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Predicting State Allocation of Funds: The Case of John Rowland and his Hometown of Waterbury, Connecticut.

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Factors Predicting State Allocation of Funds:**The Case of John Rowland and his Hometown of Waterbury, Connecticut****Matt Ciarleglio****University of Connecticut**

One of the central functions of government is to fund projects and finance particular activities that are intended for the public good. These projects and activities include but are not limited to roads, schools, improvements to the facilities of social organizations, public parks, libraries, and financial support for various other public and private institutions. This subject is of interest to political scientists because government financing of certain activities is essential to the political process and integral to our everyday lives. Unlike individuals, the government can pool large quantities of resources and funds to support these projects. It is worth noting how government decisions about what activities and projects to financially support are shaped by political, economic, and demographic concerns.

It can be argued that items of budgetary discretion should be allocated based on certain objective factors such as the economic and demographic characteristics of the city receiving the assistance. Using this reasoning, poorer cities and those localities with difficult economic conditions should receive more state assistance and funding for projects than more affluent municipalities. However, in reality, state aid is often given to cities that are less deserving of that aid based on such objective criteria. This begs the question of what causes politicians to direct more state aid to more advantaged cities, and what other factors influence the decisions of politicians. Whether these factors are of political origin or whether they are motivated by

personal favoritism provides a topic for study. My study will attempt to identify these underlying motives that influence the allocation of state funds.

This research project is interesting and significant for various audiences. The study appeals to political scientists because it can be viewed within the broader theoretical issue of political patronage. Although patronage is generally defined as the provision of jobs or gifts to a particular constituency, patronage will be defined in my study as the distribution of state money to cities. Patronage and the state allocation of funds are of current interest to political scientists because of the increasing use of “pork barrel politics” within Congress. Although the focus of my study is gubernatorial patronage, it is a variation of the same phenomenon. Moreover, it is hoped that the results of the study could help elected officials, most notably state officials, undertake their jobs more effectively. The results of the study may make elected officials aware of any bias and favoritism that exists in their own allocation of funds. Lastly, the work is relevant to an ordinary citizen because the allocation of state money to municipalities impacts everyday life. State money directed toward cities influences such things as economic vitality and the overall standard of living. A city receiving a larger share of state money is capable of having nicer parks, cleaner streets, and more social programs for its residents.

To seek to determine the underlying motivations of politicians when allocating state funds and to evaluate whether non-objective factors trump objective factors, I will perform a case study that includes all Connecticut cities with populations exceeding 50,000 as of the year 2000. In particular, the allocation of funds by Governor John Rowland from 1995 to 2004 will be examined to determine if the governor showed favoritism toward his hometown of Waterbury, Connecticut that resulted in Waterbury receiving a larger amount of aid than predicted. Connecticut offers the opportunity for a unique and interesting case study because it is generally

considered to be one of the richest states in the union, and there is an obvious contrast in wealth found within the state. Many cities in the southwestern portion of the state are close to New York City and are considered to be affluent, and many others are considered to be less economically prosperous (U.S. Census, Fact Sheet, 2006).

In order to achieve this goal, I will first assess where the scholarly literature stands on the debate. Since the distribution of discretionary funds will be considered within the framework of patronage, the literature being reviewed chiefly pertains to political patronage. While focusing on the political ramifications of patronage allocation, the literature review highlights two viewpoints, the institutionalist perspective and the economic perspective. Although both perspectives highlight potential explanations behind the distribution of funds, additional economic and demographic characteristics such as unemployment level and population size are more applicable to the type of study I am conducting.

I then proceed to present a model and hypothesis section where I explicitly state the independent variables and their relationship to the dependent variable, which is the level of state aid to a certain municipality. An evaluation of the scholarly literature and the creation of a model culminate with a statement of the hypothesis. My hypothesis is that objective characteristics in part determine the level of aid given to cities and deviations from these predictions are the results of non-objective criteria such as favoritism and the need to increase political support. With regard to the case study, I hypothesize that Waterbury received a larger amount of state aid than would be expected based on the predictive factors.

The research design highlights exactly how the hypothesis will be evaluated. After defining the independent variables and discussing how the variables are to be operationalized, I provide a short discussion of the cases being studied, which are the 17 Connecticut cities with

populations exceeding 50,000. The section identifies the sources from which the data are collected and then justifies the credibility of these sources. Moreover, this section presents interview questions to be used when interviewing former Governor John Rowland and Dr. William Pizzuto, a former Waterbury alderman.

A linear regression analysis carried out by SPSS will determine if there is a correlation between the independent variables and the dependent variable of state aid to a particular municipality. Thus, one of the aims of the study is to determine if there is a relationship between the economic and demographic characteristics of a city and the level of state money and funding it receives. In addition, a residual analysis will be performed to determine if the 17 cities being studied received more or less money than would be expected. If it is determined that Waterbury was an outlier with regard to the amount of aid received by cities with similar economic and demographic characteristics, it can be concluded that non-objective factors sometimes take precedence over objective economic and demographic characteristics in influencing the decisions of elected officials when dispensing state money.

The Literature on Patronage and the State Allocation of Resources

Political patronage is an important aspect of American political culture. Since patronage and favoritism involve providing public benefits to a select group of people, it is a technique often used by politicians to gain re-election. While political patronage is often associated with Congress and may include “pork-barrel” legislation, favoritism and patronage are also found on the state level, with regard to governors and legislators and the allocation of public funds.

Former Governor John Rowland is a good example of a politician who relied on patronage while in office. Having first served in the Connecticut state legislature and then in the

United States House of Representatives, Rowland went on to serve as Connecticut governor from January 1995 to July 2004. In addition to the scandal that forced him to resign from office, controversy arose over Rowland's apparent favoritism toward his hometown of Waterbury, Connecticut. Critics argued that Rowland showed preferential treatment toward his hometown by presenting the city with substantial economic and political benefits. Rowland was responsible for the new downtown campus of the University of Connecticut at Waterbury, the restoration of the Palace Theater, and the allocation of a large amount of financial aid to the city for other projects. This is supported by a "Memorandum of Understanding" which provides a general outline of Governor Rowland's plan for economic development in downtown Waterbury. The Memo was authored by various Connecticut economic development agencies and highlights the plans for the UConn campus, the renovated Palace Theatre, and the construction of an arts magnet school. *Waterbury Downtown Development Project (2003)*

Much of the debate in the literature is concerned with the factors that influence the level of political patronage and the factors that determine the locality to which this patronage is given. In addition to addressing its causes, the literature also provides case studies as to patronage's impact on the political system. Consequently, the majority of the literature focuses on two schools of thought: the institutionalist perspective and the economic approach. The institutionalist perspective highlights social organizations and establishments as having an impact on political phenomena. According to Baglione (2007), "institutions...provide incentives that encourage some behaviors and discourage others" and proponents of this viewpoint emphasize "the rules and the mechanics of politics" (35). Alternatively, the economic perspective considers the economy as influential in shaping political phenomenon and "that economic conditions drive politics" (36).

Before proceeding to review the discussion of patronage and the factors affecting it, it is necessary to understand what the concept of political patronage means, and how different scholars have interpreted the concept. Although patronage is generally understood as the bestowing of favors and showing favoritism toward a particular constituency, it is more specifically the concept of providing “incentives...money or gifts, jobs, contracts, favors...”, and “how rewards and incentives are distributed within a patron-client organization” (Johnston 1979, 385). Paul Burstein (1976) considers patronage to be the “Tangible rewards from parties –help received in getting healthcare, finding employment and housing...dealing with government bureaucracies, etc...” (1026). Likewise, Jorge Gordin (2002) characterizes patronage as “the distribution of jobs and services in exchange for future political support” (515-516).

Beginning in the 1960s, the literature on patronage began to identify the objectives that the distribution of patronage hoped to accomplish. Frank Souraf (1960) identified several political functions of patronage. He argued that the recipients of these benefits are encouraged to provide financial support and to become involved in the campaign of the official providing the political favors. In addition, patronage encourages new support for the party while also creating solidarity within the party itself (28-30). Souraf’s argument fits within an institutionalist framework because these functions are based on the idea that patronage is used by political parties to increase support. Parties are an important institution of American politics, and because the two major parties are vying for votes, the use of patronage is a way to attract new supporters and strengthen already existing support. Since the two major parties, the Republicans and the Democrats, are in competition with each other, Souraf’s explanation implies that politicians provide political favors such as jobs and money in order to increase loyalty.

Similarly, Joseph Tucker's (1969) case study of Democrats in the Illinois state legislature emphasizes the institutional factors affecting patronage distribution in states. The study finds that government benefits are given to reward electoral support and even to stop the recipients from asking public officials for a reward for loyalty (82-83). Although the idea of providing patronage in order to stop requests for patronage seems contradictory, continuous constituent requests for rewards often becomes an annoyance to elected officials. Furthermore, Tucker says that "the location and the type of patronage jobs" affect patronage allocation, as localities containing "state institutions" receive a greater share of patronage than other cities (83). In addition to the distribution of patronage to a particular locale being dependent on whether or not there are any "qualified personnel", the author also says that "friendship" is another determining factor. Tucker's study is unique because he concludes that the level of political patronage is not affected by the attempts of political parties to win votes (84).

Work on the political resources or "tools" available to governors also fits within the institutionalist perspective (Bernick 1979). In finding that patronage was the 11th most important power available to governors, Bernick demonstrated the significant role that patronage plays in gubernatorial politics (660). Although one could make the argument that patronage is not that important because of its low ranking, the fact that it made the list shows that it is a useful and significant power available to governors. The author reaches this conclusion by surveying state senators about "which powers were employed by their respective governors in attempting to influence the legislature" and having every respondent "indicate and rank the five most important tools (powers) used by his or her governor" (657-658). Using the author's explanation, the ability to provide political favors, whether in the form of jobs, money, or

contracts, is a function of the powers vested in the governor. This suggests that one factor affecting the level of patronage is its availability to governors as a political resource.

The institutionalist viewpoint is developed by Thomas Anton (1967), who comments on the responsibility of governors in the allocation of state money. His work fits within this perspective because it considers the governorship, which is a political institution, to influence the provision of state aid. He portrays governors as having a limited role, and having little discretion with regard to where state money is directed. Furthermore, governors often lack the financial and budgetary experience that is necessary for an active role in this governmental function (31-34). The author reinforces the secondary role of governors in the distribution of patronage by saying that it is appropriate to view governors as “money providers” rather than “decision makers” (34).

Thad Beyle (1988) differentiates himself from Anton by arguing that governors have become increasingly more proficient over the years. His findings fit the institutionalist framework because he finds that one possible form of patronage, state expenditures, can be affected by the public official allocating the funds. The author highlights an active role played by governors in aid allotment by stating that the most effective governors are those that “carry out innovative policies and programs” (133-134). He suggests the power of governors to shape the allocation of aid by asserting that current governors have more control over the budget than their predecessors and that this leads to the budget as being “the ultimate statement of any governor’s policy choices” (137-138).

Berle furthers the institutionalist perspective by saying that the growing power of governors has allowed them to “innovate” more, or to create new and creative ways of dealing with problems. One would expect that these innovations need financial support and state

assistance. Similarly, the type of “innovation” or issue also determines how much funding and government support it will receive. Two of these categories are “cyclical issue innovations”, which include innovation in educational issues, and “perennial issue innovations” which are exemplified by “economic and community development” (149). These types of issues are important to elected officials because successfully addressing them aids in re-election. Therefore, it is expected that they would take precedence and receive more funding and governmental support.

Much of the literature on patronage from an institutionalist perspective has focused on its usage within political machines. Although Michael Johnston’s (1979) study of patronage in New Haven, Connecticut, concentrates on the distribution of jobs by a political machine, his findings can be applied to patronage distributed by governors. Building on previous literature, Johnston contends that patronage is primarily given in exchange for votes (386, 396-397). Johnston notes that the “aging” of the political organization providing the rewards impacts the level of patronage. He says that the failure of an organization “to adapt to new sociopolitical trends” can have a mitigating influence upon the other factors affecting political patronage such as trying to win party support or trying to recognize a particular racial or ethnic group (396).

Similarly, Raymond Wolfinger (1973) views patronage within an institutional framework by saying that jobs are often given to those who work for the party, particularly those who perform campaign work, those that have prominent contacts, and those who provide financial support to the party. He also says political favors are granted in order to acknowledge a particular group, to honor previous loyalties, or to encourage or suppress the future prospects of particular groups or individuals (77-78).

Moreover, the literature has shown that patronage is often disguised by the attempts by states to provide aid to cities that are in need of economic development and urban renewal. The work of Sarah Liebschutz (1989) is applicable, as she addresses the issue of state spending and why states direct spending toward specific cities. In saying that states have assumed a larger role in providing aid to cities in recent years, it can be suggested that this shift in focus from the federal government to the states has also encouraged patronage on the state level. Giving state politicians the power to direct resources to particular localities increases the likelihood of political patronage simply because resources that were previously unavailable would now be readily obtainable. Furthermore, favoritism is more likely on the state level than on the national level because state politicians are more accountable to voters than national politicians. Directing resources and money to specific cities and constituencies enhances the chances of re-election for state politicians.

Liebschutz cites the work of Susan Hansen (1989), who argues that states have different economic and geographic reasons for providing assistance to different cities. Thus, Liebschutz acknowledges Hansen's institutionalist perspective in saying "that geographic targeting is 'related to party competition and to the relative strength of the governor...vis-à-vis the state legislature'" (15). This means that state politicians might channel resources toward their hometowns or other areas that are vital for political support. Additionally, resources may be distributed toward a city to win Democratic support in a traditionally Republican city or Republican support in a Democratic city.

Research has also identified the connection between political patronage and corruption. Anderson and Yuliya (2003) find not surprisingly, that corruption negatively impacts citizens' perceptions of their government (92-94). It logically follows that when citizens have a negative

view of their government, elected officials must do more to win support for themselves and their party, thus making their usage of political patronage more likely. This is an interesting argument as corruption sometimes manifests itself in the form of patronage allocation. This study does not provide an answer to the question of whether the corrupt distribution of patronage fuels negative perceptions of government or increases support for government. Therefore, the existence of corruption may be a determining factor affecting the level of political patronage within a political system.

Ira Sharkansky's (1967) study lends insight on the factors affecting the distribution of patronage. Like much of the existing literature, the goal of the study is to determine if certain political and economic factors lead to increases in state spending. Sharkansky argues that previous literature has shown that political issues have a greater impact upon the level of state expenditures than economic issues. Nonetheless, the author attributes these findings to flawed research methodology. Previous studies have made the mistake of not using enough "political variables" and including both "state and local government spending as their dependent variable" (174). Sharkansky identifies several variables which impact the level of state expenditures that may be relevant to my study. These independent variables include the number of state employees per 10,000, previous expenditures, amount of aid received from the federal government, population, tax effort, and per capita income (176).

Like Jorge Gordin (2002), Sharkansky concludes that "Previous expenditures show the strongest relationships with current spending" (180). Additionally, the study is significant because it "finds political variables to be more powerful than economic variables with respect to state expenditures" (174). The findings of this study reinforce the institutionalist perspective and discount the economic viewpoint. The author discovers that when previous expenditures are

accounted for, “the level of spending shows little dependence upon measures pertaining to state employees or economic development” (191). In developing an institutional framework, Sharkansky notes a “conservative element in the political systems of American states” due to the fact that states rely so heavily upon past expenditures when determining current spending (191).

Although the work of Michael Rich (1989) pertains to federal funding and grants, the findings of his study can still be applied to state allocation of funds. Rich attempts to discover “how and why” federal aid is distributed, and his main argument is “that local governments exert important influences on the distribution of federal expenditures” (193-194). Rich’s work exemplifies the institutional viewpoint because his independent variable, local government, is an important political institution. Subsequently, the author provides a literature review that showcases the factors affecting the allocation of government aid. Like previous analysts, Rich argues that cities may receive government funds if they have “more experience and familiarity with federal programs” (198). Moreover, some cities are just better equipped at winning the financial support of government. Cities with lobbyists who can petition the federal government for support are generally more successful at obtaining funds (198).

From his analysis, Rich concludes that the allocation of funds is subject to the discretion of the legislature. The author concludes that legislators have “become more interested in targeting and less interested in pork barreling”, and that any perceived bias or favoritism in the distribution of state aid may be attributed to the legislature (208). This work emphasizes the intertwining of the federal and state governments, and Rich says that “decisions made by state and local officials have more of an impact on the distributional patterns of federal programs than those made by legislators and bureaucrats” (209).

Endersby and Towle (1997) shed insight on the factors that limit state expenditures. The authors' argument encompasses the institutional perspective as they find that "electoral and political factors have a higher correlation with controlling state expenditures than constitutional and legal restrictions (84). Ultimately, the authors conclude "that most constitutional and legal controls have minimal impact on state finance" and because of this "increased executive control over budget authority may have a deleterious effect on effort to limit government expenditures" (97). The research concludes that state expenditures are influenced "primarily by demographic characteristics...despite legal provisions designed to limit expenditures" (97).

Several studies attempt to explain the level of political patronage from an economic perspective, explaining political phenomena in terms of economic conditions. Paul Burstein (1976) says that several criteria must be present if patronage is to become an integral part of the political system. They include having a sizeable number of immigrants who require many governmental services and who are not knowledgeable of the country's political structure, having a country where parties play a dominant role in politics, and having government employees who are politically active. The fourth criterion, having a government with control over a large amount of resources, is significant because it fits within the economic perspective. According to this theory, a government with large numbers of resources will be able to give these resources away in the form of patronage (1025-1026). Burstein also argues that from an economic standpoint, it is logical for patronage to be a rare occurrence. He says that because of financial constraints, it is hard for parties to distribute patronage to large segments of the population (1031-1032).

The economic perspective also offers a critique of the patronage system. Johnston (1979) questions whether jobs are the most effective form of patronage. He argues that jobs are

somewhat ineffective because there are a small number to be distributed by party leaders, and that financial rewards, rather than jobs, may offer the recipient a greater incentive to support the party. Financial rewards may come in form of food, shelter, and clothing, as in the case of older political machines such as Tammany Hall, or in the form of funding for new projects or improvements to existing establishments. Providing jobs makes it harder to provide patronage and political favors to a wide range of people, and because jobs are not “divisible material incentives” they are harder to modify based on the performance of the recipient (394-395). Therefore, this study may suggest that the type of political benefit or favor being given may impact the level of political patronage. For instance, financial assistance may increase the level of political patronage because monetary resources are more readily attainable and can be spread more efficiently than jobs throughout the constituency. Since money can be shared and distributed to different people, it is likely to create a cycle in which an increase in monetary aid will cause an increase in party support, which will then result in increased aid or patronage in order to reward existing support.

John Pelissero (1984) builds upon the economic perspective in his study of “city needs” and the response of states in rectifying those needs. He finds that states direct resources toward particular localities because those cities are in need of aid. This research elucidates another factor affecting the level of political patronage. Rather than politicians providing favors and patronage to win support or provide incentives, this study implies that officials use patronage to simply better the quality of life in a particular city.

Furthermore, the literature suggests that some economic characteristics do impact the level of political patronage. The most significant finding of Jorge Gordin’s (2002) research is that the level of previous expenditures on salaries is the strongest determining factor of

contemporary patronage in Latin American countries (541-542). Although not all of Gordin's expectations were confirmed, his hypotheses are significant because they were based on a literature which has long emphasized the economic determinants of patronage allocation. For instance, the author hypothesizes that a higher level of prosperity will lead to an increase in patronage spending because economic prosperity means that more resources and jobs are available for distribution. Another hypothesis is that patronage increases both when an election is occurring and in the year following an election. This hypothesis fits into the institutional perspective as it views patronage as a way to both attract new support and reward existing support (520-524). Despite the fact that these hypotheses were not confirmed, they are significant because they show that other literature has long considered these factors to have an impact upon the amount of patronage that is distributed by government. It is possible that these variables did not impact patronage distribution because of other confounding characteristics of the Latin American countries. Thus, it is possible that variables such as economic quality and an upcoming election will influence the distribution of state aid in a country such as the United States.

Likewise, Susan Hansen (1999) maintains that the condition of the state economy affects public perceptions of that state's governor. Therefore, one could make the argument that a politician is likely to dedicate resources to a particular region to promote its economic well-being with the hope that voters view their region's economic condition as representative of the state economy as a whole. However, as Hansen points out, a poor economy may also limit the resources available to distribute as patronage (182-183).

Mauro and Yago (1989) represent the economic perspective by contending that governors have increasingly become concerned with economic development. Thus it is not surprising that

“economic development...ranked only behind education and revenue as a priority issue of governors” (63). Since spending of state money is usually necessary to promote economic development, and the issue was very salient among governors, it is likely that governors will allocate state money in order to achieve this objective. The authors state that funding for economic development is accomplished in a variety of ways, and one method is through “direct grants and loans” (64). In order to illustrate their point, the authors conduct a case study of economic development policies undertaken by the State of New York. The study suggests that elected officials in New York tried to promote development by distributing funds not only to poor areas, but also to “high technology and other perceived ‘growth industries’” (65). The authors proceed to describe New York’s practice of “geographic targeting” which contends “that distress is locationally specific...” (75), and ultimately means that “aid reallocates existing resources without creating new resources” (82). As in New York State, many governors will direct state aid to several areas in the hope that it will encourage economic development. The authors contend that directing aid to “multiple targets” enables a governor to remain in good standing with special interest groups and the media (82). This would occur because each group or organization would feel that the governor is attempting to address their interests and not showing preferential treatment to one group over another.

Neither the institutionalist perspective nor the economic perspective can alone explain the factors determining the level of political patronage and the locality to which it is allocated. From an institutionalist perspective, the literature has identified several variables affecting the level of patronage and causing a political leader to direct resources to a particular locality. Such factors include the desire to increase party support, to reward existing support, to honor loyalties and friendships, and the existence of competent and skilled people to fill patronage jobs. The

institutionalist perspective also recognizes that patronage is distributed to recognize a particular group, and that the level of patronage is also affected by its availability to politicians as a political resource. However, after considering the literature, it appears that the most salient factors are the desire to win political support, to honor loyalties and friendships, and to reward past assistance. These factors are likely to be apparent on the state level, characterizing the relationship between Governor and constituents.

From an economic standpoint, the level of patronage is attributed to the quantity of governmental resources available, the nature of previous expenditures, the type of benefit being distributed, the desire to improve the quality of life in a particular locality, the desire to encourage economic development, and the state of the economy. From these factors, the politician's desire to improve quality of life, the desire for economic development, and the nature of previous expenditures are the most significant factors. Economic development and improvements to the standard of living are typical objectives when allocating resources and previous expenditures are one of the most important determinants of budgetary allocation.

Thus, the literature highlights a combination of institutional and economic arguments to explain patronage distribution. The desire to attract votes, to reward previous support, and to honor previous commitments, along with the nature of previous expenditures and a desire to improve economic quality are all important in explaining patronage allocation.

Model and Hypothesis

An examination of the literature on political patronage has shown that both the institutionalist and economic approaches explain the factors affecting the level of political patronage. However, it is important to note that many of the variables identified by the literature

as having an effect on the level of patronage are difficult, if not impossible, to operationalize and measure.

Some of the independent variables contained in the following model are the variables often cited by the literature on the distribution of state aid to particular cities. The model, which reflects and goes somewhat beyond the literature, illustrates the relationship.

Population Size

Unemployment Level

Median Age → level of state aid to a particular municipality

Education Level

Presence of a State Institution

From the model, it is evident that both economic aspects and demographic characteristics explain the level of state aid that a particular locale receives. While elements of the economic perspective include the unemployment level, demographic characteristics include population size, median age, and education level. The institutionalist perspective is embodied in the presence of a public university or other state institution. Variables such as the need to attract votes, reward existing support, acknowledge previous commitments, and improve economic quality are excluded from the model because they are extremely difficult to operationalize. Measurement of these variables exceeds the time constraints and resource limitations of two semesters. Thus, the model reflects the literature as closely as the aforementioned constraints permit. The variables illustrated by the model also expand upon the literature and reflect new concepts that still fit within the institutional and economic perspectives.

It is hypothesized that there is a positive relationship between three independent variables and the dependent variable and a negative relationship between two of the independent variables and the dependent variable. As population size and unemployment level increase in a particular locality, the amount of state aid to that municipality will increase. Politicians will likely direct money to a particular city with high unemployment and a large population with the hope that the money will foster economic growth and jumpstart the economy. Cities that are heavily populated often face more problems such as crime, poverty, and institutional challenges such as poor schools. Furthermore, the presence of a public university or other state institution within a city will lead to an increase in state aid because the funding of these institutions is dependent upon state aid. Regarding the independent variables that exhibit a negative relationship to the dependent variable, the more educated a city's residents are, the less state money the city could be expected to receive. Similarly, cities will receive less state money as their median age increases. This occurs because cities with a low median age usually need state funding for schools and other social programs that are associated with younger populations.

The main hypothesis for this study is that predictive factors such as demographic and economic characteristics affect the level of state aid given to a particular municipality, and that deviations are due to non-objective criteria such as favoritism and the need to increase political support. In order to evaluate this hypothesis, I will assess whether Governor Rowland directed a larger share of state aid to his hometown of Waterbury, CT than to other Connecticut municipalities with populations over 50,000. I hypothesize that when the amount of aid received by Waterbury is compared to the aid given to other Connecticut cities, Waterbury will be an outlier, having received more aid than the predictive factors indicate Waterbury should have

received. It is hypothesized that Waterbury received a larger proportion of state money because of the aforementioned non-objective factors.

Research Design

The following section will present a framework for evaluating the hypothesis. The research project will consist of a multiple regression analysis that takes into account the independent variables of population size, unemployment level, median age, education level, and the presence of state institution. The analysis will determine which independent variables exert the strongest impact on the dependent variable because it will identify the independent variables that explain the greatest proportion of the variance in the dependent variable. The statistical analysis will also include a residual analysis to determine if Connecticut cities received more or less state money than would be expected based on their independent variables. Additional regressions and a correlation matrix will be analyzed to rule out problems of multicollinearity. The ultimate goal of the research is to determine if Governor Rowland directed more state aid to Waterbury than the predicted level in order to evaluate my hypothesis that non-objective factors sometimes take precedence over objective factors with regard to the allocation of state money. After translating the concepts into variables and justifying why the measurements are valid and reliable, there will be a discussion of the cases being studied, the sources of the data being used to evaluate the hypothesis, and the interview portions of the research.

Operationalization and Measurement

The discussion offered at the beginning of the literature review offers an interpretation of how scholars have understood the concept of political patronage and the factors affecting its

allocation. Michael Johnston's (1979) definition of patronage as being the provision of "incentives...money or gifts, jobs, contracts, favors...", and "how rewards and incentives are distributed within a patron-client organization" (385) is the definition that is most applicable to my study. Despite patronage being generally understood as the bestowing of favors such as appointing jobs and granting money, the concept of patronage refers to the allocation of state aid to a particular municipality for the purposes of my research. More specifically, "patronage" will be defined by state bonding and funding for capital projects because these activities are items of budgetary discretion rather than based on formulas.

State aid will be measured by the total dollar amount spent on capital projects, grants-in-aid, and loans from 1995 to 2004 in a particular locality. This is a valid and reliable measure of state aid because capital projects, grants-in-aid, and loans often constitute the majority of money spent on a particular locale. Thus, this measure is a relatively good indicator of the amount of resources the governor is directing toward a municipality.

Population size is measured by the number of people who reside in a particular locality. Previous literature has considered it to be a good indicator of the amount of state aid per capita given to a particular locality. As Pelissero (1984) discussed, there is a "correlation between total state aid received and city population...", and the majority of state aid in his study "could be explained by city population alone" (925).

According to the United States Bureau of Labor Statistics, the unemployed consists of those who "do not have a job, have actively searched for work in the prior 4 weeks, and are currently available for work" (U.S. Bureau of Labor, "FAQ", 2007). Thus, the unemployment level is considered to be the proportion of these people out of all potential workers. This theoretical definition holds true for my research. The unemployment level of a particular

municipality will be measured by the unemployment rate, which is “the number unemployed as percent of the labor force” (U.S. BoL, “Glossary”, 2007). This measure is relevant because the unemployment level is often one of the first statistics analyzed by economists when evaluating the economy, as a high unemployment rate is generally indicative of a poor economy.

The concept of median age is operationalized exactly as median age. To find the median age, the ages of all those sampled are placed in order from lowest to highest. The median age is the number in the middle of the numerically ordered list. Education level is operationalized as the percentage of the population over the age of 25 with a bachelor’s degree or higher. As previously discussed, cities with a low median age and a low education level typically receive more money than their counterparts because of the need to fund educational and social programs.

The presence of a state institution is operationalized as the existence of a state-funded hospital, public university, or a state-run prison. For purposes of the statistical analysis, the occurrence of a state institution will be coded as “1”, and a city with no state institution will be coded as “0”. Although state institutions can include museums, theaters, and stadiums, such a broad definition would be inappropriate for this study. Adopting such a broad definition of a state institution would result in nearly every city in this study having a state institution. The statistical analysis would effectively disregard the state institution variable were this the case. The existence of a state institution as defined for the purposes of this study is a relevant measure because cities containing state prisons, public hospitals, and public universities are likely to receive more state aid simply because these institutions are dependent upon state funding. Translated as a variable, a public university will include a University of Connecticut campus or another college belonging to the Connecticut State University System. The University of Connecticut is a state-run educational institution that is heavily dependent on state funding.

Therefore, it is logical for cities containing University of Connecticut campuses to receive a large share of state aid. Private hospitals are not considered state institutions for this study, and only state-run prisons or correctional facilities, not federal prisons, are given the state institution distinction.

Case Selection

The focus of the research will be on former Governor John Rowland and his distribution of state aid to Connecticut cities. Rowland was in office for slightly over nine years before being forced to resign because of a corruption scandal. He is often credited with encouraging economic growth in Connecticut, as he was instrumental in the revitalization of Hartford and the improvements made to the University of Connecticut. Rowland makes an interesting case study because of the circumstances under which Waterbury received a large proportion of state aid. Waterbury is considered to be one of the poorest cities in Connecticut and the city was in need of economic revitalization and urban renewal. Furthermore, Rowland was subjected to allegations that he disproportionately favored his hometown of Waterbury at the expense of other Connecticut cities that needed state aid (Zielbauer, New York Times, 2001). The purpose of choosing Governor Rowland is to determine if his treatment of his hometown exemplifies a trend among politicians to disregard objective characteristics of aid allocation in favor of non-objective considerations.

Each Connecticut city with a population exceeding 50,000 will constitute a case. There will be seventeen cases since there are seventeen Connecticut cities with populations greater than 50,000 as of 2000. A population of 50,000 will be used as a cutoff because municipalities with populations of at least 50,000 are usually large enough to receive a substantial allocation of state

money from the Governor and legislature. Localities whose populations are less than 50,000 are sometimes characterized as towns rather than cities. Including these towns in a study with cities of larger populations would skew the results. Additionally, including cities with populations of at least 50,000 links all of the cases together and allows the cities to be compared to each other. The cities to be studied include Waterbury, Stamford, New Haven, Bridgeport, Hartford, Greenwich, West Hartford, Norwalk, Manchester, New Britain, Meriden, Bristol, Milford, Danbury, West Haven, Hamden, and Fairfield. It should be noted that the time period under investigation is John Rowland's tenure in office, from 1995 to 2004. All of the expenditures contained in the databases occurred between 1995 and 2004.

Data Sources

The primary database being used for my research was compiled by the Connecticut Office of Policy and Management (OPM). The database provides information on the dependent variable, as it contains information on state bonding expenditures and funding for capital projects for the 17 Connecticut cities whose populations exceed 50,000. The database provides a date for every allocation of state aid, a brief description of whom the aid was given to and what it was used for, and the dollar amount of the allocation. In addition, there is a calculated total for all the state aid given to each particular city from 1995 to 2004.

The state aid contained in the database consists of all discretionary budget allocations except for several formula-based allocations pertaining to school construction. The discretionary budget allocations are composed of grants-in-aid, regular grants, bonding expenditures for capital projects, loans, and money for building improvements.

Michael J. Cicchetti, Deputy Secretary with the Connecticut OPM, and Lisa Dubois, the Connecticut OPM budget analyst, compiled the database for the purposes of this study. The data received from the Office of Policy and Management are credible. The OPM is a state agency, and their willingness to distribute the information to a student is evidence that the data is most likely free of bias. The fact that it is difficult to impart bias or misreport objective numerical figures also decreases the likelihood that the data are skewed.

Some of the independent variables will be measured by analyzing data from the Connecticut Economic Resource Center's (CERC) website from the year 2000. This website provides statistics for all Connecticut cities, and it contains demographic information such as population size and unemployment rate. The main source used to gather information on the independent variables is the United States Census American Fact Finder. The census website and the American Fact Finder contain demographic and economic data that are similar to the information provided by the CERC. In addition to the same information provided by the CERC, the census contains data on the median age and education level. Although both the Census and the CERC are very reliable sources, using both sources allows for comparison of the data to ensure reliability. Census and CERC data from 2000 will be used because the year 2000 is roughly in the middle of Rowland's time in office.

The existence of a state institution will be judged partly on common knowledge and by determining whether each of the 17 cities had a state-run university, hospital, or prison. For instance, the Connecticut Department of Corrections website will be used to assess whether each city had a state-run prison or correctional facility (Connecticut Department of Correction, 2008). Cities with state-run universities include those 17 cities with a University of Connecticut campus or a campus belonging to the Connecticut State University System, which includes Western,

Central, Southern, or Eastern. State-run hospitals include public hospitals and exclude private hospitals.

Data are also obtained through interviewing. Interviewing those connected to the Rowland administration is valuable because of their knowledge concerning how Rowland distributed state aid to particular locales. Dr. William J. Pizzuto, a former Waterbury alderman and supporter of Governor Rowland, was interviewed because of his knowledge about the Rowland administration. Dr. Pizzuto is the director of the University of Connecticut Waterbury Campus. Furthermore, Governor Rowland was interviewed for this study. The interview was arranged through Rowland's motivational speaking website.

Interview Questions

The following are interview questions that were used in the Rowland and Pizzuto interviews. By no means do these questions represent the extent of what was discussed during the interviews. Rather, they form the outline or framework of the interview, with the answers given to these questions used to generate new questions and additional dialogue. Both interviews followed an open-ended, semi-structured format.

One of the goals of the interviews was to investigate whether Rowland explicitly mentioned the reasons for directing state aid to Waterbury. A useful interview strategy in pursuing this goal was to discuss the manner in which Rowland generally allocated funds throughout the state. For instance, when interviewing Rowland, Waterbury was not discussed at the start in order to not lead the interviewee. Another reason is that if Waterbury was mentioned spontaneously by the interviewee it would be significant because it would indicate that the interviewee considered the Waterbury case to be significant and noteworthy. Essentially, the

purpose is to see whether the independent variables in the model or more subjective factors influenced Rowland's allocation of state money. An interview is a useful tool for this type of research because it can be used in comparison to a regression analysis to see if they provide similar results and answers. It is important to note that the interviews were conducted after the statistical tests are conducted and the data analyzed. This is most advantageous because the quantitative results can be used to challenge the interviewee's answers and to provide evidence either supporting or refuting the study's findings. For instance, it is significant if the interviewee claims a particular Connecticut town was not favored in terms of receiving state funds and the data analysis contradicts this finding. The fact that the empirical evidence contradicts the information obtained from the interview is an interesting finding because it indicates that the interviewee may not be being completely honest, or that perceptions of the budgetary process do not match reality.

Sample of Interview Questions for Both Rowland and Pizzuto Interviews

- a.) Dr. Pizzuto was asked to discuss his connection to former Governor John Rowland's administration. This is a relevant question as perceptions of Rowland are often based on party affiliation and involvement in the Rowland administration. Although a segment of the general public expresses a disdain for Rowland, those close to the administration are likely to express a more favorable view.
- b.) Both Pizzuto and Rowland were asked about their impressions of the amount of state money that Connecticut cities received? What cities received the most state aid and what cities received the least? This question serves an introduction to the

topic, and it attempts to understand if either Rowland or Pizzuto believed that certain areas of the state were being favored.

c.) Dr. Pizzuto was asked if he was aware of the manner in which state funds were allocated during the Rowland administration, while Rowland was asked if objective factors such as economic and demographic characteristics were considered when distributing state funds. The intent of this question is to determine if Rowland made his close supporters and colleagues aware of his decisions regarding the distribution of money. This question speaks to the relationship between the independent and dependent variables and is related to one of the central ideas of my study: whether objective or subjective factors lead to a predictable level of aid allocation.

d.) Dr. Pizzuto was asked how Rowland responded to criticism that he favored certain areas of the state.

The intent of this question was to discover whether Rowland openly acknowledged having favored his hometown. It is possible that in the response to such criticism, Rowland provided reasons for allocating funds to Waterbury.

e.) Dr. Pizzuto was asked if he ever heard Rowland discuss non-objective reasons for allocating state money. Was it to reward political support or an expression of his favoritism toward particular cities? This question is central to the interview because it helps to ascertain whether Rowland's decisions on aid allocation were influenced by non-objective factors such as a desire to increase political support.

f.) Both were asked to provide some insight on the realities of the budgetary process. What role does the Governor play in the process? How much discretion does the

Governor really have in terms of allocating state funds? This question attempts to provide background information regarding the provision of state money.

g.) Both were also asked how politics was involved in the budgetary process. They were asked to talk about the Governor's interaction with the bond commission and the legislature when formulating the budget. This question speaks to the political dimension of the budgetary process, and builds on the general theme of the questioning which attempts to discover how the distribution of state funds is influenced by non-objective, political factors.

This discussion has presented a general framework for the scope of my research. After identifying the Connecticut cities with populations exceeding 50,000 and utilizing the reliable sources mentioned above to evaluate the demographic and economic characteristics of the selected cases, a study of how and why Rowland directed state aid to his hometown will follow. Nonetheless, one area of concern is that some of the independent variables are dependent upon one another. For instance, a high unemployment rate may be the consequence of a low education level. However, determining whether the independent variables overlap and impact one another because they are too closely related can only be determined through a multicollinearity test. If it turns out that the variables are too closely related, one variable could be chosen or an average could be taken of several variables. Thus, this relationship between the independent variables will have to be taken into account when conducting the analysis.

Ira Sharkansky's (1967) article about the economic and political characteristics that are related to state spending suggests a solution to the problem of the independent variables being linked to each other. The author suggests using "preliminary tests with simple correlations", and

then using the results to narrow down the choice of variables “for more thorough treatment” (175).

It is worth noting that a minor discrepancy may occur because of differences in the years in which the data was collected. The majority of the data and statistics regarding the independent variables are from 2000, but the data regarding whether each city possesses a state institution were determined by the existence of such an institution in January 2008. Another slight problem may arise from the fact that while the independent variable data are from the year 2000, the data regarding the dependent variable span a ten year time frame, from 1995 to 2004. Although data from the year 2000 were collected for the independent variables because that year is roughly in the middle of Rowland’s nine year administration, picking a different year may have produced slightly different results. Statistics such as population size and unemployment rate may have been different in 1995 or 2004, when compared to the year 2000. This may inhibit the ability to generalize from the results, and may impact the strength of the correlations between the independent and dependent variables.

Furthermore, a minor inconsistency may occur with regard to the data on discretionary state expenditures. Mr. Michael Cicchetti stated that the majority of the database consists of discretionary expenditures such as loans, grants-in-aid, and funding for capital projects. However, he also said that the database contained some minor allocations for school construction that were formula-based, and thus, non-discretionary. Time constraints did not permit the editing of these numerous and lengthy databases, so Mr. Cicchetti’s assurance that these formula-based allocations constituted a very minor portion of the total expenditures identified in the databases must be accepted. These problems and their ultimate impact on the results and the outcome of the study will be evaluated in more depth in the paper’s conclusion.

The goal of this research design is to present an effective strategy for evaluating the hypothesis. While this section of the paper has recognized the potential problems that may arise during the research process, the plan proposed by the research design is strong enough to overcome these possible limitations. By identifying and justifying the credibility of the data and its sources and providing a thorough discussion of the research techniques, this portion of the paper has provided sufficient background to understanding the methodology of the analysis and assessment section.

Results and Analysis and Assessment

A regression analysis on SPSS was performed to determine correlations between the independent variables and the dependent variable of state discretionary spending. The independent variables used for the regression were population size, unemployment rate, the median age, the percentage of the population over age 25 with a bachelor's degree or higher, and the presence of a state institution. The goal of the regression analysis is to determine if a particular independent variable is significant in predicting the allocation of state money. The regression will reveal if any independent variables have a powerful impact on the dependent variable.

Three statistics pertaining to the regression analysis are of particular importance for this study. They are the adjusted r square value, the un-standardized beta coefficient, and the significance level. The adjusted r square value is the percent of the variance in the dependent variable that is accounted for by the independent variable. This figure is important because it illustrates how well the independent variable predicts the dependent variable. For this study, an adjusted r square value greater than .40 signifies a strong relationship between the independent

and dependent variables. The un-standardized beta coefficient represents the unit increase or decrease in the dependent variable for every unit increase in each independent variable. Finally, the significance level is a value that indicates whether an independent variable is statistically significant. A cutoff value of .05 has been established for this study so that any significance level below that cutoff means that the corresponding independent variable is statistically significant.

Two regression analyses were performed. The first regression analysis is performed on each independent variable separately, meaning that the independent variables are not controlling for each other. The second analysis includes all the independent variables, where the independent variables are controlling for each other. The results of the first regression analysis will be discussed first.

Results of First Regression Analysis: No Control for Independent Variables

When not controlling for the effects of the other variables, the independent variable of population size had the largest adjusted r square value, .575. This means that a municipality's population size accounts for 57.5 percent of the variance in the amount of discretionary state money it receives. The un-standardized coefficient reveals that every one person increase in population size is accompanied by an increase of \$6,136.38 in state funds. The population size variable is statistically significant because it has a significance level of .000, which is well below the cutoff of .05. Since the vast majority of the expenditures examined in this calculation are not formula-based, these findings reinforce the idea that cities with large populations are more likely to receive state funding because of problems such as crime and poverty that are often associated with large municipalities.

Although not as strong as population size, the unemployment rate is a relatively strong predictor of the allocation of state funds when not controlling for the effects of the other independent variables. Unemployment rate accounts for 38.8 percent of the variance in the amount of state funds distributed to a municipality. Additionally, every one percent increase in the unemployment rate is accompanied by an increase in \$39,229,729 in state money. Like population size, the variable is statistically significant with a significance level of .004.

The first regression analysis also demonstrates that the variable of median age is a good predictor of state discretionary spending. The variable accounts for 58 percent of the variance in the dependent variable and is statistically significant with a p value of .000. When not controlling for the other independent variables, every increase by one year in the median age corresponds to a decrease in state funding by \$56,200,932. The percentage of the population over age 25 with a bachelor's degree or higher is the fourth independent variable. When not controlling for the other variables, this variable explains only 17.5 percent of the variation in the state allocation of funds. Moreover, for every percent increase in the proportion of people with a bachelor's or higher, there is a \$7,500,868 decrease in state funds. Since the significance level of .053 is greater than .05, the variable is statistically insignificant. These findings are consistent with the idea that a younger, less educated population often requires more state money to fund social and educational programs.

The analysis shows that the presence of a state institution explains only 8.7 percent of the variation in the provision of state funds. The un-standardized beta coefficient reveals that the presence of a state institution corresponds to \$200,000,000 in state funding. Thus, although a state run prison or a public university attracts a rather large amount of state funds, the existence of these institutions is not one of the determining factors of the allocation of state aid. The

variable is not statistically significant with a significance level of .133. At first glance, one would think that the presence of a state institution is a strong predictor of the amount of funds a city would receive because the existence of such an institution corresponds to such a large increase in money (\$200 million dollars). However, the adjusted r square value is a much better determinant of the strength of the independent variables. This variable has a low adjusted r square value and a high un-standardized beta coefficient because a line does not fit the data points. The data do not typify a linear progression because the data points are clustered around zero (no state institution) and one (state institution). Thus, although a politician may want a state institution to be located in his or her city because it attracts such a substantial amount of funds, it does not adequately explain the variance in the amount of these funds in a statistical or theoretical sense.

In summary, the first regression analysis identifies several key points. When not controlling for the independent variables, all the independent variables except the percentage of the population over 25 with at least a bachelor's degree and the presence of a state institution were statistically significant. Secondly, the variables of population size and median age appear to have the strongest effect on the dependent variable with an adjusted r square value of .575 and .580 respectively. A line comes closer to fitting these data points since their adjusted r square values are closer to one. Therefore, the variables of population size and median age form a relatively close linear relationship to the dependent variable. However, since there is no control in place, these results should be met with a certain degree of hesitancy. The primary contribution of this first regression analysis is the identification of a fairly strong relationship between some of the independent variables and the dependent variable.

Results of Second Regression Analysis: Controlling for Independent Variables

More emphasis should be placed on the second regression analysis because it controls for the independent variables. This second regression analysis is more refined and credible because of the controls in place. The controls enable each variable to be isolated and examined while holding all of the other variables constant. For example, this regression allows one to determine the effect of population size on the amount of state aid received while controlling for the effect of all the other independent variables. If no controls were in place, the effect of population on the dependent variable would be obscured by the effects of the other variables. Another difference with this regression is that it produces an adjusted r square value for the entire model by considering all of the independent variables together. The overall adjusted r square for the entire model is .600. This means that 60 percent of the variation in the dependent variables can be explained by all of the independent variables.

Since controls are in place for the independent variables, the results differed from the first regression analysis. While the second analysis still identifies a relationship between the independent and dependent variables, this relationship is diminished. As evidenced by the reduced values of the un-standardized beta coefficients, controlling for the independent variables produces a weaker relationship between the independent and dependent variables.

For instance, the un-standardized beta coefficient of population size is now \$3,069.350. Every one person increase in population is accompanied with an increase in state funding of \$3,069.350. This amount is significantly less than the value of \$6,136.383 that is obtained when no controls are in place. This suggests that while the independent variables do exert an influence on the dependent variable, it is not as strong an influence as initially thought due to a correlation between the independent variables. Likewise, all the other independent variables exhibit a

weaker relationship between a one unit change of an independent variable and the un-standardized beta coefficient. Also, the variable of population size now has a significance level of .206, which means that the variable is no longer statistically significant.

When controlling for the other variables, the un-standardized beta coefficient of the unemployment rate drops so that a one percentage increase in the unemployment rate corresponds to an increase of \$17,161,806 in state funding. In this regression, the significance level rises to .222, meaning that the variable is not statistically significant. With regard to the median age variable, every one year increase in the median age results in a decrease of \$10,678,544. Like all the other independent variables, median age is no longer statistically significant because its significance level of .708 is above .05. The weakened relationship between the independent and dependent variables is again evident when analyzing the bachelor's degree or higher variable. For every one percent increase in the number of people over age 25 holding a bachelor's degree or higher, there is a corresponding decrease in \$2,821,777 of state funds. A significance level of .471 means that the variable is statistically insignificant. In this model, the presence of a state institution translates into an increase in \$52,621,916. However, the variable is not statistically significant because its significance level is .594.

The results of the second regression analysis illuminate several trends. First, as illustrated by the adjusted R square value, the five independent variables together do an excellent job of predicting the dependent variable. This high value suggests that when viewed together, the independent variables do a better job of explaining the variation in the dependent variable than any single independent variable. This means that the model is fairly accurate, and that there are correlations between the independent variables and the dependent variable. When looking at the standardized beta coefficients, it is obvious that as in the first analysis, population size still

has the most powerful relationship to the dependent variable. Nonetheless, the strength of these independent variables by themselves in predicting the allocation of state money is diminished when the independent variables are controlling for each other. The unstandardized beta coefficients also confirm several of the hypotheses discussed in the Model and Hypothesis section. The beta coefficients demonstrate that a positive relationship exists between the dependent variable and population size, unemployment rate, and a state institution, respectively. Likewise, a negative relationship is confirmed between the dependent variable and median age and education level. An important difference from the first regression analysis is that none of the independent variables achieve statistical significance when a control is in effect. Multicollinearity may be present because this statistical insignificance is accompanied by a relatively high adjusted R square. However, on a more generalized level, both analyses suggest that the independent variables do a fairly good job in explaining the variance in the dependent variable, although this relationship is diluted when controls are in place.

TABLE 1. First Regression-Individual Variables

Independent Variables	Adjusted R Square	Un-Standardized Beta Coefficient	Significance Level
Population Size	.575	6136.383	.000
Unemployment Rate	.388	39,229,729	.004
Median Age	.580	-56,200,932	.000
Bachelor's Degree or Higher	.175	-7,500,868	.053
State Institution	.087	200,000,000	.133

TABLE 2. Second Regression-Independent Variables are Controlling for Each Other

Independent Variables	Un-Standardized Beta Coefficient	Significance Level	Standardized Beta Coefficient
Population Size	3069.350	.206	.388
Unemployment Rate	17,161,806	.222	.286
Median Age	-10,678,544	.708	-.148
Bachelor's Degree or Higher	-2,821,777	.471	-.179
State Institution	52,621,916	.594	.098
Adjusted R square for model = .600			

Multicollinearity and the Correlation Matrix

The second regression analysis identified possible multicollinearity issues.

Multicollinearity occurs when there is a strong relationship between two or more independent variables, so that the effect of one independent variable on the dependent variable becomes almost dependent on another independent variable's relationship with the dependent variable. Multicollinearity poses a problem because its existence obscures the relationship between the independent variables and the dependent variable. For example, multicollinearity could exist between population size and unemployment rate because it is commonly thought that cities with large populations tend to have higher unemployment rates. Several statistical tests were performed to determine the presence of multicollinearity. The first of these tests was a correlation matrix, which compares two independent variables to determine if the two variables are highly correlated. For the purposes of this study, multicollinearity may be present when the Pearson correlation value is greater than the absolute value of .75.

The correlation matrix identified possible multicollinearity between two sets of independent variables. The first set includes the variables of population size and median age. These variables displayed a Pearson correlation absolute value of .785. Similarly, the second set of independent variables demonstrating possible multicollinearity is population size and median age. With another absolute value of .785, these variables can be said to correlate closely with each other. These results are initially suggestive of multicollinearity, however, further statistical tests are needed before a conclusive determination can be made.

TABLE 3. Correlation Matrix

	Population Size	Unemployment Rate	Median Age	Bachelors Degree of Higher	State Institution
Population Size		.574	-.785	-.357	.444
Unemployment Rate	.574		-.627	-.189	.184
Median Age	-.785	-.627		.659	-.294
Bachelors Degree or Higher	-.357	-.189	.659		-.074
State Institution	.444	.184	-.294	-.074	

Independent Variable Regressions Testing for Multicollinearity

Although the results of the correlation matrix provide a fairly good indication of whether multicollinearity is present, further tests were undertaken to find a more definitive answer regarding the existence of multicollinearity. These tests were regressions that involved isolating the independent variables, and then testing one of these independent variables as a dependent variable, and using the four remaining variables as independent variables. For instance, the first subset of these tests involved using population size as the dependent variable, and then using the remaining four original independent variables as independent variables. Likewise, the second subset saw unemployment rate as the dependent variable and population size, the bachelor's degree or higher variable, the state institution variable, and median age as the independent variables. This process was repeated for each original independent variable, so that there were a

total of five of these regressions to test for multicollinearity. For these regressions, an adjusted r square value greater than .9 is a strong indicator of multicollinearity.

These regressions indicate that no significant multicollinearity is present among the independent variables. Since none of the adjusted r squared values are greater than .9, and none exceed .775, more confidence can be placed in the results of the original regression analyses. Despite the fact that these first analyses identified statistical insignificance among some of the independent variables despite their having fairly high adjusted r square values, these tests show that any possible multicollinearity is not significant enough to distort the relationship between independent and dependent variables. Thus, we can conclude that the model does a satisfactory to good job of explaining the variance in the dependent variable, and that of the five independent variables tested, population size exerts the strongest effect upon the amount of state money given to a locality.

TABLE 4. Regressions Testing for Multicollinearity

Independent Variables	Adjusted R square value
Population Size	.600
Unemployment Rate	.316
Median Age	.775
Bachelor's Degree or Higher	.420
Presence of State Institution	-.050

Residuals

Residual analysis is particularly useful as it provides a comparison between the observed and expected values for a particular independent variable. A residual analysis is pertinent to this

study as it shows the difference between the amount of state money a city actually received (observed value) and the amount that would be expected based on the independent variables (expected value). Given a particular population size, unemployment rate, median age, percentage of the population with a bachelor's degree or higher, and the presence of a state institution, a municipality can be expected to receive a certain amount of state money. This type of analysis is especially relevant for this research as it will help to determine if Governor John Rowland did allocate more discretionary funds than would be expected based on particular demographic and economic characteristics.

Of the 17 cities studied, Hartford, Bridgeport, and New Haven displayed the largest residuals, or departures from expected values. While Hartford received more money than would be expected from 1995-2004, both Bridgeport and New Haven received less money than would be expected based on the independent variables. SPSS shows that Waterbury received more money than would be expected based on its economic and demographic characteristics. Waterbury should have received \$360,532,465 in state money from 1995 to 2004, but in actuality, the city obtained \$448,048,037 in state funding. Although other cities exhibited a similar pattern of receiving more money than they should have based on the independent variables, Waterbury's situation is a point of interest. The fact that the city was Governor Rowland's hometown suggests that factors such as political favoritism and patronage may have caused more money to be distributed to Waterbury. Throughout Rowland's administration the media alleged that Rowland favored Waterbury. A 1999 New York Times article addressed the possible movement of Connecticut's Appellate Court from Hartford to Waterbury within the larger context of Rowland's favoritism toward Waterbury. The article cited Rowland's "predilections toward all things Waterbury", and said Rowland's favoritism was evident in the

construction of the Rowland Government Center in downtown Waterbury, the promotion of Waterbury judges to higher office, and his proposal to relocate the Department of Motor Vehicles to Waterbury. After acknowledging that Rowland considered Waterbury "...the center of the universe", the article quoted a state representative who said that Rowland was "...trying to load up the state government in the town he came from" (Zielbauer, New York Times, 1999). Like the other cities where actual money was greater than expected money, Waterbury's circumstance begs the question of what is responsible for this discrepancy.

The characteristics of the cities that received more money than expected provide insight into the reasons for the inconsistency. Hartford received \$316,956,048 more than would be expected based on the independent variables. However, this substantial discrepancy can be attributed to Hartford being Connecticut's capital city. It is also worth noting that Stamford, Greenwich, and Fairfield also received more money than would be predicted. It can be speculated that institutions and agencies in these cities received additional money because of the higher standard of living and the higher price level that is generally common in affluent areas. This is significant because one would think that more affluent cities would be less reliant on discretionary funds. Although actual money allocated to Manchester and New Britain also exceeded expectations, no reasons are immediately apparent, except that both cities are within close proximity to the state capital.

The residual analysis of Waterbury expenditures confirmed one of the hypotheses initially discussed in the Model and Hypothesis section. The hypothesis that Waterbury received more money than would be expected based on its economic and demographic characteristics was confirmed because the residuals showed that the amount of money Waterbury received exceeded

the expected amount. The interview section of the research will attempt to provide reasons for this discrepancy.

TABLE 5. Residual Results

Cities Receiving More State Money than Predicted (Observed > Expected)	Cities Receiving Less State Money than Predicted (Expected > Observed)
Hartford	Bridgeport
Stamford	New Haven
Waterbury	Bristol
Fairfield	Danbury
Greenwich	Hamden
Manchester	Meriden
New Britain	Norwalk
	Milford
	West Haven
	West Hartford

Additional results illuminate further conclusions. Although the regressions for the model identified a possible multicollinearity problem, a correlation matrix and further regressions

indicated that any multicollinearity issues were not strong enough to impact the relationship between the independent and dependent variables. Furthermore, a residual analysis illustrated the amount of state money a locale was expected to receive based on its respective independent variable values. The residuals showed that along with six other cities, Waterbury received a greater proportion of state money than it was predicted to receive by particular economic and demographic characteristics.

The results of all the statistical analysis provide a solid picture of discretionary state expenditures to Connecticut's 17 largest cities during Governor Rowland's years in office. Moreover, the results provide a basis or a starting point for the interview portion of the research because they provide substantive findings that can be used to structure questions.

Interviews

The interviews provide an effective contrast to the statistical portion of the research. In addition to adding a "human element" to the model, the interviews can help to either support or refute the statistical findings. Ultimately, the goal of the interviews was to help explain the discrepancy between the expected and actual values identified by the residual analysis. More specifically, the objective was that the interviewees would provide reasons, either objective or non-objective, for Waterbury receiving a larger amount of state funds than was predicted. It was hoped that the interviewees could provide background information about the budgetary process and its political dimensions, and that they could comment on the interactions between the governor, the legislature, and the bond commission.

An interview was conducted with Dr. Bill Pizzuto on March 11, 2008 at the University of Connecticut at Waterbury. Dr. Pizzuto, a former Waterbury alderman with ties to the Rowland

administration, currently serves as director of the UConn Waterbury campus. This interview followed an open-ended, semi-structured format. General questions were asked regarding the budgetary process, the Rowland administration's activities with respect to Waterbury, and the allocation of state funds, with the remaining discussion being derived from responses to questions.

Dr. Pizzuto emphasized the political aspects of the budgetary process. He said that Rowland was able to get certain items on the budget agenda because he had the leverage of the bond commission, the support of unions, and the backing of some mayors. All of this support ultimately led Rowland to gain control of the bond commission agenda, which gave him control of what agencies and institutions could receive funding. Dr. Pizzuto also noted that former Governor Rowland would hold up the budget unless his items of interest were approved. Thus, political support benefited Rowland in two ways. First, it allowed him to get particular items on the bond commission agenda, and secondly, it allowed him to get budgetary items approved once they were placed on that agenda.

Pizzuto noted that Rowland was also able to sway the legislature and the bond commission through his political contacts and connections. Rowland knew the Bush family well, and there was even talk of him being considered a vice presidential or presidential candidate in the future. Pizzuto said that all of these factors did not hurt Rowland when trying to plead his case before the legislature and bond commission.

Dr. Pizzuto stressed that the main influence in the allocation of state funds is the governor's discretion. Whereas the interview with Rowland would show that Rowland downplayed his own influence and emphasized the power of the legislature, Pizzuto stated that the governor has tremendous influence. Former Governor Rowland was able to exert his power

and ensure that particular items were on the budget by proving the worth of that particular project. Although Pizzuto tended to underscore the governor's power in the budgetary process, he also said that lobbyists have an influence on the allocation of discretionary expenditures.

A discussion followed about the tactics used by Rowland to convince the bond commission of the validity of a project. Pizzuto said that Rowland described Waterbury as the "center of the universe" in order to get legislators and others to approve and acknowledge the projects and funds that he directed to the city. Rowland used the slogan not only in reference to Waterbury being located geographically between New York City and Boston, but also to the idea that Connecticut's economic development and the revitalization of the cities would emanate from Waterbury. Rowland wanted Waterbury to serve as a core around which all economic development could coalesce. He believed that Waterbury's central location within the state and its location between the two biggest cities in the Northeast meant that the city should be a showpiece for the state and should showcase what the city and its people had to offer.

When asked how Rowland responded to criticism that he favored certain areas of the state over others, Dr. Pizzuto said that Rowland was blatant about favoring particular locales and giving more money to some areas of the state. According to Pizzuto, Rowland would often say that Waterbury had been shortchanged in the past, and that during his time in office Waterbury would receive its fair share. Pizzuto conveyed the sense that Rowland felt it was his duty to help Waterbury, and that he would try to help the city during his tenure because the city was his hometown. Unlike Rowland, who never mentioned in the interview that he gave money to Waterbury because it was his hometown, Dr. Pizzuto explicitly said that Rowland allocated state funds to Waterbury for the simple reason that it was his hometown.

Pizzuto also discussed the differences between Rowland and his predecessor, Lowell Weicker. In contrast to Rowland, who provided a disproportionate amount of funds to Waterbury, Weicker gave absolutely nothing to Waterbury. Pizzuto also considered the personalities of the two former governors. He said that Weicker was arrogant, imposing, even going so far as to take the legs off a couch in his office so that he could appear taller and more imposing to his visitors. Dr. Pizzuto said that those close to Rowland would characterize him as an “average guy”; nonetheless, he said that Rowland exuded a presence that often characterizes charismatic leaders. This “presence” was another tool that Rowland used when going before the bond commission and the legislature to argue for elements of the budget that he wanted implemented.

A discussion of the residual analysis was brought up toward the end of the interview. Pizzuto found it surprising that Fairfield and Greenwich received more money than would be expected considering that they are rather affluent. He suggested that the discrepancy may have occurred because projects in those areas require more money to fund because of the higher living expenses and higher price level in those cities. More importantly, Pizzuto was not surprised that Waterbury received more money than expected. As Pizzuto said, Rowland openly acknowledged to his advisors and associates that he favored Waterbury.

Throughout the discussion, Dr. Pizzuto emphasized how much Rowland did for Waterbury. He acknowledged the projects designed for the city, such as the new University of Connecticut downtown campus, the magnet school, and the revitalization of the Palace Theater. Dr. Pizzuto discussed how Rowland wanted to do even more for UConn Waterbury than was actually accomplished. For instance, he wanted to add an extra wing to building and to build dormitories at the campus for out-of-state students. It is interesting to note that virtually all of

Rowland's projects were aimed at fostering economic development within the downtown area.

Pizzuto touched on the subject briefly, saying that Rowland hoped the downtown UConn campus and the renovated Palace Theater would stimulate economic development by drawing people downtown, causing them to patronize the various shops and restaurants in the area.

An interview with former Governor John Rowland was conducted on March 10, 2008 at the Waterbury Chamber of Commerce in Waterbury, Connecticut. The interview was a semi-structured, open-ended interview, meaning that there were some general questions that were determined in advance, with the remaining questions and dialogue being generated from the former Governor's answers to previous questions. Although there were several questions that were pre-determined, the majority of them proved futile because the former Governor chose to provide his own perspective of the workings of the budgetary process. Rowland provided a general framework of the budgetary process, with an emphasis on the differences between the bonding budget and the operating budget. He suggested that the former Governor has limited discretion with regards to allocating funds, and instead highlighted the power of the legislature to influence the budget.

Before discussing his own involvement in the budgetary process, Rowland said that an explanation of the differences between the bonding side and the operating side was essential to fully understanding the process. He said that the bonding side can be thought of as "bricks and mortar" projects, such as building and repairing schools. Funding for bonding projects is borrowed money, obtained either through bank loans or municipal bonds. The bonding portion of the budget encompasses a wide variety of projects, ranging from public works endeavors to Department of Environmental Protection projects. With regard to bonding, cities apply for new buildings or improvements to existing facilities. For example, New Haven, a city that received

funding for a new athletic facility and received nine new high schools over the past decade, applies or petitions the legislature for funding for a specific project. With regard to New Haven, Rowland said that the city will pay 20 percent of the cost of the new school, and the remaining 80 percent of the cost will be paid by the state. Likewise, Rowland said that there have been petitions throughout the years in Waterbury for money for schools and parks. He said that after two to three billion dollars in capital projects are submitted for approval the governor then sets the agenda each month for the bonding commission. This is then followed by a determination regarding which projects will be undertaken. This reinforces what Dr. Pizzuto said regarding the ability of agencies and their supporters to influence the budgetary process by petitioning for state money.

In contrast, the operating budget is normally around \$15 billion and encompasses the salaries of 52,000 state employees, worker benefits, and all other expenditures that are necessary to keep the state running. Money to finance the operating budget is derived strictly through tax revenue. Rowland also said that the funding for state agencies such as the Department of Children and Families (DCF) falls under the operating budget. When asked how funding for state agencies such as DCF, the state police, and the Department of Corrections is determined, Rowland stated that each agency makes a request for a specific amount of money, usually ten percent more than was received the previous year. As a result, each agency generally receives at least what they received the previous year.

Former Governor Rowland continued on to say that either he himself or Michael Cicchetti of OPM would collect and review all the information from the prospective agencies, and then interview the leadership of each agency to determine the percent increase they are to receive from the previous year. Despite his earlier comment about the importance of the

legislature, Rowland interestingly noted that the size of the increase was determined in large part by the Governor's philosophy of government. Rowland brought up Medicaid, and how the state's reimbursement of hospitals for Medicaid constitutes two billion dollars of the budget. Although such reimbursements are formula based and non-discretionary, Rowland thought it was worth mentioning because it illustrates the magnitude of funds involved in the process. Despite being formula-based, Medicaid illustrates the broader political and philosophical debate over hospital funding. Stating that some people want more money for hospitals, while others want money for other institutions, Rowland said it is imperative to not underestimate the political and philosophical elements of the budgetary process, especially the political aspects.

In keeping with his general theme of downplaying his own influence, Rowland said that bond commissioners and legislators play an important role in the process. Since most bond commissioners work for the governor, they usually follow the governor's lead. In contrast, he said that legislators usually fight for something on local level. Quoting the popular phrase "all politics is local" Rowland said that legislators might act very parochial with regards to something they want. He offered Wethersfield, Connecticut as an example. There is a Department of Motor Vehicles (DMV) office in Wethersfield, so it almost always occurs that legislators from this area will want to obtain more funding for the DMV. Understating the power of the Governor and his own role in the allocation of discretionary state funds, Rowland said that because agencies are responsible for petitioning and asking for funding and because the Governor and legislature usually decrease the amount that each agency asks for, the power of the Governor does not necessarily lie in his or her ability to increase funding, but rather to decrease funding. When asked about politicians' motives when determining how much money to allocate,

Rowland suggested that much of the determination is based on what the particular city received last year (usually a one to four percent increase), rather than any other underlying motives.

In discussing the budgetary process, Rowland highlighted the collaborative effort between the legislature and the Governor. He said that after the Governor submits his or her budget to the legislature, the legislature reviews it, sending it to the appropriations committee, where further adjustments are made. Rowland said that both the governor and the legislature work out deals and compromises regarding the budget, with agreement not usually reached until the last possible moment.

Rowland discussed UConn 2000, which was the project to improve the University of Connecticut. Rather than take sole responsibility for the initiative, Rowland said that Tom Ritter, the Speaker of the House at the time, was instrumental in getting the proposal through the legislature. He said that UConn 2000 involved spending one billion dollars on the university over ten years, which corresponds to 100 million per year. On the capital or bonding side of the initiative, Rowland said he went to the UConn Board of Trustees, telling them how much he wanted to spend per year. Then the Board of Trustees told Rowland and Ritter where the money was needed and how the money could be best spent to improve UConn. For instance, the Board said that UConn needed a new engineering lab and a new football field, and that Rowland simply signed off on the funds for the necessary projects. Rowland's description of the UConn 2000 project illustrates his tendency to downplay the role of the Governor with regards to actually allocating money. His description suggests that as Governor, he simply provided the money to match the requests of the Board of Trustees.

Rowland also used the UConn 2000 example to show the importance of politics in the budgetary process and the allocation of state funds. Rowland reinforced the point that the

Governor cannot appropriate money without it first going through the legislature. He said that politics are involved because the Governor must have the support of the legislature if his items on the budget are to be approved. He said that he and Ritter had to get the legislature and the bond commission to agree to UConn 2000 and to ultimately vote for it, thus illustrating the political dynamic.

The former governor made an interesting point when he said that the phrase “discretionary money” is misleading because there really is no discretionary money since everything has to get approved by the legislature. Rowland said that the only discretion is when setting the bonding agenda. After each agency and institution creates a wish list, the Governor decides what gets on the agenda. Rowland also discussed the Governor’s task of getting the bond commission, which is made up of the Attorney General, the comptroller, treasurer, the Secretary of OPM, the Commissioner of Public Works, and a few legislators, on the side of the Governor. Furthermore, Rowland dismissed the idea that there are no-bid contracts that provide additional gubernatorial discretion.

Throughout the interview, Rowland used several analogies to better illustrate how the state is run and how funds are allocated. He made the analogy between running the state and running a house. Gas, electrical, and other utilities that are necessary for running a house are analogous to the operating budget, which takes care of salaries and other variable costs. In contrast, an addition to the house is analogous to the bonding budget, which consists of “bricks and mortar” initiatives. To better describe the actual budgetary process, Rowland used the image of a funnel to show how funds are “funneled” through the bond commission and the legislature. On the capital side, the legislature submits \$3 billion, of which \$800 million actually gets placed on the agenda by the Governor, and ultimately becomes subject to approval by the bonding

commission. As was the case many times throughout the interview, Rowland reinforced the point that the only real discretion the Governor has is in setting the agenda.

The money appropriated by the legislature is also affected by sheer numbers. Rowland said that ten years ago, there were 9,000 people imprisoned in Connecticut, costing the state \$25,000 per prisoner. Today there are 20,000 imprisoned in the state. This necessitates the construction of a new prison and the hiring of additional staff. Thus, there is a corresponding increase in the budget. Rowland stated that current Governor Jodi Rell wants to add 200 state troopers, costing on average \$100,000 per trooper. Similar to the corrections department, the state police initiative impacts the budget. Rowland suggested that unless there are new initiatives, it remains status quo with regards to the budget.

Moreover, Rowland emphasized that there is a political dimension behind all aspects of the budgetary process. For example, if the Governor decides to emphasize safety one year by hiring more state troopers, there will be a corresponding increase in the operating budget. Conversely, if the Governor wants to emphasize more open space, there is a political dimension involving the governor getting the legislature to go along with his or her initiative. Rowland attested that battles between the Governor and the legislature are not uncommon. He said that local legislators may be fighting for more money for the Waterbury Public Library despite the governor saying that libraries are not an important part of his agenda. Upon being asked to discuss what influences the Governor or legislature's decision to either put particular items on the agenda or to approve them, Rowland said that the priorities of the governor and legislature are driven by their passions. For example, some politicians might have a passion for helping the homeless or for improving education.

The interview concluded with Rowland commenting on how he helped Waterbury and by providing several examples. The former Governor said that in all, \$200 million was directed to Waterbury over a ten year period, with \$30 million of that total going to the revitalization of the Palace Theater in the downtown area. Likewise, the construction of the new Waterbury Arts Magnet School was fully financed by the state. Other major projects identified by Rowland included the new downtown campus for UConn Waterbury, restoration projects at the YMCA, aid to the Morris Foundation, and the construction of the Rowland Government Center in the city's downtown area. Nonetheless, Rowland seemed reluctant to explicitly say that more funds and projects were directed toward Waterbury than other Connecticut cities. Although he acknowledged that the city received a great deal of benefits, he never openly said that he favored Waterbury during the interview. This contradicts Rowland's own speech characterizing Waterbury as the "center of the universe", the forthcoming information provided by Dr. Pizzuto regarding Rowland's favoritism toward his hometown, and the statistical findings.

The Rowland interview illustrates that model constructed for this study must be viewed with limitation. The model could lead one to believe that cities receive money simply because they have a high unemployment rate or a large population size. However, Rowland reinforced the fact that funds are allocated based on the needs of certain agencies and institutions rather than particular economic or demographic characteristics.

Since Rowland preferred to discuss the theoretical aspects of the budgetary process rather than his own, personal motivations, it is difficult to assess Rowland's motives when setting the budgetary agenda. However, former Governor Rowland illustrated the complexity of the process and the many influences and variables that impact the process. Rather than certain economic and

demographic characteristics, the interview suggests that one of the most important variables is the governor and legislature's personal preferences and passions.

Overall, the differences between the two interviews are due to Rowland downplaying the governor's involvement in the budgetary process and highlighting the impact of the legislature, while Pizzuto highlighted the power and influence of the former Governor while still recognizing the power of lobbyists, unions, and the bond commission. Information obtained in Dr. Pizzuto's interview accounts for the discrepancy between the amount of funds that Waterbury was expected to receive and the amount the city actually received. He said that favoritism and political loyalties were the primary reasons Rowland allocated such a large amount of funds to Waterbury. Nonetheless, both interviews contribute to this study because they demonstrate that a "human element" exists even in the distribution of state funds. Rowland and Pizzuto both illustrated that politics exists even in the budget process. Rather than funds being allocated strictly by formulas and equations, the interviews showed that the budget is based on non-objective factors such as preferences, passions, and loyalties. Even though different people and different perspectives were involved in the interviews, both Rowland and Pizzuto admitted that political leaders and their personalities play a role in the allocation of resources. Whereas Rowland emphasized the budgetary process as a whole, citing the influence of legislators and the bond commission, Pizzuto highlighted the governor and stressed a larger, more independent role for the executive.

Conclusion

The state budgetary process involves complex political dynamics that often shape the direction and quantity of funds. The beginning premise or research question was how political

factors impact the allocation of state funds, and if such political factors are responsible for cities receiving a greater amount of state money compared to cities with comparable economic and demographic characteristics. An analysis of the literature suggests that both the institutional and economic perspectives explain reasons behind the allocation of state funds. This translated into the central hypothesis that in addition to demographic and economic characteristics, non-objective factors such as political favoritism and the need to increase political backing determine the amount of state aid given to a city. In order to evaluate the hypothesis, former Governor John Rowland's tenure in office was examined from 1995 to 2004. A database consisting mostly of discretionary allocations to Connecticut's 17 largest cities during this time period was examined. Of particular interest was Rowland's hometown, Waterbury. Since Waterbury is Rowland's hometown, it was expected that the city would receive more money than would be predicted based on its economic and demographic characteristics. A residual analysis was used to determine the amount of money a city should receive based on its economic and demographic characteristics. After evaluating the hypothesis through a statistical analysis and interviewing, it was determined that some Connecticut cities did receive more money than would be expected based on each city's economic and demographic characteristics. Waterbury was one of these cities, and through interviewing it was determined that Waterbury received more money than would be expected because of political reasons such as the need to increase political loyalty or reward political support. The interviews confirmed that Waterbury received more money because the city was Rowland's hometown, and that non-objective factors play an important role in budgetary allocation.

The statistical analysis illustrated that the five independent variables identified in the Model and Hypothesis section do a more than satisfactory job of explaining the variance in the

dependent variable, which is the dollar amount a city received from 1995 to 2004. Of the five independent variables, which included population size, unemployment rate, median age, education level, and the presence of a state institution, the analysis demonstrated that population size and median age were the strongest predictors of the variance in the dependent variable.

The overall findings of this study are important because they illustrate that subjective and biased factors often influence budgetary decisions. The research has shown that there is a political dimension to the allocation of funds, and that this political dynamic can include favoritism to one's hometown, the desire to reward political loyalty, or the need to maintain political support. Accordingly, the research is significant for several audiences. Scholars and social scientists should find significance in how the study frames the provision of state funds within the broader theoretical context of political patronage. It illustrates that political patronage and favoritism are evident even in traditionally objective matters such as budgetary decisions. The findings reinforce the dominance of the institutionalist perspective because they highlight the political aspects that impact the allocation of state funds. Those involved in government should also find significance in the study's findings which could make politicians more aware of their actions, thus leading to a fairer and more equitable allocation of state funds. Although one could interpret the findings to suggest that political patronage and favoritism are beneficial because Waterbury received increased money and projects from such actions, in reality such actions are less than ideal because they are conducted at the expense of other cities. Furthermore, ordinary citizens could also draw significance from this study. It could enable them to see the political elements and cronyism that run through the budgetary process, and more broadly, government in general. Citizens could become more aware of their politicians' actions

and underlying loyalties, which could in turn impact their voting decisions and ultimately who is elected to office.

The findings lend credence to the political aspects of the institutional perspective and some elements of the economic perspective. The interviews demonstrated that political factors are one, if not the most, important determinants of discretionary funds. With regard to the economic school of thought, Rowland said that previous expenditures are a significant consideration when allocating money to a city. However, even the findings of this research must be viewed with some limitation because of the complexity of the budgetary process. As former Governor Rowland noted, the allocation of state funds involves an intricate political dynamic between the Governor, the legislature, and the bond commission. Rowland emphasized that rather than considering a city's demographic and economic qualities, one of the main determinants when allocating public funds is the petitioning of the respective agencies and institutions. Thus, although cities with large populations and a lower median age tend to receive more money than cities with smaller populations and a higher median age, political favoritism, loyalty, lobbying, and political persuasion play a major part in the allocation of funds. Such non-objective factors are difficult to quantify and are not easily explained by theoretical models.

Nonetheless, the findings can be applied to other cases. Whether on the state or federal level, it can be argued that political reasons often trump objective factors in the distribution of government funds. The phenomenon that occurred during Rowland's administration occurs on the federal level in the form of "pork-barrel" legislation, where many legislators add benefits to their constituencies onto large pieces of legislation.

Moreover, the results show that many of the problems initially addressed in the research design are inconsequential to the outcome of the study. Multicollinearity was dismissed by the

results of the correlation matrix and regression analyses. Any potential problems occurring because the data pertaining to the existence of a state institution are from 2008, while all of the other independent variable data is from 2000 is insignificant because the presence of a state institution is likely to be fairly stable between 2000 and 2008. A state-run hospital, prison, or university is likely to remain state-funded in such a short, eight year time frame. Another possible problem was identified because the dependent variable data spans from 1995 to 2004 while the independent variable data is from one year, either 2000 or 2008. The potential difficulty arose from the fact that the values of the independent variables might be different in 1995 or 2004 than they were in 2000 or 2008. This concern can be dismissed because such a discrepancy would minimally impact the results. The final dilemma, which might have arose because a small minority of the state expenditure data includes some formula-based grants for school construction, is trivial. As discussed in the research design, the formula-based expenditures are so minimal that their potential to influence the results is negligible.

Given the potential problems that could have arisen, various changes may have been implemented had additional time and resources been available. Further time would have permitted the model to be more reflective of the literature and the dominant schools of thought. Given time constraints, the operationalization of variables such as “the desire to increase political support” or “the need to reward political loyalty” was not possible. Operationalizing these concepts would make the hypothesis more reflective of political variables. Regarding the selection of sources, additional time would have permitted the removal of the minor formula-based expenditures pertaining to school construction. Although such expenditures were minimal and likely had a negligible impact on the results, their removal would have promoted accuracy. Additional time and resources would have allowed a consideration of those cities that received

less money than was expected based on the economic and demographic characteristics. Reasons for such discrepancy may provide additional reasons for why other cities receive more than expected.

Despite the aforementioned changes and potential obstacles, this study contains a fairly strong methodological underpinning that would allow the findings to be expanded upon for future research. Areas of future study might include comparisons in the allocation of discretionary funds between different Governors or across states. Future inquiry may include distinctions between different years of Rowland's administration, or a content analysis of Connecticut newspapers to determine if the media portrayed Rowland as favoring his hometown. A content analysis would help better determine if Rowland favored particular areas of the state over others, and would provide further evidence either supporting or refuting the hypothesis.

Appendix

The appendix contains two tables used in the study. Table 6 is the compiled database that was used in the statistical analysis. It contains information on the independent and dependent variables for the 17 Connecticut cities being studied. It contains data collected from the OPM, the United States Census, and the Connecticut Economic Resource Center, and the Connecticut Department of Corrections. The values contained in this database were exported to SPSS in order to conduct the regression analyses and the residual analysis.

Table 7 is a sample of the databases provided by Connecticut OPM. It contains the date the allocation was made, a description of the allocation, and the dollar amount. Due to the length of these databases, Table 7 is a just portion of the total Stamford expenditures from 1995 to 2004. Table 7 contains Stamford expenditures only from May 2003 to December 2003.

TABLE 6. Compiled Database Used for Statistical Analysis

City	Dollar Amount Received from 1995-2004	Population Size	Unemployment Rate	Median Age	(Bachelors Degree or Higher)	Presence of a State Institution
Hartford	\$906,443,979	121,578	15.90%	29.7	12.40%	Yes
Bridgeport	\$318,699,119	139,529	10.50%	31.4	12.20%	Yes
New Haven	\$324,198,505	123,626	13.80%	29.3	27.10%	Yes
Stamford	\$333,210,026	117,083	4.30%	36.4	39.60%	Yes
Waterbury	\$448,048,037	107,271	8.60%	34.9	13.90%	Yes
Bristol	\$30,897,731	60,062	4.60%	37.6	16.20%	No
Danbury	\$126,969,691	74,848	4.00%	35.2	27.10%	Yes
Fairfield	\$46,475,428	57,340	7.30%	38.5	52.20%	No
Greenwich	\$19,058,067	61,101	3.50%	40.2	58.80%	Yes
Hamden	\$24,721,118	56,913	7.10%	37.7	36.50%	No
Manchester	\$77,216,540	54,740	3.90%	36.5	29.40%	Yes
Meriden	\$32,763,811	58,244	4.80%	36.2	16.40%	Yes
Norwalk	\$140,165,669	82,951	4.80%	36.6	34.20%	Yes
Milford	\$17,104,747	52,305	4.20%	39.4	29.30%	Yes
New Britain	\$317,141,685	71,538	8.90%	33.9	16.60%	Yes
West Haven	\$28,747,523	52,360	5.30%	36.4	19.10%	No
West Hartford	\$15,208,543	63,589	13.20%	40	53%	Yes

TABLE 7. Database Received From OPM- Stamford Expenditures from May to December 2003

Date	Description	Allocation Amount
5/30/2003	Grant-in-aid to The Child Guidance Center of So. Ct. for roof replacement	\$18,150
5/30/2003	Grant-in-aid to Domus Foundation for fire alarm system replacement	\$28,500
5/30/2003	DSS-Grant-in-aid to Stamford for renovations to the Glenbrook Community Center	\$1,000,000
10/31/2003	Grants-in-aid to 17 Targeted School Districts	\$905,836
10/31/2003	Parking garage and project closeout - Stamford Courthouse.	\$11,000,000
10/31/2003	DSS: Provide a supplemental grant-in-aid to the Ferguson Library of Stamford to assist in the costs associated with Phase 2 of an expansion and ADA compliance improvements to the Weed Memorial Community Education Center.	\$600,000
12/19/2003	DSS: grant-in-aid to the YMCA of Stamford, Inc. for reconstruction of the swimming pool at the Yerwood Center	\$100,000
12/19/2003	DECD: Housing grant-in-aid to the Connecticut Housing Finance Corporation (CHFA) to provide a loan to Southfield Village Limited Partnership for Phase II development of affordable housing known as Southwood Square in partnership with the Stamford housing	\$4,721,852
City of Stamford Total (1995-2004)		\$333,210,026

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