading criteria were utilized.

We also considered one additional dependent variable: percentage of state debt. Our intention was to determine if we found similar results with an alternative conception of "good governance". The 2007 debt for each state was acquired from the United States Census Bureau (2011e,f); we then transformed the totals into a percentage.

Our test variable is the use of state ballot initiatives. That is, we seek to compare the performance of state governments giving consideration to use of the initiative process and controlling for a variety of other factors that reasonably might be expected to affect performance. With respect to how to specify the initiative variable, we were conscious of the different approaches that have been used. For example, Bowler and Donovan (2004) as well as Dalton (2008) questioned using a simple dummy initiative variable because of the vast differences in implementation, rules governing the process, and the frequency of use by state. They advocated using a continuous variable for frequency of initiative use. Others (e.g., Lascher et al. 1996) have used a dichotomous measure to capture the threat of initiatives. Rather than attempting to settle this question *a priori*, we ran three models, one with a dichotomous measure, one with a continuous variable, and one with both. The data for the number of initiatives passed from 1960 to 2008 were obtained from the Initiative and Referendum Institute which provided a historical listing of all ballot measures that were voted on since the process was first allowed in the state and the approval rate for each year (Initiative and Referendum Institute 2010).

States	1999	2001	2005	2008	States	1999	2001	2005	2008
Alabama	1.00	1.75	1.75	2.25	Montana	2.75	2.25	2.25	2.25
Alaska	2.00	2.00	2.25	2.00	Nebraska	3.00	2.75	3.00	3.00
Arizona	2.00	2.25	3.00	2.75	Nevada	2.25	2.00	2.75	2.25
Arkansas	1.75	2.00	2.25	2.00	New Hampshire	2.25	2.00	2.00	1.25
California	1.75	2.25	1.75	2.00	New Jersey	2.75	2.75	2.75	2.00
Colorado	2.25	2.25	2.25	2.25	New Mexico	1.75	2.25	2.25	2.75
Connecticut	1.75	2.00	2.25	2.75	New York	1.75	2.25	2.75	2.75
Delaware	3.00	3.25	3.25	3.25	North Carolina	2.75	3.00	2.25	2.75
Florida	2.25	2.75	2.75	2.75	North Dakota	3.00	2.75	2.75	2.75
Georgia	2.25	2.75	3.00	3.25	Ohio	3.00	3.00	3.00	2.75
Hawaii	1.75	2.00	2.00	2.25	Oklahoma	2.00	2.00	2.25	2.25
Idaho	2.00	2.75	2.75	2.75	Oregon	2.75	2.25	2.25	2.25
Illinois	2.75	3.00	2.25	2.00	Pennsylvania	3.00	3.25	3.00	2.75
Indiana	2.25	2.75	2.25	3.00	Rhode Island	1.75	2.00	2.25	1.75
Iowa	3.00	3.25	3.00	3.00	South Carolina	3.00	3.25	3.00	2.75
Kansas	2.75	3.00	3.00	2.75	South Dakota	2.75	2.25	2.75	2.25
Kentucky	3.00	3.25	3.25	2.75	Tennessee	2.75	2.75	2.25	2.75
Louisiana	2.75	2.75	3.00	3.00	Texas	3.00	3.00	3.00	3.25
Maine	2.00	2.75	2.75	2.00	Utah	3.75	3.75	3.75	3.75
Maryland	3.00	3.25	3.00	3.00	Vermont	2.75	2.75	3.00	2.75
Massachusetts	2.75	2.25	2.25	2.00	Virginia	3.75	3.25	3.75	3.75
Michigan	3.25	3.75	3.25	3.25	Washington	3.75	3.75	3.25	3.75
Minnesota	3.00	3.00	3.25	2.75	West Virginia	2.25	2.00	2.25	2.25
Mississippi	2.25	2.25	2.25	2.25	Wisconsin	3.00	2.75	2.75	2.75
Missouri	3.75	3.25	3.00	3.25	Wyoming	2.00	2.00	2.00	2.75

Table 1: Government Performance Grades for Each State.
The table entries are the average scores each state received based on the measures of performance (five measures for 1999 and 2001, four measures for 2005 and 2008). The scale ranges from A=4.00 to F=0.00. The 2008 state grade is comparable to 2005.
Source: Pew Center on the States (2005), and Barrett and Greene (2008) and Dalton (2008).

We also used a variety of control variables. To the extent possible we included those Dalton (2008) had used. But we also go well beyond the measures he considered to include a number of independent variables commonly used in comparative state political and policy analysis, such as the average political ideology of state residents. We obtained the data for the control variables from multiple sources (see Table 2). The United States Census Bureau provided data for the variables: 2008 per capita income in current dollars (United States Census Bureau 2011d), 2007 individual charitable contributions (United States Census Bureau 2011c), 2008 percent of college graduate or higher (United States Census Bureau 2011b), and 2008 percent of non-Hispanic White (United States Census Bureau 2011g). We also used the United States Census Bureau to calculate the percentage of the population over 18 years of age (United States Census Bureau 2011a).

The citizen ideology indicator variable data consisted of the revised 1960–2008 citizen ideology series from the original Berry et al. (1998) article. The state government ideology indicator variable data is also a revised version of Berry et al. (1998). For a full description of how the variables were derived, see Berry et al. (1998). We obtained the rural/urban composition of the state and the initiative/non-initiative state variable from Dalton (2008).

Although we will pay relatively little attention to the control variables in this article, it is worth explaining briefly why we chose them and how we expected they might influence the dependent variable:

1. The government ideology variable (with high values indicating greater liberalism among elective officials) assumes that liberals support a strong government while conservatives are critical of government and prefer to limit the reach of government. We expected the effect to be positive.

Variable Label	Description	Source
Dependent Variables		
Government Performance Project Grades 2008	A=4.00, A−=3.75, B+=3.25, B=3.00, B−=2.75, C+=2.25, C=2.00, C−=1.75, D+=1.25, D=1.00, D−=0.75, F=0.00	Pew Center on the States Report
State Debt 2007	State debt as a percentage of income	Census Bureau
Independent Variables		
Initiatives passed between1960 and 2008	Scale	Initiative and Referendum Institute
Initiative	Dummy variable 1=initiative state	Dalton 2008
Government Ideology	Ideology of state government; 0 to 100 scale with 0 being the most conservative and 100 the most liberal	Revised Berry et al. 1998
Rural/Urban Composition	Percent rural	Dalton 2008
Voting Age Population 2008	Percent of the population eligible to vote	Census Bureau
Per Capita Personal Income 2008	Scale	Census Bureau
Individual Charitable Contributions 2007	Scale	Census Bureau
Citizen Ideology 2008	Citizen ideology; 0 to 100 scale with 0 being the most conservative and 100 the most liberal	Revised Berry et al. 1998
College Graduate or Higher 2008	Percentage of population 25 years and older with a Bachelors degree or more	Census Bureau
Non-Hispanic Whites 2008	Percentage of total population	Census Bureau

Table 2: Variable Labels, Descriptions, and Data Sources.

2. The citizen ideology of the state assumes that liberals support a strong government while conservatives are critical of government and prefer to limit the reach of government. We expected the effect to be positive.
3. The rural/urban variable (with high values indicating a greater percentage of urban dwellers) was expected to affect government performance because urban states present more of a challenge to state governments due to polarization. The effect of the rural/urban variable was expected to be negative.
4. Voting age population reflects the percentage of the state population aged 18 or more. We anticipated that the types of services required for different aged populations might affect overall state government performance. However, we were uncertain about the likely direction of such an effect.
5. The variable per capita income of a state was expected to have a positive influence on government performance because higher-income citizens may be more effective in demanding better government.
6. The comprehensive social capital of a state, as emphasized by Knack (2002), was assumed to have a positive effect because social capital maintains civic resources, standard models, and skills that facilitate good government. Because we had no current overall social capital variable we used information about individual charitable contributions. We believed these to be reflective of general reciprocity and civic cooperation with an expected positive correlation to government performance.
7. The education variable is a measure of the percentage of college graduate or higher in a state. The education variable was expected to produce a positive effect because better educated workforce provides a larger pool of talented individuals possessing skills necessary for successful public policy imple-mentation.
8. Population heterogeneity is also an important factor because the more homogeneous the group the less polarization and less conflicting policy demands from government. The heterogeneity variable was measured by the percentage of non-Hispanic Whites in the state and the variable was expected to be positive.

We return now to the main issue at hand. Based on Dalton's findings as well as recent non-academic work on the impact of direct democracy, our fundamental expectation was that the impact of ballot propositions on governance would be negative. That is, controlling for a variety of other variables, we anticipated that greater use of ballot measures would lead to lower state government performance rankings.

5 Findings

We begin with descriptive information for all variables, presented in Table 3. It is especially important to note that there is significant variance for the dependent variables considered.

Turning to the heart of our analysis, inspection of Table 4 indicates that controlling for a variety of other factors such as political composition of the state and the state and populace demographics, the initiative variables tend to be negatively related to governance, regardless of which way direct democracy is measured. However, the statistical significance of the initiative coefficient depends on the particular specification. The continuous initiative variable, in Model 1, is negatively related to government performance although the coefficient is not statistically significant. A negative relationship exists between the initiative dummy variable in Model 2 and government performance and this relationship is statistically significant at the 0.05 level. When both initiative variables were included for Model 3 the dummy initiative variable shows a negative relationship while the continuous initiative variable shows an extremely small positive impact to government performance. It should be noted that neither initiative variable is statistically significant in Model 3.

The coefficient of the initiative variable for Model 2 is -0.322 indicating that, other things equal, the government performance grade lowers by 0.322 units, or approximately one-third of a grade, with the presence of the initiative

Variable Label	Mean	Standard Deviation	Minimum Value	Maximum Value
Dependent Variable				
Government Performance Project Grades	2.63	0.53	1.25	3.75
State Debt	34.10	17.64	7.87	97.05
Independent Variables				
Initiatives passed between 1960 and 1998	11.28	17.39	0.00	75.00
Initiative	0.48	0.51	0.00	1.00
Government Ideology	63.58	28.25	7.88	98.13
Rural/Urban Composition	31.83	14.68	7.40	67.90
Voting Age Population	75.83	1.86	68.81	79.29
Per Capita Personal Income	39076.80	5765.08	30383.00	56245.00
Individual Charitable Contributions	3767.92	4539.65	220.00	24548.00
Citizen Ideology	61.34	17.55	25.24	91.85
College Graduate or Higher	26.94	4.76	17.10	38.10
Non-Hispanic Whites	72.92	15.18	25.09	95.06

Table 3: Descriptive Statistics, *n*=50 States.

Independent Variables	DV=Government Performance		
	Model 1	Model 2	Model 3
Constant	11.013 (4.628)	12.290 (4.540)	12.340 (4.658)
Initiatives passed between 1960 and 2008	−0.007 (0.005)	−	0.000 (0.007)
Initiative	−	−0.322** (0.153)	−0.333 (0.231)
Government Ideology	−0.004 (0.003)	−0.005 (0.003)	−0.005 (0.004)
Rural/Urban Composition	−0.007 (0.008)	−0.008 (0.008)	−0.008 (0.008)
Voting Age Population	−0.112 (0.068)	−0.128* (0.066)	−0.129* (0.068)
Per Capita Personal Income	−2.176E-5 (0.000)	−1.704E-5 (0.000)	−1.671E-5 (0.000)
Individual Charitable Contributions	1.214E-5 (0.000)	5.444E-6 (0.000)	5.000E-6 (0.000)
Citizen Ideology	0.010 (0.007)	0.010 (0.007)	0.010 (0.007)
College Graduate or Higher	0.010 (0.027)	0.003 (0.026)	0.002 (0.027)
Non-Hispanic Whites	0.008 (0.007)	0.010 (0.007)	0.010 (0.007)
n	50	50	50
R Square	0.239	0.278	0.278

Table 4: Regression Models of State Government Performance.
*Significant at the 90% level.
**Significant at the 95% level.

process [again, the grading scale was 0.00 (F) to 4.00 (A)]. Absent the initiative process, the grade movement for the five frequent use states are as follows: California would move from a C (2.00) to a little higher than a C+ (2.25), Oregon and Colorado would move from a C+ to just below a B−, Arizona would move from a B− to a little higher than B, and Washington would move from an A− to an A. In states that use the initiative process with less frequency the grades would move as follows: for Illinois the move is from C to a little higher than a C+, Mississippi and Oklahoma the move is from C+ to just below a B−, Wyoming would move from a B− to a little higher than B, and Utah would move from an A− to an A.

As shown in Appendix A, none of the independent variable correlation coefficients are >0.80. The regression results pass the first method of multicollinearity detection. No variable possesses a variance inflation factor (VIF) >5, suggesting that multicollinearity is not an issue in all three models. The highest VIFs for Models 1, 2, and 3 is the per capita personal income variable at 3.213, 3.135, and 3.292 for all three dependent variables. However, collinearity between the dichotomous and continuous measures of the initiative process may explain why neither coefficient is statistically significant when both variables are included in the same model.

We also looked briefly at an alternative notion of good governance: achieving a lower state debt ratio. This variable is less comprehensive than the GPP measure, and arguably less defensible as a consequence. In any event, we did not find a significant relationship between use of ballot initiatives and state debt. The complete analysis using this dependent variable is available from the authors.

6 Summary and Implications

The results of the regression analysis are generally consistent with some non-academic work critical of direct democracy, as well as Dalton's (2008) recent scholarly investigation of how ballot initiatives affect governance. We examined this topic using three different versions of the direct democracy variable – continuous, dichotomous, both measures together – resulting in one statistically significant coefficient for the initiative variable and a pattern of negative relationships. The results of the regression suggest that the initiative process results in lower state performance grades, consistent with Dalton's analysis, although the lack of significance for some coefficients also indicates the need for caution.

Given such findings, a critical practical question is whether there is any likelihood of change in the initiative process, especially in California which remains the heaviest user of ballot propositions (Initiative and Referendum Institute 2010). We see essentially no possibility that the initiative process will be eliminated. Not a single American state that has adopted such a process has subsequently terminated it. Moreover, much research has emphasized polls showing that the process remains generally popular with the public. However, recent analysis has called into question the depth of such support, and suggested that citizens – including Californians – are in fact quite supportive of some reforms (see especially Dyck and Baldassare 2012). For example, a 2006 survey by the Center for Governmental Studies (2008) found that although 45% of respondents were somewhat satisfied and 37% of respondents not satisfied with the initiative process at all, 80% of the respondents believed in the idea of the initiative process and the ability of voters to make decisions on proposed laws (Center for Governmental Studies 2008, p. 348).

Many scholars and researchers have proposed various changes to improve the initiative process. California's fiscal predicament gives urgency to reform, inducing individuals and groups to work on possible changes. The number of proposals for change is large; however, we will only address the reforms that are

pertinent to government performance. A first possibility is the requirement of a sunset clause for enacted initiative measures. A sunset clause requires passed initiatives to expire after a specified amount of time unless they are reauthorized by citizens or the legislature (*The Economist* 2011). A sunset clause allows voters to reevaluate a law's benefits and disadvantages after implementation. This might protect citizens from any unintended consequences of the law that were not evident prior to implementation.

Another possible solution would require a supermajority of the electorate to pass a proposition that mandates future supermajority votes. This would prevent a simple majority to "authorize a mere 34 percent of Californians to block any special tax increase" even if a majority – but less than two-thirds – is in favor of the increase (Center for Governmental Studies 2008, p. 351). It is interesting to note that even Proposition 13, which won in a landslide and first established the precedent of requiring future supermajority votes for tax approvals, did not itself quite receive support from two-thirds of voters.

California might also work to better establish the connection between spending and revenue in initiative decisions (see *The Economist* 2011, Dubois and Feeney 1998). Unlike California and Mississippi, many states place limits on appropriations made through the initiative process. However, Mississippi requires the text of the initiative to include the amount and source of revenue necessary for implementation and the programs targeted for reduction or elimination if the initiative is seeking to reduce revenue or reallocate funds (Dubois and Feeney 1998, p. 83). This proposal would require initiatives to indicate how much implementation would cost and whether the money would come from a new tax or by cutting an existing program, essentially identifying tradeoffs. Traditionally, citizens are given public policy questions to decide without understanding either the economic, social, or environmental costs. Forcing citizens to confront tradeoffs may alleviate some governance issues. The change would force citizens voting on the initiative to decide if they rather increase taxes for the new program or if they want to see cuts to an existing program.

Other reform options are also possible, and it is not our aim here to analyze any of them in depth. Instead the present research reinforces the need to consider such proposals for change. It would be comforting to believe that the initiative process as presently constituted is fulfilling the Progressives' goal of promoting good governance. However, the available evidence suggests otherwise.

Appendix A: Correlation Matrix

	Government Performance Project Grades	Initiatives passed between 1960 and 2008	Initiative	Government Ideology	Rural/Urban Composition	State Expenditure
Government Performance Project Grades	1	-0.137	-0.144	-0.296*	-0.088	0.127
Initiatives passed between1960 and 2008	-0.137	1	0.680**	0.021	-0.263	-0.387**
Initiative	-0.144	0.680**	1	-0.223	-0.111	-0.496**
Government Ideology	-0.296*	0.021	-0.223	1	-0.024	0.092
Rural/Urban Composition	-0.088	-0.263	-0.111	-0.024	1	-0.062
State Expenditure	0.127	-0.387**	-0.496**	0.092	-0.062	1
State Debt	-0.420**	-0.085	-0.139	0.438**	-0.057	0.159
Voting Age Population	-0.336*	-0.039	-0.223	0.573**	0.294**	0.097
Per Capita Personal Income	-0.146	0.061	-0.084	0.353*	-0.496**	-0.043
Individual Charitable Contributions	0.079	0.286*	-0.007	-0.058	-0.480**	0.019
Citizen Ideology	-0.138	0.045	-0.220	0.632**	-0.024	0.069
College Graduate or Higher	-0.031	0.118	-0.102	0.355*	-0.448**	0.128
Non-Hispanic Whites	-0.022	-0.078	0.120	0.071	0.591**	-0.104

	Voting Age Population	Per Capita Personal Income	Individual Charitable Contributions	Citizen Ideology	College Graduate or Higher	Non-Hispanic Whites
Government Performance Project Grades	-0.336*	-0.146	0.079	-0.138	-0.031	-0.022
Initiatives passed between1960 and 2008	-0.039	0.061	0.286*	0.045	0.118	-0.078
Initiative	-0.223	-0.084	-0.007	-0.220	-0.102	0.120
Government Ideology	0.573**	0.353*	-0.058	0.632**	0.355*	0.071
Rural/Urban Composition	0.294**	-0.496**	-0.480**	-0.024	-0.448**	0.591**
State Expenditure	0.097	-0.043	0.019	0.069	0.128	-0.104
State Debt	0.476**	0.450**	0.271	0.560**	0.262	-0.135
Voting Age Population	1	0.271	0.262	0.694**	0.187	0.327*
Per Capita Personal Income	0.271	1	0.262	0.411**	0.773**	-0.135
Individual Charitable Contributions	0.262	0.262	1	0.073	0.228	-0.454**
Citizen Ideology	0.694**	0.411**	0.073	1	0.468**	0.042
College Graduate or Higher	0.187	0.773**	0.228	0.468**	1	-0.075
Non-Hispanic Whites	0.327*	-0.135	-0.454**	0.042	-0.075	1

*Correlation is significant at the 0.05 level (two-tailed).

**Correlation is significant at the 0.01 level (two-tailed).

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