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Term Length and Public Finances: The Case of U.S. Governors

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Abstract

This paper studies how a politician's term length affects public finances. I test whether the gradual increase from two- to four-year terms for American governors affects state finances using a rich state-year panel stretching back almost a century. The results show that adopting four-year terms decreases annual expenditures and revenues by 6 %. The effect of the reform is present immediately after voters approve the ballot measure, when the last two-year-term governor is still in office, which suggests that the mechanism at work is stronger re-election incentives for the incumbent. The effect is larger among electorally 'at risk' governors. Democratic governors respond to longer terms by increasing public employment instead of decreasing expenditures.

Keywords: Term Length, U.S. Governors, Political Agency, Elections.

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1 Introduction

Two hundred thirty years ago, Alexander Hamilton, James Madison and John Jay published articles and essays on specific institutional features of the yet-to-be-ratified U.S. constitution (Hamilton et al., 1999). The public finance impacts of many of the institutions debated in these so-called *Federalist Papers* have been evaluated using modern econometric tools (see, e.g., Besley and Case (2003)). The term length for political offices, however, has thus far been overlooked by researchers.

Elections improve political and fiscal performance by making it possible for voters to remove bad or incompetent incumbents (Besley and Case, 1995a; Lowry et al., 1998) and by providing incumbents with incentives to be re-elected to another term (Alt et al., 2011; Besley and Case, 1995b, 2003). While the positive effects of elections *per se* are well documented, knowledge on the importance of the election frequency is more limited. It has been shown that longer terms for members of parliament increase legislative productivity (Dal Bó and Rossi, 2011; Titiunik, 2016), but how term length affects executive officeholders and public finances remains unknown. This paper attempts to fill this lacuna in the literature.

I test whether the gradual adoption of four-year terms for American governors affects state finances in a difference-in-differences setting. To carry out the analysis, I use many sources to collect a rich cross-state panel stretching back almost a century, covering the years 1922 to 2015. The adoption of four-year terms at different times enables the inclusion of state and year fixed effects to control for both state-specific and time-varying unobserved factors.

I analyze the effect of longer terms theoretically by using the well-established model formulated in Besley (2006) and Besley and Smart (2007), where a representative voter decides whether to re-elect or oust the governor based on inferred competence from observed (fiscal) performance. The theoretical results show that when longer terms

increase the value of holding office, the re-election incentives of the incumbent are improved, which curtails spending. However, longer terms also worsen selection by making it more worthwhile for incompetent incumbents to mimic competent types, which has the opposite effect on equilibrium expenditures. Second, if longer terms induce politicians of higher quality to run for governor, then expenditures will decrease from higher average ability. Third, expenditures decrease if the incumbents' competence increases from having more in-office experience.

The empirical analysis shows that increasing term length reduces government expenditures and revenues by 6 % each year, which corresponds to a reduction of roughly $74 per capita. The effect of increasing the term length is already present in the year after voters approve longer terms, when the last two-year-term incumbent is still in office. It is therefore unlikely that better selection of gubernatorial candidates or increased in-office experience causes a decrease in expenditures. Instead, the results suggest that the governors' fiscal performance increases from stronger incentives to be re-elected to a longer and thus more valuable term. The results are stable across different model specifications and are robust to several tests.

Further analysis shows that i) electorally safe governors, who have weaker incentives to perform, decrease government expenditures less than electorally 'at risk' governors and that ii) only Republican governors decrease expenditures. Democrats instead respond to longer terms by increasing state public employment, while not increasing expenditures. In light of the theoretical framework, I interpret these results as Republican governors using the resources made available by higher effort to reduce expenditures (and thus the amount of revenues that needs to be collected from voters), while Democratic governors instead keep expenditures at the pre-reform level and use the resources to increase the level of public goods.

This paper relates to the studies by Dal Bó and Rossi (2011) and Titiunik (2016) on the effect of term lengths on legislative performance but takes into account how term length affects re-election incentives and selection. Their experimental setting, where

term length is randomly allocated in one term after the legislators have been elected, precludes the study of these effects.[1] This paper also adds to the literature by studying the term length for an executive office and the effects on economic outcomes, whereas Dal Bó and Rossi (2011) and Titiunik (2016) study legislators and political outcomes.

My findings lend empirical support to the political agency models in which re-election incentives curb moral hazard problems by disciplining self-interested politicians not to shirk (Barro, 1973; Ferejohn, 1986). However, they contradict the theory that longer terms increase shirking by moving the re-election reward to the more distant future (Barro, 1973). My results instead indicate that effort is determined by the size of the reward, which relates to Crain and Tollison (1977), who find suggestive evidence that governors value longer terms higher than short terms by comparing campaign spending in two- and four-year-term races.

This paper also relates to the idea that elections have the important function of providing voters with the opportunity to remove poorly performing incumbents (Maskin and Tirole, 2004; Rogoff, 1990). Previous empirical papers have found evidence that U.S. voters hold governors accountable by comparing their own incumbent with incumbents in neighboring states (Besley and Case, 1995a) and make their evaluation conditional on party membership (Lowry et al., 1998). My results suggest that a potential selection effect from less frequently being able to remove incumbents is outweighed by increased incentives.

This paper is structured as follows. I next describe the theoretical model and then the institutional setting. I thereafter discuss the data, the identification strategy and the econometric specification, which is followed by the main results, a dynamic analysis, and robustness tests. I then explore heterogeneous effects, discuss potential alternative explanations and, finally, conclude the paper.

[1] Dal Bó and Rossi (2011) argue that longer terms make it more rewarding to 'invest' in effort early in the term that yields electoral rewards that accrue over time, while Titiunik (2016) suggests that the mechanism is that senators with long terms are less frequently distracted by campaigning.

2 Theoretical Framework

To understand how term length can be expected to affect government expenditures, it is useful to study the role of elections in a theoretical model. I use the Besley (2006) and Besley and Smart (2007) framework in which elections provide both incentives for the governor to exert effort to be re-elected and allow voters to remove incompetent governors.[2] The model is a dynamic two-period game with incomplete information between a representative voter and two types of politicians that differ in competence.[3] After describing the model, I conduct comparative statics to analyze the effect on equilibrium expenditures if longer terms increase i) the value of holding office, ii) governors' competence from the additional time in office, or iii) the average competence of gubernatorial candidates.

2.1 A Political Agency Model

Governors and the economy. There are two time periods. A representative voter has the option to replace the incumbent governor with a randomly drawn challenger in an election taking place between the time periods. The incumbent receives utility from some fixed non-monetary 'ego' rent $\eta_t > 0$, and the voter's utility comes from public goods consumption. In each of the two time periods, the governor decides how many units of public goods G to produce. The government balances the budget with tax revenues collected from the voter. Government spending in period t is

$$Y_t = \kappa_{i,t}\theta_t G_t \tag{2.1}$$

[2]For an alternative approach, see Schultz (2008), who models term length as a welfare trade-off between accountability and policy distortions created when incumbents attempt to manipulate swing voters' beliefs to increase re-election chances.

[3]I divert minimally from their model by allowing the competent type to become more competent but retain the simplification that only the less-competent incumbent can exert effort.

where $\kappa_{i,t}$, is a cost parameter that depends on the competence of the incumbent, and θ_t is a unit cost shock, which is independently and identically distributed, with $\theta \in \{L, H\}$, $H > L$, and $Pr(\theta = H) = q$. The governor-specific cost parameter $\kappa_{i,t}$ depends on the governor's ability to allocate resources α_i, with $i \in \{L, H\}$, where $\alpha_H < \alpha_L$, $Pr(\alpha_i = H) = \pi$, and the amount of effort-induced cost reductions $\delta_{i,t}$ is chosen to provide public goods more efficiently.

$$\kappa_{i,t} = \alpha_i - \delta_{i,t} \tag{2.2}$$

where $\kappa_{i,t} \geq 1$ and $\alpha_H \leq \alpha_L - \delta_{L,t}$. Low-ability incumbents can mimic the high-ability type by increasing effort at a personal utility cost proportional to the amount of cost-reducing effort chosen.[4] The incumbent maximizes expected ego rents over the two time periods, $\eta_1 - e_{i,1} + \beta\sigma\eta_2 - e_{i,2}$, where $\beta < 1$ is a discount factor and σ is the probability of being re-elected.[5]

Voter utility. The voter derives utility from the public goods net of taxes. When the incumbent provides public goods equal to G and government spending is Y, the voter's welfare is $W(G, Y) = G - C(Y)$, where C is a strictly increasing and convex cost function.

Strategies. The voter's strategy is to re-elect the incumbent if he or she observes public goods consistent with what a competent incumbent would choose.

Information and timing. At the beginning of the first period, nature draws the governor's ability α_i, and the first-period unit cost θ_1 is realized and observed by the incumbent. The governor chooses public goods provision G_1 and, if low ability was drawn, whether to exert effort $e_{L,1}$ to reduce the competence cost $\kappa_{L,1}$ by an amount $\delta_{L,1}$. Between the two periods, there is an election during which the representative voter

[4] Reducing costs per unit of public goods by an amount $\delta_{L,t}$ requires exerting costly effort $e_{L,t} = \delta_{L,t}\theta_t G_t$.

[5] $e_{H,1} = e_{H,2} = 0$ because only the low-ability incumbent is allowed to exert effort. This implies that the competent incumbent is a non-strategic agent. Alternatively, both agents could be allowed to be strategic, but as Lockwood (2005) shows, the result would still be that only one of the agents exerts effort in equilibrium (now the competent type).

has the option to replace the incumbent with a challenger who is randomly drawn from a pool of politicians. The voter attempts to infer the incumbent's type based on the observed (G_t, Y_t) pair and the prior beliefs on the challenger. At the beginning of the second period, the incumbent observes θ_2, chooses G_2 and e_2, and then the game ends.

Beliefs. The high-ability type simply chooses G in each time period to maximize voter welfare, $W(G, Y)$, because this maximizes expected utility given the voter's strategy. Thus, a high-ability incumbent provides the following level of public goods

$$G^*(\kappa_H, \theta) = \underset{G}{\text{argmax}}\ G - C(\kappa_H \theta G) \tag{2.3}$$

Let the associated level of government spending be denoted by $Y^*_\theta = \kappa_H \theta G^*(\kappa, \theta)$, and voter welfare is $W^*(\kappa, \theta)$. The high-ability incumbent chooses (G^*_H, Y^*_H), where $G^*_H = G^*(\theta = H, \alpha = H)$ with probability q and (G^*_L, Y^*_L) with probability $(1 - q)$. It follows that the voter's posterior belief is to assign zero probability to the high-ability type at any other information set (G, Y). To economize on notation, the posterior beliefs are written as a function $Pr(i = H|Y)$ of first-period spending alone.

Because the second-period strategies are identical ($e_2 = 0$) for the incumbent and challenger, the sequentially rational voting rule for the voter is to re-elect the incumbent if the posterior probability that the incumbent has high ability is higher than the prior probability π that the challenger has high ability. The voter's posterior beliefs depend in turn on the equilibrium strategy of the first-period incumbent.

For the low-ability type, the election provides incentives to exert effort in the first period. Confine attention to the three possible strategies associated with spending levels (Y^*_H, Y^*_L, Y). First, the low-ability incumbent chooses to mimic the high-ability type by choosing Y^*_H or Y^*_L over Y if the expected discounted period-two ego rent is larger than the dis-utility from the required effort to reduce spending with the required δ. If the incumbent exerts effort in this way, the strategy to mimic the high-cost situation Y^*_H dominates mimicking the low-cost situation Y^*_L because it requires

less effort to lower government spending to this higher level.

Thus, $Pr(i = H|Y_L^*) = 1$ in any equilibrium, and the voter will always re-elect an incumbent spending Y_L^*. The voter's beliefs when observing Y_H^* are less obvious. Let λ be the probability that a low-ability incumbent chooses sufficient effort to mimic a high-ability incumbent, $\lambda = Pr(Y = Y_H^*|i = L)$. The posterior probability that spending Y_H^* was generated by a high-ability politician is

$$Pr(i = H|Y_H^*) = \frac{Pr(Y_H^*|i = H)Pr(i = H)}{Pr(Y_H^*)} = \frac{\pi q}{\pi q + (1 - \pi)(1 - q)\lambda} \tag{2.4}$$

The best response for the voter is to re-elect with positive probability ($\sigma > 0$) only if $Pr(i = H|Y_H^*) \geq \pi$, or, equivalently, $\lambda \leq q/(1 - q)$. If the inequality is strict, then $\sigma = 1$. A low-ability incumbent exerts effort with certainty ($\lambda = 1$) only if $e_1 < \beta\sigma\eta$.

Equilibrium. First, consider the high-ability type. If a high-ability incumbent draws the low cost shock, he or she chooses (G_L^*, Y_L^*) and is re-elected with certainty. If the high cost shock is drawn, the high-ability type produces (G_H^*, Y_H^*) and is re-elected with positive probability if $Pr(i = H|Y_H^*) \geq \pi$.

Consider next the low-ability type. If a low-ability incumbent draws the low cost shock, then he or she pools with the high-ability type by producing (G_H^*, Y_H^*) if the expected re-election reward is larger than the required effort, i.e., if $e_1 = (\alpha_L L - \alpha_H H)G_H^* < \beta\eta$. If any other (G, Y) combination is produced, then the low-ability type is revealed and voted out of office.

If the low-ability incumbent instead draws the high cost shock, he or she has the option to mimic the high-ability type by exerting effort $e_1 = (\alpha_L - \alpha_H)HG_H^*$. However, if this is worthwhile – i.e., If the condition for pooling, $(\alpha_L - \alpha_H)HG_H^* < \beta\eta$, also holds under the high cost shock – then the low-ability incumbent always chooses (G_H^*, Y_H^*). This implies that the voter can never do worse by ousting the incumbent when (G_H^*, Y_H^*) is observed, and then the low-ability incumbent looses the incentives to pool. Thus, the requirement for a pooling equilibrium is that the pooling condition holds only for the low cost shock, i.e., $\beta\eta - (\alpha_L L - \alpha_H H)G_H^* > 0 > \beta\eta - (\alpha_L - \alpha_H)HG_H^*$, otherwise the

equilibrium is separating.

Equilibrium Expenditures. To investigate how expenditures are affected by an increased term length, an expression for expenditures in equilibrium is needed. I follow the method used in Besley and Smart (2007) to analyze voter welfare but express expenditures, instead of welfare, as a function of i) a baseline equilibrium level absent elections and ii) the effects of re-election incentives and voter selection that elections create. Without an election, the expected expenditures in each term when the high-ability incumbent is in office is $\mathbb{E}(Y|i = H) = qY^*_H + (1-q)Y^*_L \equiv Y^H$, where the subscript denotes the cost shock (θ) and the superscript denotes ability (α). Absent the potential for re-election, the low-ability incumbent would have no incentive to make cost reductions and would therefore provide $\mathbb{E}(Y|i = L) = qY_H + (1-q)Y_L \equiv Y^L$. The expected level of expenditures when not conditioning on the incumbent's ability is defined as $Y^0 = \pi Y^H + (1-\pi)Y^L$. After adding the effect of elections, the equilibrium expenditures can be expressed as

$$\mathbb{E}\, Y(\lambda, \sigma) = Y^0 + (1-\pi)(1-q)\lambda I + (\pi_2 - \pi)S \tag{2.5}$$

where $I = Y^*_H - Y^L_L < 0$ represents the incentive effect from the low-ability incumbent exerting effort to mimic the high-ability type, which occurs with probability $(1-\pi)(1-q)\lambda$, and $S = \mathbb{E}\, Y^H - \mathbb{E}\, Y^L < 0$ is the selection effect from lower expenditures in period 2 when the voter has removed low-ability incumbents. The expression $(\pi_2 - \pi)$ is the increased probability that the period-two incumbents have high ability.[6]

2.2 Increasing the Term Length

Government expenditures can be affected by i) the incumbent's effort, ii) the selection of politicians that run for office and iii) the incumbent's political experience. Increasing

[6] π_2 is the equilibrium probability that a competent politician is in office in period 2, which is given by $\pi_2 - \pi = \pi(1-\pi)[q\sigma + (1-q)(1-\sigma\lambda)]$. See Besley and Smart (2007) for details.

the term length can potentially affect expenditures through changes to the parameters η (ego rents), κ (competence) and π (the probability of drawing high ability). I conduct comparative statics on equilibrium expenditures expressed in equation 2.5 with respect to these parameters to analyze the theoretical predictions for each of these channels.

The Value of Holding Office (Ego Rents). For a politician, term length is analogous to the length of a work contract. A prediction from a standard economic model is that workers value longer contracts more highly. Analogously, politicians can be expected to value longer terms. The reward from office for politicians in the model is ego rents η. Longer terms can be expected to increase the value of the ego rents for the officeholder and thereby the probability λ that a low-ability incumbent exerts effort – recall that a low-ability governor exerts effort e_1 to capture η_2 if the expected net cost of doing so is positive. Differentiating equation 2.5 with respect to λ yields

$$\frac{\partial \mathbb{E}(Y)}{\partial \lambda} = (1-\pi)I + \pi(1-\pi)(\sigma q - \sigma)S \tag{2.6}$$

where the first part is negative since $I < 0$, and the second part is positive since $(\sigma q - \sigma) < 0$ and $S < 0$. The interpretation is that larger ego rents increase the likelihood that low-ability incumbents mimic a high-ability incumbent by reducing expenditures. However, this also worsens selection when a low-ability incumbent is more frequently re-elected to a second term, which increases equilibrium expenditures. The effect of larger ego rents is thus ambiguous and depends on whether incentives or voter selection affect expenditures more, which is an empirical question.

Selection of Candidates (Probability of Drawing High Ability). If longer terms increase the ego rents from holding office, then longer terms could also induce politicians of higher ability to run for office in the first place. In the context of the model, this implies that longer terms increase the fraction of high-ability politicians π in the pool of gubernatorial candidates. Differentiating eq. 2.5 with respect to π yields

$$\frac{\partial \mathbb{E}(Y)}{\partial \pi} = [\mathbb{E}\, Y^H(\mu) - \mathbb{E}\, Y^L(\mu)] + (-1)(1-q)\lambda I + (1-2\pi)[q\sigma + (1-q)(1-\sigma\lambda)]S \quad (2.7)$$

where the first part is negative, the second part is positive, and the third part is positive if $\pi > 0.5$, zero if $\pi = 0.5$ and negative if $\pi < 0.5$.

The results can be interpreted in the following way. First, a higher probability of randomly drawing a high ability type decreases the average governor-specific cost parameter, κ, which reduces government expenditures. Second, a lower probability of drawing a low ability type decreases the chance that the incumbent will exert effort, which increases government expenditures.[7] Third, the effect on voter selection depends on the size of π. Because π affects the voter's prior probability of drawing the high-ability type, it not only increases the chance of re-electing the high-ability type but also increases the risk of both re-electing a pooling low-ability incumbent and not re-electing a high-ability incumbent who has drawn the high cost shock. If it is more likely than not to draw a high-ability type, then selection worsens and vice versa. The first part of 2.7 is larger than the other two parts, and the total effect of selection on expenditures is therefore negative.

In-office Experience (Competence). Most workers' skills increase while on the job from experience gained by 'learning-by-doing'. If the craft of governing is similar, all incumbent performance should increase with longer terms because governors who serve longer terms spend more time in office. To take a potential experience effect into account, consider a decrease in the governor-specific cost parameter κ for all incumbents. Differentiating equation 2.5 with respect to κ yields

[7] Under the more realistic assumption that both types can exert effort, then Lockwood (2005) shows that no pooling equilibrium is stable because the high-ability type would always exert effort to eclipse the low-ability incumbent (G, Y) pair. In such a model, the incentive effect would have the opposite effect as in my case, as equilibrium expenditures would instead decrease when the fraction of politicians that exerts effort, now high-ability types, instead increases.

$$\frac{\partial \mathbb{E}(Y)}{\partial \kappa} = \pi q \frac{\partial Y_H^H}{\partial \kappa} + \pi(1-q)\frac{\partial Y_L^H}{\partial \kappa} + (1-\pi)(1-q)[\frac{\partial Y_H^L}{\partial \kappa} - \frac{\partial Y_L^L}{\partial \kappa}] + (\pi_2 - \pi)[\frac{\partial \mathbb{E}\, Y^H}{\partial \kappa} - \frac{\partial \mathbb{E}\, Y^L}{\partial \kappa}] \quad (2.8)$$

Under the assumption that both low- and high-ability incumbents gain an equal amount of competence from in-office experience (denote this assumption $A1$), the effects of incentives and selection cancel out, which leaves us with the following:

$$\frac{\partial \mathbb{E}(Y)}{\partial \kappa}|A1 = \pi q \frac{\partial Y_H^H}{\partial \kappa} + \pi(1-q)\frac{\partial Y_L^H}{\partial \kappa} = \frac{\partial Y^0}{\partial \kappa} \quad (2.9)$$

which is positive since $\frac{\partial Y_\theta^i}{\partial \kappa} > 0$. The interpretation is that a lower κ reduces the cost of producing public goods, which decreases government expenditures.

3 The Powers and Term Lengths of U.S. Governors

When the U.S. was founded in the late 18th century, the term length for governors varied between one and three years.[8] The term length has gradually increased since then, and at present all states have adopted four-year terms except Vermont and New Hampshire, which still have two-year terms. Figure 1 shows the number of states each year with one-, two-, three- or four-year terms for the governor. The graph reveals that approximately half of the states switched from two- to four-year terms between the 1920s and 1990s.

The governor has substantial influence on U.S. states' public finances because he or she is responsible for preparing the state budget for review and approval by

[8]The New England colonies (NH, MA, RI, CT) choose one-year terms, the Middle colonies (NY, NJ, PA, DE) choose three year terms, and all of the Southern colonies (MA, VA, NC, SC, GA) choose one-year terms, except South Carolina, which choose-two year terms (U.S. Advisory Commission on Intergovernmental Relations (ACIR), 1985).

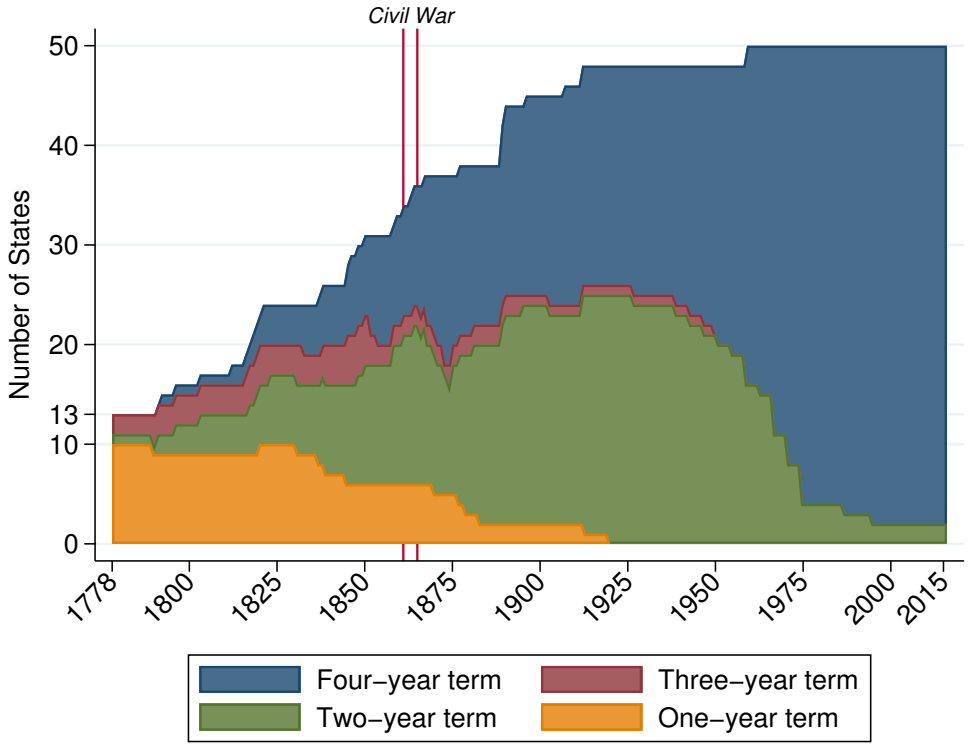


Figure 1 Gubernatorial Term Length Over Time

the state legislature.[9] The states, in turn, are large and important political entities that can be compared to sovereign states in economic size. Apart from substantial economic powers, the governors also have extensive political responsibilities, such as implementing state laws, overseeing the operations of the executive branch, making executive orders, and issuing vetoes. The U.S. states' main responsibilities are domestic tasks such as local law enforcement, public health care, public education, and local infrastructure. Each U.S. state has a legislative, executive and judicial branch.

The term length for governors is regulated in the state constitution. Each state has its own rules and procedures for how to amend the constitution, and these rules have changed over time. There are three ways of proposing constitutional amendments: i) by the state legislature, ii) by a ballot initiative, which is a petition signed by a minimum number of voters, and iii) by a state constitutional convention (SCC). An

[9] At the turn of the last century, most states practiced biannual budgeting, but over time, this tradition has become less popular. Biannual budgeting generally means that the legislature adopts two separate annual budgets once every two years. It is common for biannual budgets to be revised with so-called supplemental appropriations, so the difference between the two conventions is small in practice.

Table 1 Year Adopting and Implementing Four-Year Terms

State	Unsuccessful Attempts	Year Adopted	Year Implemented	Gubernatorial Term Length		
				Two Years	Four Years	Total
Arkansas	3	1984	1986	65	30	95
Arizona	3	1968	1970	49	46	95
Colorado	2	1956	1958	37	58	95
Connecticut	0	1948	1950	29	66	95
Georgia	0	1941	1942	21	74	95
Iowa	0	1972	1974	53	42	95
Idaho	2	1944	1946	25	70	95
Kansas	0	1970	1974	53	42	95
Massachusetts	0	1964	1966	45	50	95
Maine	0	1957	1958	41	54	95
Michigan	0	1963	1966	45	50	95
Minnesota	0	1958	1962	41	54	95
North Dakota	2	1964	1964	44	51	95
Nebraska	0	1962	1966	45	50	95
New Hampshire	1	-	-	95	0	95
New Mexico	0	1970	1970	49	46	95
New York	1	1937	1938	17	78	95
Ohio	1	1954	1958	37	58	95
Rhode Island	1	1986	1994	73	22	95
South Carolina	0	1926	1926	5	90	95
South Dakota	1	1972	1974	53	42	95
Tennessee	0	1953	1954	33	62	95
Texas	1	1972	1974	53	42	95
Vermont	1	-	-	95	0	95
Wisconsin	1	1967	1970	49	46	95
Total	20	23	23	1,145	1,230	2,375

Notes: New Jersey switched from three-year terms to four-year terms in 1950. Louisiana adopted four-year terms in 1868 but had one three-year term, 1972-1975. Similarly, Florida had one two-year term, 1965-1966. These three states are not included in the main analysis. 'Year Adopted' is the year voters approved four-year terms, and 'Year Implemented' is the year of the first election where the governor would serve a four-year term.

SCC is a committee with members that are well informed about the constitution, such as former judges, former politicians, and legal scholars. An SCC can be initiated by the legislature, by a ballot measure in a statewide election, or automatically after a number of years specified in the constitution have passed. Most states allow only some of these ways of proposing an amendment or initiating an SCC.

For a proposal to be adopted, it must be ratified by popular vote in a statewide

election. Some states use a simple majority vote of those who voted in the election, others use a simple majority of voters, and some states require a qualified two-thirds majority to adopt amendments. Table 1 shows the year that each state adopted four-year terms and when the decision was first implemented, i.e., when the first governor was sworn into a four-year term. It also shows how many proposed amendments to increase the term length were rejected by voters prior to the successful attempt.

In each statewide election, the voters are asked to vote on several constitutional amendments. After analyzing all proposals adopted in the same year as four-year terms, I conclude that there is no other simultaneously introduced reform that can be expected to have a major effect on the public finances.[10]

3.1 Why did the States Adopt Longer Terms?

It appears as if the extension of term lengths was not heavily debated prior to adoption. It is common to attach debate articles with arguments for and against controversial constitutional amendments, but I have found no such articles concerning the extension of term length.[11] The Texas Legislative Council (TLC), however, can provide some insights into the discussion. The TLC, which has the mission of providing non-partisan support to the Texas Legislature, formulates arguments for and against all proposed amendments. For the 1965 failed and 1972 successful attempts to increase the gubernatorial term length, the council provided the arguments listed in Fig. 2 (The Texas Legislative Council, 1965, 1972).

Another source of information behind the motives to increase the gubernatorial term length is the Council of State Governments (CSG). CSG writes that one of the five 'strikingly similar' recommendations from the 'Little Hoover Commissions' – commissions established in most states in the late 1940s with the aim of formulating

[10] Table 12 in the appendix shows all proposed amendments that passed in the same year as the term of office increased.

[11] If, for example, a constitutional amendment to change worker conditions is on the ballot, then the proposed changes would typically be argued for or against by union leaders.

Pro

- The governor would have sufficient time to master the functions of the office before embarking on campaigns for re-election.
- The interest and turnout in the gubernatorial election could increase because it would no longer coincide with the presidential election.
- Governors would be less dependent on money from special interests because they would need to fund re-election campaigns less often.
- A majority of the U.S. states already have adopted four-year terms.

Contra

- Long terms of office tend to alienate the public official from the citizens.
- The power of state officials would be increased.
- History has shown that long tenure in office and political corruption often go hand in hand.
- Although 35 of the 50 states have established four-year terms for their governors, over half have placed restrictions upon his re-election. (TX had no term limits at the time.)

Figure 2 The Texas Legislative Council: Pro and Contra Four-Year Terms (1965, 1972)

advice to increase the state governments' efficiency – was lengthening the governor's term of office (The Council of State Governments, 1952). The universality of the little Hoover Commission recommendations reduces the concern that the extension of the term was made in response to a specific situation in a state. It is almost as if the recommendation to adopt four-year terms came from the federal level.

Another possibility is that the states adopted four-year terms when their geographical neighbors did so. Figure 3 maps the decade in which each state adopted four-year terms. The figure shows that there are treated states in all regions except the pacific, and most regions have states that adopted four-year terms in more than one decade, which suggests no strong correlation between variation in treatment timing and geography.

4 Empirical Analysis

4.1 Data and Summary Statistics

For the purpose of this paper, I collected data from several different sources to construct a rich cross-state panel covering almost one hundred years (1922 - 2015) for the 25 states with two-year terms in 1922.[12] Descriptive statistics for the variables used in the econometric analysis are provided in Table 2.[13]

The dependent variables in the main analysis are (log) total expenditures and revenues per capita. When analyzing heterogeneous effects with respect to the governor's ideology, I also test the effect of four-year terms on (log) total state employment (full-time equivalents).[14] In the last section of the paper, I also test whether longer terms affect the observable characteristics of the governor, captured by the variables under the headline 'Mechanisms' in Table 2.

I follow the literature on term limits and include economic, demographic, political and institutional variables to control for factors that are expected to affect economic policy outcomes (Alt et al., 2011; Besley and Case, 1995b, 2003). I include real state personal income per capita to control for the economic conditions in each state and year.[15] Demographic factors are captured by the covariates Total state population and Share of kids and elderly, defined as the share of individuals under 18 and above 65 in the total state population. To control for political preferences, three indicator variables are included: i) if the governor is a Democrat, ii) if the state house is controlled by the Democrats, and iii) if the state senate is controlled by the Democrats. The degree

[12] The sources of these variables are described in the Data Appendix.

[13] I have excluded governors who were not elected, i.e., individuals – typically the Lt. Governor – sworn into office if the previous governor died, resigned, or was removed from office, but including all governors does not change the results.

[14] For the years 1937-1953, I only have data on total state employment, i.e., both full- and part-time employees. For this period, the number of full-time equivalents was approximated by subtracting from total state employment the estimated number of part-time employed calculated using the state average percentage difference between the total employed and total employed (full-time equivalents) over the years 1954-1985.

[15] State personal income includes all individuals' total earnings from wages, investment interest, and all other sources.

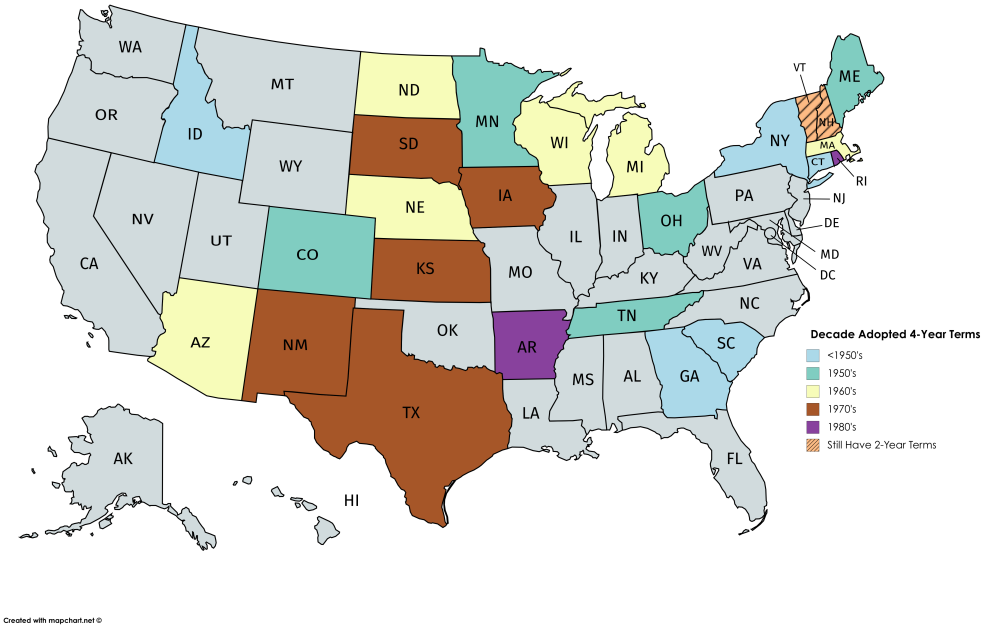


Figure 3 Decade in which the Treated States Adopted Four-Year Terms

Notes: Grey states had four-year terms in 1922, except AK and HI, which adopted four-year terms when they became states in 1958 and 1959, and NJ, which abandoned three-year terms in favor of four-year terms in its 1947 constitution.

of political competition in each state is captured by including indexes calculated as (percent of seats - 50) for the party controlling the house and senate. I also include an indicator for whether the government is divided, i.e., if the governor and either of the two houses are from different political parties.

To account for the strictness of fiscal rules, two indicator variables are included: i) if the state has balanced-budget provisions mandated in the constitution and ii) if balanced-budget rules are regulated by statute.[16] Because term limits have been shown to have an effect on spending, I include an indicator taking value one if the governor cannot run for re-election because he or she is term limited.

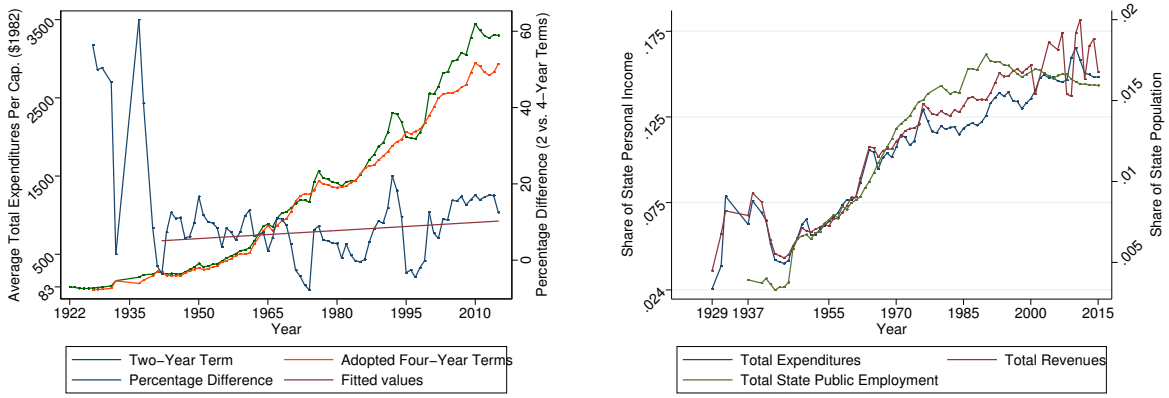
The summary statistics in Table 2 show that expenditures, revenues, employment, personal income and total population are higher when the term length is four years, compared to two years. This can be explained by the fact that most of the observations

[16]Most states started to introduce balanced-budget rules in their constitutions in the mid- to late-19th century, while (more detailed) statutory provisions were largely adopted in the early- to mid-20th century.

Table 2 Summary Statistics

	Two-Year Terms Mean (S.D.)	Four-Year Terms Mean (S.D.)
Dependent Variables		
Main Analysis		
Total Expenditures Per Capita (1982 USD)	573 (690)	1,773 (838)
Total Revenues Per Capita (1982 USD)	578 (688)	1,863 (922)
Heterogeneous Effects		
Total State Employment (Full-Time Equivalents)	16,786 (16,764)	62,108 (61,064)
Mechanisms		
Initial Political Experience (Years)	5.95 (5.58)	8.85 (6.76)
Governor's Age (Years)	51.77 (8.55)	53.30 (8.22)
Graduated College (Indicator)	0.78 (0.42)	0.89 (0.32)
Law Degree (Indicator)	0.52 (0.50)	0.45 (0.50)
Ivy League Graduate (Indicator)	0.20 (0.40)	0.18 (0.38)
Independent Variables		
Main Analysis		
State Personal Income Per Capita (1982 USD)	6,826 (4,055)	13,782 (4,523)
Total State Population ('000)	2,355 (2,511)	5,207 (5,147)
Share Kids (5-17 years) + Elderly (65+ years)	0.32 (0.03)	0.32 (0.03)
Democratic Governor (Indicator)	0.51 (0.50)	0.48 (0.50)
Democratic House (Indicator)	0.40 (0.49)	0.55 (0.50)
Democratic Senate (Indicator)	0.39 (0.48)	0.50 (0.50)
Competition, House (Folded Index)	25.28 (15.16)	16.50 (12.78)
Competition, Senate (Folded Index)	27.18 (15.80)	16.48 (13.22)
Divided Government (Indicator)	0.23 (0.42)	0.33 (0.47)
Governor is Term Limited (Indicator)	0.04 (0.18)	0.25 (0.43)
Balanced-Budget Rule, Constitution (Indicator)	0.56 (0.50)	0.84 (0.37)
Balanced-Budget Rule, Statutes (Indicator)	0.34 (0.47)	0.83 (0.38)
Heterogeneous Effects		
Electoral Safety (Indicator)	0.36 (0.48)	0.31 (0.46)
Observations	1,112	1,169

Notes: Includes the 25 states that had two-year terms for governor in 1922 and only observations when the governor was elected to office. Prices are deflated using CPI with 1982 as base year. The data appendix describes the sources of these variables.



(a) Expenditures under Long or Short Terms **(b)** Growth of State Governments

Figure 4 State Government Finances 1922-2015

Includes the 25 states that had two-year terms for governor in 1922.

where the governor has a four-year term are late in the panel, and these variables increase over time because of population and economic growth. Figure 4a illustrates the large increase in real per capita expenditures and revenues over time. The increase in expenditures and revenues is mainly caused by productivity growth, but as Figure 4b shows, state expenditures and revenues as a share of personal income and total state employment as a share of state population have also increased over time, i.e., the size of state governments has grown.

Figure 4a also shows that when comparing the yearly averages of total expenditures between states that adopted four-year terms after 1922 and states that still have two-year terms, the expenditures are on average roughly ten percent higher in the states that still have two-year terms. In other words, the descriptive statistics suggest that longer terms are associated with lower costs. However, there could be many reasons besides the term length that determined the expenditure levels in the two groups over this period. In the next section, I describe how to identify the causal impact of four-year terms on expenditures and revenues.

4.2 Identification Strategy

The main objective of this paper is to test whether the length of governors' terms affects the level of expenditures and revenues in the state. The ideal experiment would be to randomly assign long or short terms to governors in different states and then compare the average government expenditures and revenues in the two groups. The randomization would ensure that the states in the treatment and the control group on average only differ in having long or short terms for the governor. Because this experiment does not exist, I instead exploit the staggered adoption of four-year terms to compare the difference in expenditure and revenue trends before and after the states adopt four-year terms with the difference in the expenditure and revenue trends for the states that do not change treatment status during the same time period.

The identifying assumption in this difference-in-differences model is that the expenditure and revenue trends would have evolved similarly in the treatment and control groups had the treatment not occurred, the so-called parallel trends assumption. If, for example, the states changed the term length as a result of poor economic performance, then expenditures would be higher in the treatment group for the period leading up to the treatment, and the trends would not be parallel. The discussion in section 3.1 suggests that states did not adopt four-year terms because of poor economic conditions, but the likelihood of this will be tested by examining pre-treatment trends.

4.3 Econometric Specification

I estimate the average net effect of longer terms on expenditures and revenues by using the following regression:

$$Y_{i,t} = \alpha_i + \tau_t + \beta Four\ Years_{i,t} + \mathbf{X_{i,t}}'\varphi + \lambda Trend_{i,t} + \varepsilon_{i,t} \tag{4.1}$$

where Y is the outcome, i denotes state, t denotes year, α_i are state fixed effects and τ_t are year fixed effects. $Four\ Years_{i,t}$ is the treatment variable – an indicator that takes value one for years after the treatment, i.e., for the years after the state adopts four-year terms for governor and zero for the years before the adoption. I define the years after adoption, as opposed to when the first longer term starts, as the treatment since the incentives for the governor to be re-elected increase as soon as the state decides that terms should be extended, i.e., the incentives to be re-elected also increase for the governor serving the last two-year term.[17] The estimated β is the average net effect of having a gubernatorial term length of four years compared to two years.

The covariates in the vector $\mathbf{X_{i,t}}$ are summarized in Table 2. In the richest specification, I also include state-specific linear pre-treatment trends, $Trend_{i,t}$, which capture pre-existing linear trends in the outcome variables.[18] If the treatment group follows a different trend than the control group, then this will be removed by including the pre-treatment trend variable.

To analyze the treatment timing and dynamics, the following equation is estimated:

$$Y_{i,t} = \alpha_i + \tau_t + \sum_{m=1}^{5} \beta_{-m} D_{i,t-m} + \beta_0 D_{i,t} + \sum_{k=1}^{4} \beta_k D_{i,t+k} + \beta_5 D_{i,t+5forward} + \mathbf{X_{i,t}}\varphi + \lambda Trend_{i,t} + \varepsilon_{i,t} \tag{4.2}$$

where $D_{i,t}$ takes value one in the year the states adopt four-year terms and zero in all other years.[19] If the pre-treatment trends in the outcome variables are the same in the treatment and control groups, then $\beta_j = 0, \forall j < 0$, i.e., the coefficient on all leads should be zero. The estimates of $\beta_j, \forall j > 0$ also reveal potential dynamic effects of

[17] The ballot measure to increase the term length took place in November in most states – see Table 13 in the appendix for the exact dates – but some were held earlier in the year. I code the treatment variable as one in the year after the election year when the election was held in the later half of the year and in the actual year when the election took place in the first half of the year.

[18] I follow the approach in Bhuller et al. (2013) and estimate a slope parameter for each state using the pre period, which is then extrapolated into the post period. That is, I estimate $Y_{i,t} = \alpha + \lambda Trend_{i,t} + \varepsilon_{i,t}$ for the pre-treatment period and then include $\hat{\lambda} Trend$ in eq. 5.1, thereby 'projecting' the pre treatment into the post-treatment period.

[19] Note that $D_{i,t+5forward}$ takes value one five years after the adoption and all years thereafter and zero in all other years. Note further that $D_{i,t}$, as opposed to $Four\ Years_{i,t}$, takes value one in the year of adoption, regardless of the month in which the election was held to facilitate interpretation of the graph.

increasing the term length that could be important for understanding the mechanisms.

4.4 Results

Table 3 presents the estimated effect on (log) total expenditures and revenues per capita of increasing the term length for the governor from two to four years. In the first column, I regress the term length indicator on the outcome without covariates or time trends. The estimated effect on expenditures and revenues of increasing the term length is a decrease of 4.3 and 4.9 percent, respectively. When conditioning on the covariates in the second column, the effect increases in size to a decrease of 7.3 percent for expenditures and 6.9 percent for revenues.

The third column shows the estimated effect from the full specification expressed in equation 4.1, where state-specific linear pre-treatment time trends are included. Including the time trends affects the size of the estimates to only a small degree, which suggests that the spending and revenue patterns are not caused by some state-specific trends unrelated to adopting four-year terms. When the pre-treatment trends are netted out, total expenditures are estimated to decrease by 5.9 percent and revenues to decrease by 5.6 percent.

In summary, I find a large and negative effect in all specifications. The results are statistically significant at the one percent level when using standard errors robust to heteroskedasticity but only significant at the ten percent level when using standard errors clustered at the state level (25 clusters). A six-percent decrease is equivalent to roughly $74 per capita in 1982 dollars. For a comparison of the size of the effect, consider the estimated increase in spending when the governor is term limited found in Besley and Case (2003) of $15 per capita in 1982 dollars.[20]

[20]The estimate on the term limit indicator, which is not included in the table, is very small, negative and not statistically significant, which is contrary to the positive and statistically significant effect found in, e.g., Alt et al. (2011); Besley and Case (2003). However, if all 50 states are included instead of only the 25 that had two-year terms in 1922, the estimate is positive but still small and not statistically significant.

Table 3 Main Results – Estimates of the Four-Year Term Indicator

	Total Expenditures			Total Revenues		
Adopted 4-Year Term	-0.043	-0.073	-0.059	-0.049	-0.069	-0.056
	(0.013)***	(0.012)***	(0.012)***	(0.012)***	(0.011)***	(0.011)***
	[0.043]	[0.031]**	[0.031]*	[0.041]	[0.030]**	[0.030]*
R^2	0.98	0.99	0.99	0.99	0.99	0.99
N	2,074	1,769	1,769	2,002	1,702	1,702
Dependent Variable Mean	1,238	1,238	1,238	1,269	1,269	1,269
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes	Yes	Yes
Covariates	No	Yes	Yes	No	Yes	Yes
Linear Pre-Treatment Trend	No	No	Yes	No	No	Yes

Notes: Dependent variable in real ($1982) per capita, log form. Hubert-White heteroskedasticity-robust standard errors in parentheses. Standard errors clustered at the state level in brackets (25 clusters). Included covariates: State Personal Income, Total Population, Share of Kids and Elderly, Democratic Governor, Democratic House, Democratic Senate, Competition in House and Senate, Divided Government, Term Limited Governor, Balanced-Budget Rule (Constitution), Balanced-Budget Rule (Statutes). * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

4.4.1 Dynamics: Pre-trends and Treatment Timing

To examine the pre-treatment trends and the dynamics in the decline in expenditures and revenues after the adoption of four-year terms, I estimate equation 4.2. Fig. 5 graphs $\hat{\beta}_j$ for $j = -5, -4, ..., 5$ from the regression with the same specification as in columns 3 and 6 of Table 3. Note that the excluded years are those leading up to five years before the reform. The standard errors are calculated using the smaller Huber-White variance estimator. Table 9 and Figure 6 in the appendix show that the estimated leads and lags are similar to the specifications with no time trends.

Although two of the coefficients for revenues are negative and marginally significant before the treatment, the graph shows a large decline in expenditures and revenues immediately after adoption that is also persistent.[21] Because most elections were held in November, the year after adoption corresponds well to the first year in the last

[21] It is not likely that the pre-treatment decrease in revenues comes from an anticipation effect whereby governors increase their effort in the hope that voters will approve an amendment to increase the term length in the next election because this effect would then also affect expenditures. One possible explanation is sampling variation, but I leave it to the reader to decide what is more likely.

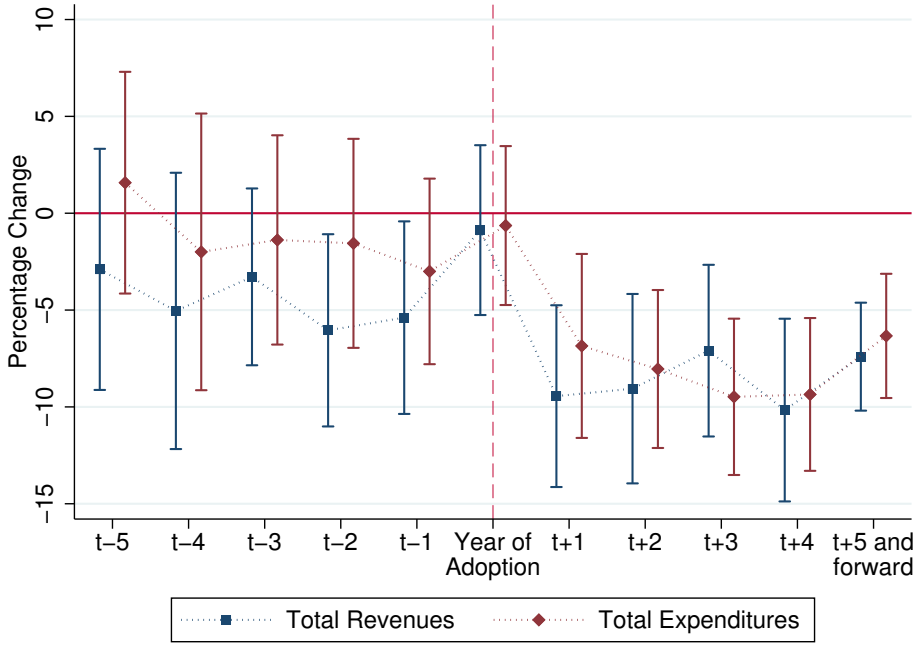


Figure 5 Dynamic Response to Adopting Four-Year Terms

two-year term.

The dynamic analysis provides important information on the probable mechanism behind the effect. The first four-year-term governor was in most states elected a few years after voters approved four-year terms (see Table 1). This means that the first governor elected to a four-year term submitted his or her first budget at approximately $t + 3$ in Fig. 5. Because the impact on expenditures and revenues is immediate after voters approve longer terms – when the last two-year-term governor is still in office – the mechanism behind the effect cannot be that governors gain experience from serving longer terms. The selection of more-competent candidates does not seem plausible either, unless more-competent individuals run for office in the same year as an amendment to increase the future term length was on the ballot.[22] The governor's re-election incentives, however, increase as soon as voters approve longer terms. The dynamic analysis therefore suggests that the most likely hypothesis to explain the decrease in government expenditures and revenues from increasing the term length

[22]This is discussed further in Section 5.

is that a more valuable office increases the re-election incentives of the incumbent governor. Before discussing the mechanism further, I present a series of robustness tests of the main effect and some analyses of heterogeneous treatment effects.

4.5 Robustness Analysis

Removing All Years With Term-Limit Rules. One potential concern is that term limits affect the incentives of governors in terms when they are not term limited or that term limits affect the selection of political candidates, including for terms when the governor is not term limited. Table 10 in the appendix reports estimations of equation 4.1 where all years in which any kind of term limit rule is in place are removed. I thus omit both governors that are term limited and those that will be term limited in the future if they remain in office. The estimates are similar to the results in the main analysis.

Using Rejected Amendments as a Placebo Test. As a placebo, I now test whether the first failed proposed amendment to increase the term length has an effect on government expenditures and revenues. If there is an effect from simply proposing to increase the term length, then the model specification could be called into question. I estimate equation 4.1 but use the first failed amendment as the treatment and reduce the sample to only include observations with two-year terms to avoid capturing the real treatment effect.

Table 11 in the appendix shows the results from this test. The coefficients for both expenditures and revenues are small and not statistically significant. The absence of a placebo treatment effect suggests that the treatment is not endogenous, i.e., that the amendment to extend the terms are proposed when the state's finances are in poor condition. It also shows that the effect of increasing the term length is not caused by any policy enacted simultaneously with the proposal of longer terms but rather by actually adopting four-year terms.

Homogeneity of Treatment Effects over Time. Abraham and Sun (2018); Borusyak

and Jaravel (2018); de Chaisemartin and D'Haultfœuille (2018); Goodman-Bacon (2018) have recently drawn attention to the fact that the difference-in-differences estimator with unit and time fixed effects and varying treatment timing is a weighted average of all possible 2x2 DD group-specific treatment effects, where units that are treated far away from the middle of the panel or belong to small treatment groups are weighted less, and some weights even could be negative, which typically biases the results in the opposite direction of the true treatment effect. Negative weighting only occurs when treatment effects vary over time and is larger if there are no untreated units (Goodman-Bacon, 2018).[23] I test whether the treatment effects are similar in the different states by comparing $\hat{\beta}$ from equation 4.1 when one state at a time is removed from the sample.

Figure 7 in the appendix plots the $\hat{\beta}$ values from these regressions under specification (3) and orders them according to when they were treated. The estimates vary little when excluding one state at a time, and, more important, they do not change in any particular direction. This indicates that the effect is not driven by a subset of the treated states and suggests that the treatment effects are not heterogeneous with respect to when the states received treatment.

4.6 Heterogeneous Effects: Electoral Safety and Ideology

Does Electoral Safety Matter? The finding that the effect of longer terms is present when the last two-year-term governor is still in office suggests that the mechanism at work is stronger incentives to capture larger re-election rewards. To test this further, I analyze whether increasing the term length matters less for governors that were elected with a large winning margin and thus were more likely to be re-elected. I interact the four-year-term indicator with an indicator that takes value one if the difference in vote share for the elected governor and the candidate with second-most votes is

[23] For my case, including the two untreated states (VT and NH) reduces the risk of biased estimates due to negative weighting but unfortunately only to a limited degree because of the small number of untreated states.

Table 4 Does Electoral Safety Matter?

	Total Expenditures		Total Revenues	
Adopted Four-Year Terms	-0.088	-0.076	-0.083	-0.071
	(0.012)***	(0.012)***	(0.011)***	(0.011)***
	[0.030]***	[0.029]**	[0.030]**	[0.028]**
Adopted Four-Year Terms	0.051	0.061	0.048	0.057
×Electorally Safe	(0.014)***	(0.014)***	(0.013)***	(0.014)***
	[0.019]**	[0.020]***	[0.019]**	[0.020]**
R^2	0.99	0.99	0.99	0.99
N	1,769	1,769	1,769	1,702
P-Value F-Test H0: $\beta_1 + \beta_3 = 0$	(0.02)	(0.38)	(0.02)	(0.38)
	[0.26]	[0.64]	[0.28]	[0.67]
Year FE	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes
Covariates	Yes	Yes	Yes	Yes
Linear Pre-Treatment Trend	No	Yes	No	Yes

Notes: Dependent variable in real ($1982) per capita, log form. Hubert-White heteroskedasticity-robust standard errors in parentheses. Standard errors clustered at the state level in brackets (25 clusters). Included covariates: State Personal Income, Total Population, Share of Kids and Elderly, Democratic Governor, Democratic House, Democratic Senate, Competition in House and Senate, Divided Government, Term Limited Governor, Balanced-Budget Rule (Constitution), Balanced-Budget Rule (Statutes), and Electoral Safety. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

at least twenty percentage points.[24] The interaction term can be interpreted as how much more or less 'electorally safe' governors decrease expenditures and revenues compared to governors 'at risk' when the term length increases.

Table 4 presents the estimated interaction effects of increasing the term length and electoral safety.[25] Both the main effect and the interaction term are statistically significant. The effect on expenditures of increasing the term length for electorally 'at risk' governors is -7.6 percent in the richest specification and -1.5 percent for electorally safe governors. The effect of longer terms on revenues is -7.1 percent for at-risk governors and -1.4 percent for electorally safe governors. The positive interaction effect confirms the implication from the theory that the distance to the next election

[24] If, for example, the winning candidate received 45 percent of the votes and the candidate that came in second received 20 percent of the votes, then the governor's win margin was 25 percent, and he is considered electorally safe. Roughly one-third of the governors are viewed as electorally safe under this definition.

[25] The estimate on the Electoral safety variable is included in the model but omitted from the table.

Table 5 Does Ideology Matter?

	Total Expenditures		Total Revenues	
Adopted Four-Year Terms	-0.123	-0.108	-0.110	-0.098
	(0.014)***	(0.015)***	(0.013)***	(0.013)***
	[0.034]***	[0.031]***	[0.038]***	[0.035]**
Adopted Four-Year Terms	0.082	0.079	0.069	0.069
×Democratic Governor	(0.013)***	(0.013)***	(0.013)***	(0.013)***
	[0.027]***	[0.023]***	[0.031]**	[0.029]**
R^2	0.99	0.99	0.99	0.99
N	1,769	1,769	1,769	1,702
P-Value F-Test H0: $\beta_1 + \beta_3 = 0$	(0.00)	(0.03)	(0.00)	(0.02)
	[0.17]	[0.36]	[0.14]	[0.33]
Year FE	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes
Covariates	Yes	Yes	Yes	Yes
Linear Pre-Treatment Trend	No	Yes	No	Yes

Notes: Dependent variable in real ($1982) per capita, log form. Hubert-White heteroskedasticity-robust standard errors in parentheses. Standard errors clustered at the state level in brackets (25 clusters). Included covariates: State Personal Income, Total Population, Share of Kids and Elderly, Democratic Governor, Democratic House, Democratic Senate, Competition in House and Senate, Divided Government, Term Limited Governor, Balanced-Budget Rule (Constitution), Balanced-Budget Rule (Statutes). * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

(the term length) matters less for governors that are more confident that they will be re-elected.

Does Ideology Matter? In the theoretical framework, the governors differ only in competence and not in their preferences for redistribution. Democratic and Republican governors are thus assumed to provide the same level of public goods. The assumption that more competent politicians reduce government spending is common in political agency models but has been criticized for not taking the quality of the public goods or preferences for redistribution into account (Mörk and Nordin, 2016). Empirical studies have shown that there is some basis for this critique. Besley and Case (1995b) observe higher expenditures and taxes when Democratic governors are term limited compared to Republican governors.

It could be the case that Democratic governors do not respond to the increased incentives by providing the same level of public goods at a lower cost but instead

Table 6 Heterogeneous Party Effects – Level of Public Goods

	Total State Public Employment	
Adopted Four-Year Terms	-0.004	-0.017
	(0.016)	(0.016)
	[0.048]	[0.048]
Adopted Four-Year Terms	0.064	0.066
×Democratic Governor	(0.013)***	(0.013)***
	[0.029]**	[0.029]**
R^2	0.99	0.99
N	1,545	1,416
Dependent Variable Mean	41,431	41,431
P-Value F-Test H0: $\beta_1 + \beta_3 = 0$	(0.00)	(0.00)
	[0.23]	[0.35]
Year FE	Yes	Yes
State FE	Yes	Yes
Covariates	Yes	Yes
Linear Pre-Treatment Trend	No	Yes

Notes: Dependent variable in log form. Hubert-White heteroskedasticity-robust standard errors in parentheses. Standard errors clustered at the state level in brackets (25 clusters). Included covariates: State Personal Income, Total Population, Share of Kids and Elderly, Democratic Governor, Democratic House, Democratic Senate, Competition in House and Senate, Divided Government, Term Limited Governor, Balanced-Budget Rule (Constitution), Balanced-Budget Rule (Statutes). * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

by increasing the level or quality of public goods. To test whether Democratic and Republican governors react differently to serving four-year terms, equation 4.1 is estimated as before with the exception that the treatment and Democratic governor indicators are interacted.

Table 5 shows that the decrease in expenditures mainly comes from Republican governors. In the second and fourth columns, which include a linear pre-treatment trend, Republican governors are estimated to decrease expenditures by 10.8 percent and revenues by 9.8 percent, while Democratic governors decrease both expenditures and revenues by 2.9 percent. Testing whether the sum of the main and the interaction effects are significantly different from zero can only reject the null when using robust standard errors, which confirms that only Republican governors decrease spending.

It is possible, however, that Democratic governors increase the level of public

goods instead of reducing the cost of providing them. The level or quality of public goods is notoriously difficult to measure, and finding data that cover almost a century is even more difficult. One available variable is state public employment, which can be thought of as an approximation of the level of public goods because 'more hands' in the government sector should increase output, all else equal.

Table 6 shows the results when the dependent variable is total state public employment (full-time equivalents). The interaction term is positive and statistically significant in all specifications. The effect for Republican governors, captured by the four-year term indicator, is not statistically significant and close to zero. An increase in state employment by 6.5 percent corresponds to 2,700 employees. It thus appears as if the main effect of a decrease in government expenditures and revenues is driven by Republican governors, while Democratic governors instead use the lower cost of providing public goods to increase employment in the public sector.

Do Electorally at Risk Republicans Make Larger Cost Reductions? The previous analysis showed that electorally at risk and Republican governors respond more strongly to longer terms. However, it could, for instance, be the case that Republican governors are always at risk and the effect of ideology is spurious. To determine which of these factors are more important and whether they are additive, the interaction of these heterogeneities is estimated using a triple-difference model.[26]

Table 7 shows the results from estimating this triple difference-in-differences model. Both the interactions of four-year terms and electorally at risk and Republican governor dummies are large, negative and statistically significant, which suggests that both re-election incentives and ideology affect how governors react to longer terms. The triple-interaction effect, however, is positive but not statistically significant, which indicates that there is not an additive effect on top of the effects of being electorally at risk and a Republican.[27]

[26]To facilitate interpretation of the results, I re-coded the variables as 'electorally at risk', i.e., if the win margin was *less* than 20 % instead of *greater* than 20 %, and Republican governor, as opposed to Democratic governor.

[27]I test in regressions not included in the paper whether electoral safety has an effect on state

Table 7 Heterogeneous Effects: Triple Difference-in-Differences

	Total Expenditures		Total Revenues	
Adopted Four-Year Terms	-0.006	0.017	-0.013	0.010
	(0.018)	(0.019)	(0.018)	(0.019)
	[0.029]	[0.032]	[0.033]	[0.036]
Adopted Four-Year Terms	-0.049	-0.062	-0.039	-0.050
× Electorally at Risk	(0.019)***	(0.019)***	(0.019)**	(0.018)***
	[0.024]*	[0.025]**	(0.028]	[0.029]*
Adopted Four-Year Terms	-0.103	-0.104	-0.076	-0.079
× Republican Governor	(0.022)***	(0.022)***	(0.022)***	(0.022)***
	[0.037]**	[0.031]***	[0.046]	[0.042]*
Adopted Four-Year Terms	0.025	0.030	0.007	0.011
× Electorally at Risk	(0.027)	(0.026)	(0.026)	(0.025)
× Republican Governor	[0.028]	[0.025]	[0.035]	[0.033]
R^2	0.99	0.99	0.99	0.99
N	1,769	1,769	1,702	1,702
Year FE	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes
Covariates	Yes	Yes	Yes	Yes
Linear Pre-Treatment Trend	No	Yes	No	Yes
P-Value F-Test H0: $\beta_1 + \beta_3 + \beta_5 + \beta_7 = 0$	(0.00)	(0.00)	(0.00)	(0.00)
	[0.00]	[0.00]	[0.00]	[0.00]

Notes: Dependent variable in log form. Total expenditures and revenues in real ($1982) per capita terms. Hubert-White heteroskedasticity-robust standard errors in parentheses. Standard errors clustered at the state level in brackets (25 clusters). Included covariates: State Personal Income, Total Population, Share of Kids and Elderly, Democratic Governor, Democratic House, Democratic Senate, Competition in House and Senate, Divided Government, Term Limited Governor, Balanced-Budget Rule (Constitution), Balanced-Budget Rule (Statutes). *Republican Governor*, *Electorally at Risk* and their interaction terms are included in the model but omitted from the table. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

5 Alternative Explanations

The empirical analysis in this paper shows that the net effect of increasing term length is a decrease in government expenditures and revenues, which suggests that the gain from stronger incentives outweighs the loss in less accurate voter selection. The dynamic analysis provides the first suggestion that incentives are driving the effect by showing that expenditures and revenues decrease as soon as voters approve longer

public employment. The interaction effect between adoption and electoral safety is negative but not statistically significant.

terms. The analysis of the heterogeneous effects shows that governors who are more at risk of not being re-elected decrease government expenditures more than electorally safe governors, which provides further evidence for the incentive mechanism.

It is possible, however, that there is also a selection effect if more-competent candidates ran for office when four-year terms were on the ballot. This could be the case if they, for instance, wanted to be well positioned to win the first four-year term as the last two-year-term governor. To analyze whether there is a selection effect when terms are long, I test whether adopting longer terms had an effect on the governors' observable characteristics. Specifically, I estimate equation 4.1 with the dependent variables i) initial political experience, ii) the governor's age, iii) college degree (indicator), iv) law degree (indicator), and v) degree from an Ivy League University (indicator).[28]

The results from these estimations are shown in Table 12 in the appendix, while Table 8 reports the results for the richest specification. The analysis suggests that longer terms decrease political experience and the probability of an Ivy League graduate being elected, but the estimates are not statistically significant when clustered at the state level. Thus, longer terms do not seem to improve the selection of candidates, at least not based on observable characteristics.

Dal Bó and Rossi (2011) consider a pay-back horizon effect to be the most likely explanation for their finding of more legislative effort under longer terms in Argentina. The idea is that when terms are long, it becomes more rewarding to 'invest' in effort early in the term because effort is assumed to yield electoral rewards that accrue over time, whereby total effort increases. Contrary to Dal Bó and Rossi (2011), who find no effect of campaigning, Titiunik (2016) finds that U.S. senators serving shorter terms are less productive around the times when legislators are typically on the campaign trail and thus consider less frequent campaigning to be the mechanism at play. Although

[28]Only relevant offices are considered when calculating previous experience, such as Lt. Governor, State Auditor, State Treasurer and Mayor. Minor political offices, such as serving on a local school board, are not included.

Table 8 Do Longer Terms Attract More-Competent Candidates?

Dependent Variable:	Initial Experience	Governor's Age	College Degree	Law Degree	Ivy League
Adopted 4-Year Term	-1.622	0.142	-0.002	0.014	-0.111
	(0.539)***	(0.780)	(0.036)	(0.049)	(0.036)***
	[1.231]	[1.417]	[0.086]	[0.093]	[0.069]
R^2	0.38	0.34	0.22	0.25	0.33
N	1,937	1,937	1,937	1,937	1,937
Variable Mean	7	53	0.83	0.48	0.19
Year FE	Yes	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes	Yes
Covariates	Yes	Yes	Yes	Yes	Yes
State-Specific Time Trends	Yes	Yes	Yes	Yes	Yes

Notes: The included covariates are State Personal Income, Total Population, Share of Kids and Elderly, Democratic Governor, Democratic House, Democratic Senate, Competition in House and Senate, Divided Government, Balanced-Budget Rule (Constitution) and Balanced-Budget Rule (Statutes). Robust standard errors in parentheses and robust standard errors clustered at the state level in brackets (25 clusters). ***p<0.01, **p<0.05, *p<0.1.

these factors seem plausible in the setting of legislative productivity, it is not clear how they would affect the budgetary decisions of the governor.

Another possibility is that longer terms decrease the effect of political budget cycles on government expenditures. Political budget cycles are the empirical finding that i) in cross-country analyses, government expenditures are often higher in election years, especially in young and developing democracies (Brender and Drazen, 2005; Persson and Tabellini, 2000), and ii) in within-country analyses, there are often cycles at the local level in the part of the budget that is visible to voters (Drazen and Eslava, 2010; Repetto, 2017). If expenditures do not decrease after the election, fewer elections *per se* could decrease overall spending. To test this, I interact an election dummy with the term length dummy but find no statistically significant effects.[29]

[29]See Table 13 in the Appendix.

6 Conclusion

This paper provides, to the best of my knowledge, the first empirical analysis on the effect of term length on economic outcomes. I analyze the staggered introduction of four-year terms for U.S. governors to estimate the causal effect of the term length on public finances in a difference-in-differences setting. The results show that increasing the term length from two to four years decreases total state government expenditures and revenues by 6 %.

The dynamic analysis reveals a sharp decline the year after voters approve longer terms. Because the effect is present immediately after the state adopts four-year terms – when the last two-year-term governor is still in office – the mechanism cannot be attributed to additional in-office experience or the selection of more-competent types, but it should instead be attributed to increased incentives to be re-elected to a longer and thus more valuable term. The incentive mechanism is also supported in analyses of heterogeneous treatment effects, which showed that governors who were less certain of re-election, thus having stronger incentives to perform, reduced spending more.

The finding that longer terms provide stronger incentives raises the question of whether terms should be extended further. Although there is no threshold beyond which increasing the term length further stops government spending from decreasing in the included theoretical framework, there probably is a point at which the re-election incentives from longer terms fade out and other factors begin to appear. A concern expressed by James Madison in *The Federalist Papers* is that politicians who remain in power for too long inevitably become corrupted. There is considerable evidence of fraudulent behavior by U.S. governors – in fact, six governors from Illinois alone have been charged with and four convicted of corruption – but whether longer gubernatorial terms have made governors more corrupt is a question for another paper.

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Appendices

A Data Sources

The data are collected from several sources. State expenditures and revenues are collected from *The Statistical Abstract of the United States*, which was a statistical journal published annually from 1876 until 2011 by the United States Census Bureau (USCB) and from 2012 by ProQuest LLC. It published total government spending and revenues by state from 1922. However, SAUS was not published or did not include tables on state government finances for the years 1930, 1933-1936, 1939, 1941, 1962-63, 1978, and 1989. For the years 1941, 1962, 1978 and 1989, I have instead collected these data from *The Book of States*, which is a publication with state governance statistics published by the Council of State Governments (CSG) since 1935.

State government employment for the years 1937-1985 and state government employment (full-time equivalents) for the years 1953-2015 is collected from SAUS.

State personal income is collected from the Bureau of Economic Analysis (BEA) and is available for the years 1929-2016. The data on the Consumer Price Index (All Urban Consumers) are collected from the Bureau of Labour Statistics (BLS) website.

The total state population was also collected from the BEA for the years 1929-2016. For the years prior to 1929, it was extrapolated from the 1920 decennial census conducted by the Census Bureau. The database *Historical Demographic Economic and Social Data US 1790-2002* available at the Inter-university Consortium for Political and Social Research (ICPSR) contains these censuses. The data on the proportion of children and elderly are collected from the decennial censuses for the years prior to 1965 and from SAUS for 1965 and onwards.

The data on the party of the governor come from three sources: i) the database *Candidate Name and Constituency Totals, 1788-1990* (ICPSR), ii) the National Governors Association's (NGA) former governor biographical webpages, and iii) Dave Leip's

Atlas of US Presidential elections. The data on state house and senate competition and control come from i) the database *Partisan Division of American State Governments* (ICPSR), ii) Carl Klarner's State Partisan Balance Data, and iii) the National Conference of State Legislatures (NCSL) website. The data source for fiscal rules is Table 2 in Smith and Hou (2013).

Data on previous political experience, age and educational background are collected from the former governor biographical pages on the NGA's webpage, and the data on term limits come from Wikipedia. I have also used the relevant Wikipedia pages containing detailed information on all governors and many gubernatorial elections to cross-validate my data.

B Graphs and Tables

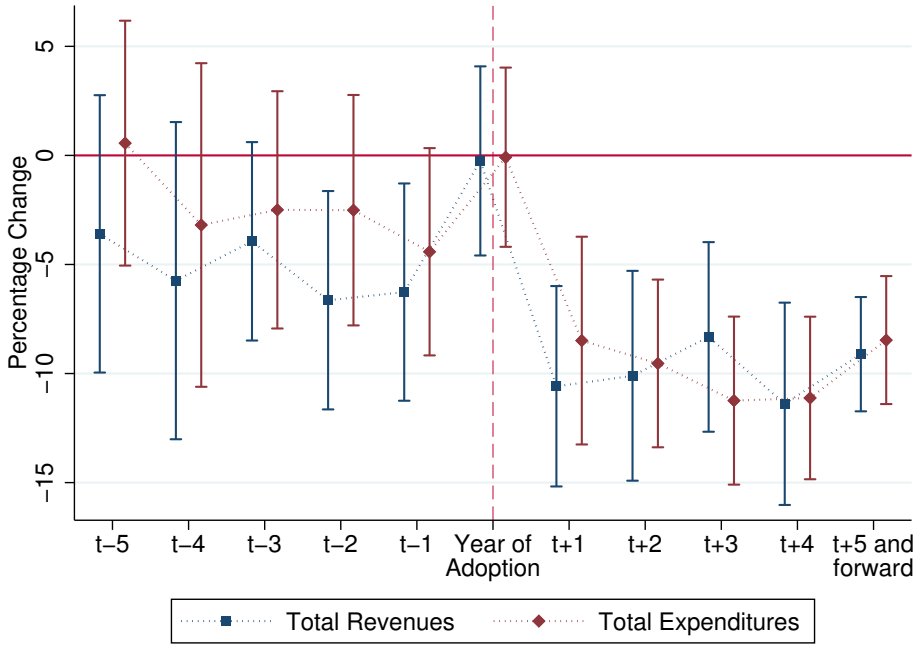
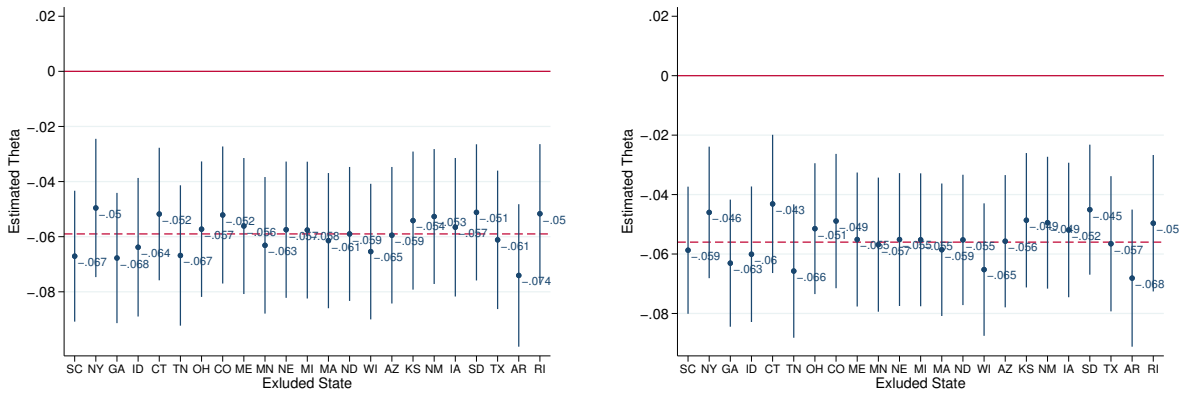


Figure 6 Dynamic Response without Time Trends



(a) Total Expenditures **(b)** Total Revenues

Figure 7 Heterogenous Treatment Effects: Removing One State at a Time

Notes: Figure 6 shows the estimated betas when regressing equation 4.1 (specification (3) with Hubert-White standard errors), where one treated state is removed from the sample at a time. The dashed line is $\hat{\beta}$ when all states are included, i.e., the estimate in Table 3 column (3). The estimates are arranged in the order that states are treated.

Table 9 Dynamic Analysis

	Total Expenditures		Total Revenues	
	(1)	(2)	(1)	(2)
t-5	0.012	0.028	-0.025	-0.015
	(0.028)	(0.029)	(0.031)	(0.031)
t-4	-0.025	-0.007	-0.050	-0.039
	(0.037)	(0.035)	(0.035)	(0.034)
t-3	-0.020	-0.003	-0.032	-0.021
	(0.029)	(0.028)	(0.024)	(0.024)
t-2	-0.030	-0.014	-0.070	-0.059
	(0.026)	(0.027)	(0.024)***	(0.023)**
t-1	-0.046	-0.023	-0.061	-0.047
	(0.023)**	(0.024)	(0.024)**	(0.024)*
Adopted Four-Year Terms	0.009	-0.000	0.011	0.001
	(0.022)	(0.021)	(0.023)	(0.023)
t+1	-0.080	-0.055	-0.093	-0.076
	(0.024)***	(0.023)**	(0.025)***	(0.025)***
t+2	-0.092	-0.070	-0.098	-0.083
	(0.021)***	(0.022)***	(0.024)***	(0.025)***
t+3	-0.099	-0.074	-0.076	-0.059
	(0.022)***	(0.023)***	(0.023)***	(0.023)**
t+4	-0.102	-0.077	-0.108	-0.090
	(0.022)***	(0.022)***	(0.024)***	(0.025)***
t+5 and onwards	-0.086	-0.054	-0.090	-0.065
	(0.015)***	(0.016)***	(0.014)***	(0.014)***
R^2	0.99	0.99	0.99	0.99
N	1,846	1,846	1,776	1,776
Year FE	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes
Covariates	Yes	Yes	Yes	Yes
State-Specific Time Trends	No	Yes	No	Yes

Notes: Dependent variable in real ($1982) per capita, log form. Hubert-White heteroskedasticity-robust standard errors in parentheses. Standard errors clustered at the state level in brackets (25 clusters). Included covariates: State Personal Income, Total Population, Share of Kids and Elderly, Democratic Governor, Democratic House, Democratic Senate, Competition in House and Senate, Divided Government, Term Limited Governor, Balanced-Budget Rule (Constitution), Balanced-Budget Rule (Statutes). * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Table 10 Removing All Years with Term Limit Rules

	Total Expenditures			Total Revenues		
Adopted 4-Year Term	-0.054	-0.066	-0.068	-0.064	-0.073	-0.072
	(0.015)***	(0.014)***	(0.013)***	(0.013)***	(0.011)***	(0.011)***
	[0.053]	[0.031]**	[0.029]**	[0.050]	[0.032]**	[0.029]**
R^2	0.99	0.99	0.99	0.99	0.99	0.99
N	1,461	1,215	1,215	1,427	1,184	1,184
Dependent Variable Mean	1,238	1,238	1,238	1,269	1,269	1,269
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes	Yes	Yes
Covariates	No	Yes	Yes	No	Yes	Yes
Linear Pre-Treatment Trend	No	No	Yes	No	No	Yes

Notes: Dependent variable in real ($1982) per capita, log form. Hubert-White heteroskedasticity-robust standard errors in parentheses. Standard errors clustered at the state level in brackets (25 clusters). Included covariates: State Personal Income, Total Population, Share of Kids and Elderly, Democratic Governor, Democratic House, Democratic Senate, Competition in House and Senate, Divided Government, Balanced-Budget Rule (Constitution), Balanced-Budget Rule (Statutes). * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Table 11 Placebo Test: Using the First Rejected Amendment as Treatment

	Total Expenditures		Total Revenues	
Rejected Amendment	0.012	0.018	0.013	0.014
	(0.028)	(0.027)	(0.023)	(0.021)
	[0.058]	[0.050]	[0.073]	[0.064]
R^2	0.98	0.98	0.98	0.98
N	681	681	573	573
Dependent Variable Mean	573	573	578	578
Year FE	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes
Covariates	Yes	Yes	Yes	Yes
Linear Pre-Placebo Trend	No	Yes	No	Yes

Notes: Dependent variable in log form. Hubert-White heteroskedasticity-robust standard errors in parentheses. Standard errors clustered at the state level in brackets (23 clusters). Included covariates: State Personal Income, Total Population, Share of Kids and Elderly, Democratic Governor, Democratic House, Democratic Senate, Competition in House and Senate, Divided Government, Term Limited Governor, Balanced-Budget Rule (Constitution), Balanced-Budget Rule (Statutes). * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Table 12 Do Longer Terms Attract More Competent Candidates?

Dependent Variable	Mean	(1)	(2)	(3)
Initial Political Experience (Years)	7	-1.534	-1.372	-1.698
		(0.430)***	(0.465)***	(0.540)***
		[1.236]	[1.179]	[1.198]
R^2		0.22	0.31	0.38
Governor's Age (Years)	53	1.090	0.386	-0.206
		(0.636)*	(0.697)	(0.775)
		[1.446]	[1.363]	[1.386]
R^2		0.24	0.28	0.35
College Degree (Indicator)	0.83	0.003	0.028	0.002
		(0.029)	(0.031)	(0.036)
		[0.071]	[0.074]	[0.086]
R^2		0.17	0.18	0.22
Law Degree (Indicator)	0.48	-0.024	0.013	0.024
		(0.039)	(0.043)	(0.049)
		[0.089]	[0.093]	[0.091]
R^2		0.13	0.16	0.25
Ivy League Education (Indicator)	0.19	-0.057	-0.061	-0.111
		(0.029)**	(0.032)*	(0.036)***
		[0.059]	[0.055]	[0.070]
R^2		0.28	0.30	0.33
N		2,280	1,937	1,937
Year FE		Yes	Yes	Yes
State FE		Yes	Yes	Yes
Covariates		No	Yes	Yes
State-Specific Time Trends		No	No	Yes

Notes: The table shows the estimated adoption indicator from equation 4.1 for the five different dependent variables using four the different specifications. Included covariates: State Personal Income, Total Population, Share of Kids and Elderly, Democratic Governor, Democratic House, Democratic Senate, Competition in House and Senate, Divided Government. Robust standard errors in parentheses and robust standard errors clustered at the state level in brackets. The panel only includes the states that had two-year terms in 1922. ***p<0.01, **p<0.05, *p<0.1.

Table 13 Election Cycles in Total Expenditures and Revenues

	(1)	(2)	(3)	(4)
Panel A. Total Expenditures Per Cap. ($1982)				
Election-Year	0.009	0.005	0.006	0.014
	(0.006)	(0.014)	(0.016)	(0.016)
	[0.004]*	[0.009]	[0.007]	[0.008]*
Four-Year Term		-0.075	-0.071	-0.059
		(0.012)***	(0.014)***	(0.015)***
		[0.035]**	[0.035]*	[0.036]
Election-Year			-0.002	-0.010
× Four-Year Term			(0.018)	(0.019)
			[0.009]	[0.008]
R^2	0.98	0.99	0.99	0.99
N	3,837	1,846	1,846	1,292
Panel B. Total Revenues Per Cap. ($1982)				
Election-Year	0.009	0.006	-0.003	0.003
	(0.006)	(0.014)	(0.017)	(0.017)
	[0.005]**	[0.008]	[0.009]	[0.008]
Four-Year Term		-0.067	-0.073	-0.072
		(0.011)***	(0.013)***	(0.014)***
		[0.032]**	[0.034]**	[0.037]*
Election-Year			0.016	0.011
× Four-Year Term			(0.016)	(0.016)
			[0.008]*	[0.009]
R^2	0.98	0.99	0.99	0.99
N	3,683	1,776	1,776	1,258
Year FE	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes
Covariates	Yes	Yes	Yes	Yes
State-Specific Time Trends	No	No	No	No

Notes: Dependent variable in log form. Hubert-White heteroskedasticity-robust standard errors in parentheses, clustered standard errors in brackets. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. The sample includes the states that had two-year terms in 1922.

Table 14 Amendments Passed Simultaneously as Four-Year Terms

State	Y-M-D	Description	Y/N
AR	1984-11-06	Allows local governments to issue bonds.	Y
AR	**1984-11-06**	**Creates four-year term limits for state constitutional officers**	**Y**
AZ	1968-11-05	Would exempt veterans from certain tax exemptions.	Y
AZ	1968-11-05	Would make false claims for tax exemptions punishable by law.	Y
AZ	1968-11-05	Would exempt certain households goods from property taxation.	Y
AZ	1968-11-05	Would implement a license tax on registered vehicles.	Y
AZ	**1968-11-05**	**Would implement four-year terms for the Governor, Secretary of State, State Auditor.**	**Y**
AZ	1968-11-05	Remove the control of domestic and foreign insurers from the commission.	Y
AZ	1968-11-05	Repeal the office of State Examiner.	Y
AZ	1968-11-05	Repeal the office of State Auditor.	Y
AZ	1968-11-05	Relating to travel expense reimbursements for state legislators.	Y
AZ	1968-11-05	Revises legislative districts.	Y
AZ	1968-11-05	Would create county boards of supervisors, set standards depending on population.	Y
CO	**1956-11-06**	**Provided for four-year-long terms for executive state officers**	**Y**
CO	1956-11-06	Exempts from taxation household furnishings and personal effects	Y
CO	1956-11-06	Establishes a monthly allocation of $100 to old age pension recipients, adjusts the pension amount to increased living costs and provides for a stabilization fund and medical fund	Y
CT	1948-11-02	Concerns the terms of office for probate judges.	Y
CT	**1948-11-02**	**Concerns election procedure and terms of office for state executive officials.**	**Y**
CT	1948-11-02	Concerns the forfeiture of electoral privileges upon conviction.	Y
CT	1948-11-02	Concerns judicial nomination and appointment procedures.	Y
CT	1948-11-02	Concerns the strengthening of the United Nations charter.	Y
GA	**1941-06-03**	**Provides for four-year terms for the governor and other constitutional officers.**	**Y**
GA	1941-06-03	Provides for gubernatorial elections every four years.	Y
GA	1941-06-03	Authorizes Hart County to issue funding bonds.	Y
GA	1941-06-03	Authorizes Toombs County to issue funding bonds.	Y
GA	1941-06-03	Authorizes Paulding County to issue funding bonds.	Y
GA	1941-06-03	Authorizes Jeff Davis County to issue funding bonds.	Y
GA	1941-06-03	Authorizes Oglethorpe County to issue funding bonds.	Y
GA	1941-06-03	Authorizes Dodge County to issue funding bonds.	Y
GA	1941-06-03	Authorizes Wilcox County to issue funding bonds.	Y
GA	1941-06-03	Authorizes the city of Doerun to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Miller County to issue warrant funding bonds.	Y
GA	1941-06-03	Authorizes the Jeff Davis County Excelsior Consolidated School to issue refunding bonds.	Y
GA	1941-06-03	Authorizes the Wilcox County Abbeville Consolidated School to issue refunding bonds.	Y
GA	1941-06-03	Authorizes the city of Crawford to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Cobb County to issue funding bonds.	Y
GA	1941-06-03	Authorizes the city of Claxton to issue refunding bonds.	Y
GA	1941-06-03	Exempts new buildings from ad valorem taxes in the city of Macon for five years.	Y
GA	1941-06-03	Authorizes the city of Waycross to incur indebtedness.	Y
GA	1941-06-03	Authorizes Irwin County to issue funding bonds.	Y
GA	1941-06-03	Increases the jurisdiction of justice courts.	Y
GA	1941-06-03	Relates to contracts with counties, municipalities and corporations for hospitals.	Y
GA	1941-06-03	Authorizes the Wrightsville Consolidated School to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Hancock County to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Cook County to issue funding bonds.	Y
GA	1941-06-03	Authorizes the city of Macon to incur debt for defense.	Y
GA	1941-06-03	Authorizes the Mitchell County Board of Education to make loans.	Y
GA	1941-06-03	Authorizes the city of Macon to levy taxes for future territory.	Y
GA	1941-06-03	Authorizes the city of Vidalia to issue refunding bonds.	Y
GA	1941-06-03	Authorizes the city of Hazlehurst to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Oglethorpe County Crawford School to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Irwin County to issue funding bonds.	Y
GA	1941-06-03	Authorizes the Washington County Davisboro Consolidated School to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Bibb County to make temporary loans.	Y
GA	1941-06-03	Authorizes the city of Gainesville to issue refunding bonds.	Y

GA	1941-06-03	Authorizes the Adrian 1st Consolidated School to issue bonds.	Y
GA	1941-06-03	Authorizes the city of Reidsville to issue refunding bonds.	Y
GA	1941-06-03	Authorizes the city of Abbeville to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Wilcox County to incur bonded indebtedness.	Y
GA	1941-06-03	Authorizes Dade County to issue refunding bonds.	Y
GA	1941-06-03	Authorizes the city of Cordele to issue refunding bonds.	Y
GA	1941-06-03	Authorizes the city of Lexington to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Chatham County to levy a school tax.	Y
GA	1941-06-03	Authorizes the Franklin County Sandy Springs School to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Cook County to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Quitman County to issue funding bonds.	Y
GA	1941-06-03	Authorizes Miller County to issue warrant funding bonds.	Y
GA	1941-06-03	Authorizes the Gwinnett County Sunny Hill Consolidated School to issue bonds.	Y
GA	1941-06-03	Authorizes the Toombs County Johnson Corder School to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Evans County to issue funding bonds.	Y
GA	1941-06-03	Authorizes the city of Stone Mountain to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Walker County to issue funding bonds.	Y
GA	1941-06-03	Relates to sewer, water and fire prevention for DeKalb County.	Y
GA	1941-06-03	Authorizes Jefferson County School District No. 10 to issue refunding bonds.	Y
GA	1941-06-03	Exempts rural electric corporations from taxes.	Y
GA	1941-06-03	Fixes the term of office for the state school superintendent.	Y
GA	1941-06-03	Authorizes the Cook County Sparks-Adel School to issue refunding bonds.	Y
GA	1941-06-03	Authorizes the Evans County Claxton Consolidated School to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Effingham County to issue retirement bonds.	Y
GA	1941-06-03	Authorizes Chattooga County to issue funding bonds.	Y
GA	1941-06-03	Authorizes Jefferson County School District No. 1 to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Baker County to issue retirement bonds.	Y
GA	1941-06-03	Authorizes the city of Cochran to issue refunding bonds.	Y
GA	1941-06-03	Authorizes the city of Unadilla to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Calhoun County to issue funding bonds.	Y
GA	1941-06-03	Relates to the payment of $50,000 by the city of Savannah to the National Gypsum Company.	Y
GA	1941-06-03	Authorizes the city of Washington to issue refunding bonds.	Y
GA	1941-06-03	Authorizes Catoosa County to issue funding bonds.	Y
GA	1941-06-03	Relates to advertising for the state of Georgia.	Y
GA	1941-06-03	Authorizes Bibb County to issue debt certificates for defense purposes.	Y
IA	1972-11-07	Allows for the retirement of judges for disability and to discipline or remove them for good cause.	Y
IA	**1972-11-07**	**Establishes four-year terms for certain state executive officials.**	**Y**
IA	1972-11-07	Repeals the prohibition against lotteries and the sale of lottery tickets.	Y
ID	**1944-11-07**	**Sets four-year terms for state officers.**	**Y**
ID	1944-11-07	Replaces the State Board of Equalization with a State Tax Commission.	Y
ID	1944-11-07	Exempts federal government property from taxation.	Y
KS	1970-11-03	Proposes to outline the process of amending the constitution.	Y
KS	**1970-11-03**	**Proposes to outline the power and guidelines governing the state executive branch.**	**Y**
MA	**1964-11-03**	**Mandates four-year terms for constitutional officers.**	**Y**
MA	1964-11-03	Provides procedures for filling a vacant office in the event of an enemy attack.	Y
MA	1964-11-03	Authorizes the disbursement of state credit upon a two-thirds vote in each branch of the legislature.	Y
MA	1964-11-03	Requires the governor to seek opinions of justices of the Supreme Judicial Court on questions of law.	Y
MA	1964-11-03	eliminated the statutory authority of the governor's executive council.	Y
ME	1957-09-09	Issues $24 million in bonds for the construction of state highways.	Y
ME	1957-09-09	Issues $2.5 million in bonds for ferry services to North Haven, Vinalhaven, Islesboro and Swan's Island. Y	
ME	1957-09-09	Provides a $20 million bond issue for guaranteed loans for industrial purposes.	Y
ME	1957-09-09	Moves general election date to Tuesday after the first Monday in November.	Y
ME	**1957-09-09**	**Creates four-year term for Governor; prohibits more than two consecutive terms.**	**Y**
MI	**1963-04-01**	**FOR THE 1963 CONSTITUTION.**	**Y**
MN	1958-11-04	Permits the legislature to revise provisions for home rule.	Y
MN	**1958-11-04**	**Provides for four-year terms for state constitutional officers.**	**Y**
ND	1964-06-30	Allows separate budgets and appropriation measures for some agricultural projects.	Y
ND	1964-06-30	Renames the office of Police Magistrate to Municipal Judge.	Y
ND	**1964-06-30**	**Lengthens terms from two years to four for some state and county offices.**	**Y**

ND	1964-11-03	Abolishes voter pamphlet publication requirement.	Y
ND	1964-11-03	Repeals state statutes requiring certain number of crew members on freight trains and self-propelled equipment.	Y
ND	1964-11-03	Allows alcohol sales in some food serving establishment and restricts age of entrance for in such places.	Y
NE	1962-11-02	Authorizes lotteries and gift enterprises.	Y
NE	1962-11-02	Provides for district elections for the state railway commission.	Y
NE	1962-11-02	Relates to the candidacy of the lieutenant governor for office of the governor.	Y
NE	**1962-11-02**	**Provides four-year term limits for the governor and lieutenant governor.**	**Y**
NE	1962-11-02	Provides four-year term limits for legislators.	Y
NE	1962-11-02	Relates to the appointment of judges.	Y
NE	1962-11-02	Relates to the reapportionment of legislative districts.	Y
NM	**1970-11-03**	**Proposing an amendment to Article 5, Section 1 of the constitution of New Mexico pertaining to State Executive Officers and their terms of office.**	**Y**
NM	1970-11-03	The referendum proposed amending the constitution to provide for the Municipal Home Rule.	Y
NM	1970-11-03	Proposing to amend the constitution of New Mexico by repealing Article 7 and adopting a new Article 7 pertaining to the Elective Franchise.	Y
NY	1937-11-02	Issues a bond for $40 million for the construction of buildings for state hospitals for the insane, state charitable and correctional institutions.	Y
NY	**1937-11-02**	**Increases the term of office of the governor and lieutenant governor from two years to four years.**	**Y**
NY	1937-11-02	Increases term of office for Assembly members from one year to two years.	Y
NY	1937-11-02	Permits defendants in criminal trials to waive trial by jury.	Y
NY	1937-11-02	Removes provision that made sheriffs ineligible for the next term after the termination of their offices.	Y
OH	**1954-11-02**	**Sets four-year terms for state executive officials.**	**Y**
RI	1986-11-04	Deletes annulled sections and reorders amendments.	Y
RI	1986-11-04	Sets a mandatory retirement age, establishes an independent commission for appointing judges and bars the state Supreme Court from issuing advisory opinions.	Y
RI	1986-11-04	Sets legislative pay at the same level as manufacturing workers and mileage compensation at the same rate as federal employees.	Y
RI	**1986-11-04**	**Sets executive and legislative terms at four years and allows recalls.**	**Y**
RI	1986-11-04	Allows voter petitions for the ballot.	Y
RI	1986-11-04	Sets standards for impeachments, compels the legislature to adopt campaign finance limits and forms an ethics commission and a public campaign fund.	Y
RI	1986-11-04	Compels the governor to present a yearly budget and places the speaker of the house second in gubernatorial succession behind the lieutenant governor.	Y
RI	1986-11-04	Adds civil rights protections and prevents state-based discrimination of the basis of race, gender or handicap.	Y
RI	1986-11-04	Defines rights of fishery and shore privileges.	Y
RI	1986-11-04	Compels the legislature to promote public libraries.	Y
RI	1986-11-04	Allows courts to deny bail in controlled substance cases with a sentence of 10 years or more in prison.	Y
RI	1986-11-04	Authorizes $35 million in bonds for the Clean Water Act Environmental Trust Fund.	Y
RI	1986-11-04	Authorizes $13.6 million in bonds for ground water supplies, water transmission and studies for the Big River Reservoir Project.	Y
RI	1986-11-04	Authorizes $22 million for capital development, ports, recreation facilities and agricultural preservation.	Y
RI	1986-11-04	Authorizes $11.69 million in bonds for health facilities.	Y
RI	1986-11-04	Authorizes $2.6 million in bonds for day activity facilities for the physically disabled.	Y
RI	1986-11-04	Authorizes $6.5 million in bonds for group facilities for mentally ill children, a maximum security facility and Training School facilities.	Y
RI	1986-11-04	Authorizes $2 million in bonds for hazardous waste reduction, recycling and treatment technologies.	Y
RI	1986-11-04	Insures mortgage payments on used machinery and equipment.	Y
SC	**1926**	**LAW PASSED BY LEGISLATURE**	**Y**
SD	1972-11-07	Relates to the voting age.	Y
SD	**1972-11-07**	**Reorganizes the executive branch.**	**Y**
SD	1972-11-07	Reorganizes the judicial branch.	Y
SD	1972-11-07	Reorganizes local governments.	Y
SD	1972-11-07	Revises the constitution.	Y
TN	**1953-11-03**	**Four-year terms for the governor.**	**Y**
TN	1953-11-03	Repeal of the poll tax.	Y
TN	1953-11-03	Authorization of consolidated city-county (or "metropolitan") governments.	Y

TN	1953-11-03	Governor gets line-item veto on appropriations	Y
TN	1953-11-03	Raise the pay to legislators from $5 to $15 a day.	Y
TN	1953-11-03	Allows the governor up to ten days to sign bills reaching him or her in the last five days of the legislature is adjourned.	Y
TN	1953-11-03	The governor must explain his or her refusal to sign any bill reaching him or her during the last five days of the legislative session.	Y
TN	1953-11-03	Requires amendments to be supported by a majority of voters in the gubernatorial elections, rather than in the state representatives election.	Y
TX	1972-11-07	Abolishes the Lamar County Hospital District.	Y
TX	1972-11-07	Requires that all justices of the peace be compensated on a salary basis.	Y
TX	1972-11-07	Provides for a constitutional revision commission as a constitutional convention in January.	Y
TX	1972-11-07	Allows certain tax exemptions to disabled veterans and surviving spouses and surviving minor children of those killed on active duty.	Y
TX	1972-11-07	Exempts not less than $3,000 of the value of residence homesteads of all persons 65 and older from ad valorem taxes.	Y
TX	1972-11-07	Provides that equality under the law shall not be denied or abridged because of sex, race, color, creed or national origin.	Y
TX	**1972-11-07**	**Provides a four-year term of office for state executive officials.**	**Y**
TX	1972-11-07	Revises provisions on the time and method of proposing amendments to the state constitution.	Y
TX	1972-11-07	Permits state employees to serve as members of the governing bodies of local governmental districts.	Y
TX	1972-11-07	Sets a six percent weighted average annual interest rate for bonds.	Y
TX	1972-11-07	Allows counties to reduce the county permanent school fund.	Y
WI	**1967-04-04**	**Sets 4-year term of office for Governor and Lieutenant Governor.**	**Y**
WI	1967-04-04	Sets 4-year term of office for Secretary of State.	Y
WI	1967-04-04	Sets 4-year term of office for State Treasurer.	Y
WI	1967-04-04	Sets 4-year term of office for Attorney General.	Y
WI	1967-04-04	Governor and Lieutenant Governor are elected jointly.	Y
WI	1967-04-04	Sheriffs are no longer restricted to two consecutive terms of office.	Y
WI	1967-04-04	Permits legislature to provide use of public transportation to students of private schools.	Y
WI	1967-04-04	Permits legislature to equalize judicial salaries.	Y