

A Preliminary Assessment of Lobbying Techniques:
A Case Study in the Texas Expanded Gaming Lobby

by

Amy Bresnen

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Dr. Thomas Longoria

Christopher Brown, JD

Mr. Jeff Lund, MPA

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Abstract

Purpose: The purpose of this research is to describe the techniques lobbyists use when advocating for their clients' interests and to give policy makers and public administrators a better understanding of how interest groups represented by lobbyists influence public policy. The research specifically focuses on lobbyists advocating for expanded gaming in Texas because this type of public policy lobbying involves a varied set of players. Four different lobbying techniques will be examined, including providing information to legislators, building relationships with legislators, generating support through grassroots techniques, and coalition building and electoral lobbying.

Methods: This paper uses qualitative interviews with Texas gaming lobbyists about their lobbying techniques. The elements identified in the scholarly literature were used to develop a framework that served as the basis for elite interview questions. Ten Texas gaming lobbyists were interviewed, and descriptive statistics were used to analyze the results.

Findings: These interviews do show Texas gaming lobbyists use all lobbying techniques identified in the scholarly literature. However, there are noteworthy exceptions. For example, not all lobbyists present political information to

legislators for reasons that will be discussed in Chapter Five. Giving gifts to legislators as a means of building relationships has apparently fallen by the wayside in Texas politics. Only half of the lobbyists interviewed attempt to generate support through grassroots techniques, and coalition building is particularly precarious due to a feeling of distrust among the interest groups involved in gaming policy. All lobbyists interviewed do contribute to individual campaigns, while only half of the lobbyists contribute to PACs. Issue advocacy ads do not appear to be nearly as common in Texas as they are at the federal level.

About the Author

Amy Bresnen, born in Greenville, Texas, in 1981, was raised and graduated high school in Mount Vernon, Texas. She graduated from Texas Christian University in Fort Worth in 2003, with a bachelor's degree in Speech Communication and a minor in Political Science. Amy currently works as a Graduate Instructional Assistant to the Political Science Department at Texas State University in San Marcos and lives in Austin, with her husband, Steve Bresnen, a registered lobbyist, an attorney and a former state employee. Contact Amy at amy.bresnen@gmail.com

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Table of Contents

Chapter One: Introduction	8
Research Purpose.....	9
Chapter Summaries.....	10
Chapter Two: Settings	12
Chapter Purpose.....	12
Definitions.....	12
The Players in the Texas Expanded Gaming Policy Debate.....	13
History of Legalized Gambling in Texas.....	18
Texas Struggles for Non-Tax Revenue.....	21
Chapter Summary.....	27
Chapter Three: Literature Review	29
Chapter Purpose.....	29
Aspects of Lobbying.....	30
Providing Information to Legislators.....	30
Policy-Analytic Information.....	31
Career-Relevant Information.....	34
Building Relationships with Legislators.....	35
Entertainment/Travel.....	36
Gifts.....	38
Appreciation and Acknowledgment.....	39
Constituent Service.....	40
Generating Support.....	41
Identifying Coalition Members.....	41
Recruitment of Coalition Members Through Legislative Design.....	45
Grassroots Techniques.....	48
Electoral Lobbying.....	52
Individual Campaign Contributions.....	53
PACs.....	54
Issue Advocacy Advertisements.....	56
Conceptual Framework.....	58
Chapter Summary.....	60
Chapter Four: Methodology	61
Chapter Purpose.....	61
Operationalization of Conceptual Framework.....	61
Research Techniq.....	64
Strengths of Qualitative Interviewing.....	64
Weaknesses of Qualitative Interviewing.....	65
Sample.....	66
Human Subjects Protection.....	67
Statistics.....	67
Chapter Summary.....	68
Chapter 5: Results	69
Description of Qualitative Interviews.....	69

Providing Information to Legislators.....	70
Building Relationships with Legislators.....	73
Generating Support.....	75
Electoral Lobbying.....	80
Chapter Summary.....	83
Chapter Six: Conclusion	85
Summary of Research.....	85
Findings.....	86
Future Recommendations and Research.....	92
Bibliography.....	94
Appendix A	99

Graphs and Tables

Graph 2.1.....	16
Graph 2.2.....	16
Graph 2.3.....	22
Table 2.4.....	24
Table 2.5.....	26
Table 3.1.....	58
Table 4.1.....	62
Table 5.1.....	73
Table 5.2.....	75
Table 5.3.....	76
Table 5.4.....	79
Table 5.5.....	83

Chapter 1: Introduction

Introduction

The Texas Legislature has not come close to passing expanded gaming legislation in recent history. Politicians from John Cornyn, to Bill White have spoken out against the notion of expanded gaming. Cornyn, as Texas attorney general in 1999, worked to shut down casinos operated by two of the state's Indian tribes, while Democratic gubernatorial candidate White just recently called gambling a "distraction" while campaigning for governor. But as the 2011 legislative session looms, the State of Texas finds itself in an unprecedented budget shortfall. The state Comptroller's Office reported last November that sales tax and natural gas tax collections fell more than \$1 billion short of projections during fiscal 2009. A possible \$20 billion shortfall in the 2012-2013 budget period could make slot machines or other gambling options more attractive to Texas legislators (Montgomery, 2010). Many states across the country have recently approved gaming because of similar budget deficits and a need for new revenue streams.

Gaming interest groups will rely on their lobbyists to persuade the Texas Legislature that the time for expanded gaming has arrived.

"I think they're pissing in the wind," says Robert Spellings, a former state employee, who lobbied in Austin for twelve years on behalf of thoroughbred breeders. "If you're trying to get any sort of gambling legalized in Texas, it's a hard place to do business (Price, February 2010)."

But Spellings and others agree that if the argument for gaming were presented properly—with all the economics investigated—it could pass a statewide vote to amend the Constitution. Achieving this will require a two-thirds vote in the Legislature. This will not an easy feat for many of the reasons addressed in the next chapter. The horse-racing lobby, for example, has not been able to advance a bill on that subject out of committee since 1995.

Whether gambling survives the next legislative session mostly will depend on the success of gaming lobby techniques. As in the past, the gaming lobby is expected to use a variety of tactics to overcome opposition from advocates for the status quo. The range of pro-gaming stakeholders, the moral and utilitarian opposition and the state's current economic climate will create to assess the lobbying techniques used and how lobbyists affect public policy.

Research Purpose

The purpose of this research is to describe the techniques gaming lobbyists use when advocating for their clients' interests. A systematic inventory of lobbying techniques may give policy makers and public administrators a better understanding of how interest groups influence public policy. This research specifically focuses on Texas gaming lobbyists because this type of public policy lobbying involves an array of actors and has significant budgetary salience.

Expanded gaming legislation in Texas has historically been defeated by moral conservatives and religious groups, and bolstered by out-of-state gambling operations fearful of losing revenue from their Texas customers. Currently, gambling license holders include horse and dog track owners and charitable bingo operators. The State operates the Texas Lottery. Also, there is still great debate over whether the operation of some “amusement machines” constitutes gambling.

This paper will outline the history of gambling policy in Texas, identify the actors in the debate and their techniques, A review of literature on Texas gambling, , and current economic setting.

Chapter Summaries

This paper is divided into six chapters. Chapter Two defines terms used throughout the paper and details a history of gaming in Texas and explains why proposals to expand gambling in Texas may be more successful this next legislative session.

Chapter Three reviews scholarly literature on the subject. Chapter Four describes the methodology used for this paper, including the research technique, strengths and weaknesses of the research, population interviewed, human subject issues and statistics. Chapter Four also presents the conceptual framework for this study (see **Table 4.1**).

Chapter Five highlights the results of the elite interviews and provides an analysis of the data.

Finally, Chapter Six summarizes the interview results and their relation to the overall research purpose. It also contains recommendations for future studies on the issue.

Chapter Two: Settings

Chapter Purpose

This chapter provides a broad overview of terms relating to lobbying. Because expanded gaming potentially can contribute substantial revenue to the State of Texas, which is faced with a budgetary deficit,, gaming interests will be well represented by lobby teams in the upcoming legislative session. To appreciate the players involved in this public policy debate, it is important to provide a description and history of some of the political players involved in the expanded gaming policy debate. Also, Texas' non-tax revenues have declined significantly in the current economy-, and the need for a qualitatively new gaming experience is illustrated in this chapter.

Definitions

A lobbyist is “a person designated by an interest group to represent it to government for the purpose of influencing public policy in that group’s favor” (Rosenthal 2001, 17). Businesses, associations and individuals will turn to lobbyists for assistance in influencing government policy just as they rely on attorneys for legal aid. They are simply buying expertise.

Three general types of lobbyists are described in this study. *Contract lobbyists* are commonly referred to as “hired guns.” These lobbyists are self-employed and hire out to businesses and trade associations because of their understanding of the legislative process, their expertise in certain issues and their “connections” or contacts in government. *Association lobbyists*, known

as “in-house lobbyists,” work for a specific organization, often a trade association or union. They are the mavens in a particular subject matter. *Corporate lobbyists* also tend to work “in-house” for a single organization, usually a business. Companies have their own government -relations personnel but also can be represented by one or several business and trade associations. Corporate and association lobbyists may perform other duties for their employers besides lobbying (Rosenthal 2001, 18).

All three types of lobbyists represent various interests in the gaming policy debate in the State of Texas.

The Players in the Texas Expanded Gaming Policy Debate

Efforts to expand legalized gambling in Texas involve a variety of interests, which will help determine the outcome of the conflict.

In addition to the sheer number of participants, interest group analysis applied to this issue is made more complex because some interest groups may change their stance on expanded gaming depending on the stakes. For example, horse and dog track owners may not be opposed to destination casinos should they be allowed to operate a certain number of slot machines on their grounds. Out-of-state gaming interests may not lobby against expanded gaming in Texas if they were certain to win a bid to operate a Texas horseracing track with slot machines.

With that in mind, the interest groups involved directly or indirectly in the conflict include:

Proponents: The proponents of expanded legalized gambling in Texas have typically included those who own casinos elsewhere and wish to operate them in Texas, the pari-mutuel racing industry (horse and dog race track operators) and Texas Native American tribes.

Religious opponents: There are those who oppose expanding gambling on religious grounds. For example: the Texas Christian Life Commission and the Texas Catholic Bishops Conference have actively opposed any expansion of gambling, as well as previous gambling enactments.

Policy-based opponents: Opposition to expanded gambling on non-religious grounds is also expressed by think tanks like the Texas Public Policy Foundation and Center for Public Policy Priorities, perhaps because each organization has key supporters strongly identified with various religious affiliations.¹

Out-of-state market-based opponents: Some who conduct gambling operations outside of Texas have strongly opposed the expansion of gambling in Texas and hire lobbyists to represent their interests. One example is Native American tribes with casinos in Oklahoma and New Mexico have hired lobbyists to lobby against new gaming in Texas. Another example: entities that operate their own gaming operations in other states, such as Harrah's with casinos in Nevada and Louisiana. They protect their own interests by hiring lobbyists in Texas to defeat expanded gaming.

¹ For a better understanding of the religious affiliations with the above mentioned think tanks, visit: www.utdallas.edu/senate/documents/TPPFLinks.doc and http://www.cppp.org/events/event_details.php?eid=204

Current Texas market participants: Under current law, in addition to the pari-mutuel racing industry, the State of Texas and certain charitable organizations conduct legal forms of gambling through the State and whether and how expanded gambling occurs will affect their revenues from existing forms of legal gambling.

In addition, some operators of “8-liner” amusement machines fear expanded gambling will harm their businesses, although the legality of these machines has been the subject of considerable debate.



Graph 2.1: The top photograph shows a full view of an 8-liner machine.



Also the subject of controversy regarding its legality, the Kickapoo Indian Tribe operates a casino on its reservation near Eagle Pass, Texas, and has actively participated in the conflict.

Regulatory agencies: The Texas Lottery Commission and the Texas Racing Commission currently regulate gambling in this state. The two could be called upon to regulate separate aspects of expanded gambling or could be merged into a single agency, causing them to become competitors for any new regulatory mandates.

The Lottery Commission regulates charitable bingo, with a separate division and director for charitable bingo operations. The agency has the power to write administrative rules and implement the Bingo Enabling Act. They have the authority to issue administrative fines or revoke, suspend or deny licenses to those it regulates, including charities that conduct bingo, those who rent space to charities to conduct bingo (“lessors”), to distributors and manufacturers of bingo products.² In addition, the United States Department of the Interior is involved in regulating Native American gaming and the Indian tribes themselves, as sovereign entities, may become involved in regulating any gaming on their reservations.

Within each of these sets of participants, there are factions and tensions. For example, the Catholic Church effectively changed its views to oppose expanded gambling after the passage of laws authorizing charitable bingo. Within the charitable bingo industry, some favored expansion of the games if the new forms of gambling may be conducted in bingo halls, while others are strongly opposed under any scenario. Among Texas Native American tribes, the Alabama-Coushatta and the Tigua Indians are governed

² Texas Occupations Code, Chapter 2001:
<http://www.statutes.legis.state.tx.us/Docs/OC/htm/OC.2001.htm>

by one set of federal statutes, while the Kickapoos are governed by another set of federal laws. In general, the federal law that restored each tribe to federal jurisdiction, called the Restoration Act, governs the Tiguas and Alabama-Coushattas. Kickapoos are governed by the Indian Gaming Regulatory Act.³ And even among the most active proponents—the horse and dog track industries—there are decisions to be made about how to divide the money, both between horse and dog interests, and among the different types of actors within each of those segments of the pari-mutuel industry.

History of Legalized Gambling in Texas

The issue of whether Texas should legalize expanded gaming is almost as old as the state itself. The state Constitution of 1845 stated: “No lottery shall be authorized by this State.” For more than 130 years, this prohibition remained essentially unchanged. Identical provisions were found in the Texas constitutions of 1861, 1866 and 1869.

Until 1980, Article, Section 47, Texas Constitution, provided:

“The Legislature shall pass laws prohibiting the establishment of lotteries and gift enterprises in this State, as well as the sale of tickets in lotteries, gift enterprises or other evasions involving the lottery principle, established or existing in other States.”

Then, on November 4, 1980, Texas voters approved an amendment to Article 3, Sec. 47 of the Constitution, adding Subsections (b) and (c), which authorized the Legislature to pass legislation legalizing charitable bingo. On

³ For more information on Native American federal and state regulation, visit: www.hro.house.state.tx.us/focus/tribal.pdf

November 7, 1989, the voters of Texas adopted another constitutional amendment authorizing the legislature to legalize charitable raffles.

Finally, on November 5, 1991, voters approved a constitutional amendment authorizing the legislature to provide for the operation of a lottery by or on behalf of the State. Gov. Ann Richards purchased the first instant scratch-off lottery ticket on May 29, 1992, and the Texas Lottery was underway.

During the 1993 and 1995 sessions, the Legislature amended the Penal Code to allow certain “amusement machines,” so long as the prizes offered in a single play were limited to \$5 or up to 10 times the cost of playing of the games once, whichever is less.

Debate continues over the legality of these machines, called “eight liners,” which are found throughout Texas in venues ranging from convenience stores, truck stops and VFW (Veterans of Foreign Wars) posts to establishments billed as “casinos” set up solely to play the machines.

In 1998, the Texas Attorney General ruled that eight-liners were, in fact, prohibited lotteries. Even so, the 1999 and 2001 Legislatures left the gambling statutes unchanged, prompting proponents of eight-liners to argue that if lawmakers had wanted to outlaw the machines, they would have changed the statutes to clearly prohibit them. Currently, policies on investigating and prosecuting eight-liners can vary among counties and among jurisdictions within a county. Some local police departments and prosecutors vigorously pursue eight-liner cases, while others do not.

It is difficult to discuss Texas gaming policies without reviewing Native American gambling operations. Texas has three federally recognized Native American tribes: the Alabama-Coushatta, who have a reservation in Polk County near the city of Livingston; the Tiguas, formally known as Ysleta del Sur Pueblo, who have a reservation in El Paso; and the Kickapoo Traditional Tribe of Texas, who have a reservation near Eagle Pass.

With passage of the Indian Gaming Regulatory Act (IGRA) by Congress in 1988, an increasing number of Native American tribal governments opened casinos on their reservation lands to pursue economic development opportunities. Some federally recognized tribes interested in gambling view legalized Indian gambling as a way to ensure tribal self-sufficiency, maintain national sovereignty and, in some cases, regain their original lands.

Legal disputes over Indian gambling operations in Texas intensified in late 2001 and early 2002 when the Tigua tribe was forced to close its casino in El Paso under federal court order and after the Alabama-Coushatta tribe opened its casino in east Texas. In the past, tribes dealt almost exclusively with the federal government with little formal government-to-government interaction occurring between tribes and states. Now they are being forced by IGRA to compromise with state governments on gambling compacts.

Finally, Texas has pari-mutuel wagering for horse and dog racing. Pari-mutuel wagering is a system through which winners divide the total amount bet in proportion to how much each one wagered. Pari-mutuel racetrack betting was supported in a voter referendum in 1987, and the first track opened at

Retama Park in 1990. Seven horse tracks and three greyhound tracks currently are licensed to conduct pari-mutuel wagering, but only five of the horse tracks still operate. Most recent proposals for racetracks include authorizing video lottery terminals (VLTs), up to thousands of these machines, to be run on race grounds regardless of whether a race is occurring at the time (Dworaczyk 2005, 5). I can't tell from this sentence whether this is already legal or whether it's part of the proposal for expansion of gambling in Texas.

Texas Struggles for Non-Tax Revenue

Texas currently faces the largest deficit in recent history, with estimates as high as \$26 billion going into the 2011 Legislative and budget writing session. Texas is generally acknowledged as a low-tax and low-service state, and state lawmakers most likely will not raise taxes and have few other options to help s balance the budget. The need for non-tax revenue is stronger now than in 1987 when Texas voters decided to expand gaming beyond charitable bingo, the “original footprint of gaming” in this state.

On March 31, 1986, the price of West Texas intermediate crude oil fell from over \$30 per barrel to below \$10 a barrel for the first time in modern history. The impact was so severe that former Texas Railroad Commissioner Kent Hance attended OPEC meetings and unsuccessfully urged the adoption of stricter production limits. Coupled with declining production in Texas oil fields, the precipitous drop in oil prices drastically reduced the state's income from resource-based revenue. This occurred alongside a collapse in real estate values and a savings and loan crisis that squeezed the state budget.

Before then, the oil and gas industry had accounted for 30 percent of the gross state product (GSP) and 25 percent of state taxes collected in 1981, but by 1992 the oil industry made up only 10 percent of the GSP and produced only 7.5 percent of state revenues (Barkdull and Tuman, 1999, 109-11). Consequently the Texas Legislature began to consider ways to diversify the state's economy.

Against this background, the Texas lottery was approved in an effort to help generate substantial non-tax revenue. At the time, the original legislation did not dedicate lottery revenues to a specific purpose; the net lottery revenues were simply paid into the state's general revenue. The Legislature in 1997 dedicated lottery proceeds to public education, the single largest category of general revenue spending in the state budget.

In its first full year of operation, the lottery generated about \$609 million in net revenue for the State (Figure 2.3). Net revenue to the state peaked at about \$1.189 billion in 1997 but then began a steady decline through 2009 when revenues dropped to \$856 million.

**Figure 2.3: Texas Lottery Commission
Summary Financial Information**



**Texas Lottery Commission
Summary Financial Information**

(Audited unless otherwise noted)

	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01
SALES:										
Total Sales (billions)	\$0.592	\$1.856	\$2.761	\$3.037	\$3.432	\$3.745	\$3.090	\$2.572	\$2.657	\$2.825
EXPENSE:										
Total Prize Expense (billions)	\$0.269	\$0.982	\$1.529	\$1.689	\$1.951	\$2.152	\$1.648	\$1.329	\$1.509	\$1.643
Prize Payout Percentage	45.5%	52.9%	55.4%	55.6%	56.8%	57.5%	53.3%	51.7%	56.8%	58.2%
Commissions (millions)	\$29.6	\$92.8	\$138.0	\$151.8	\$171.7	\$187.3	\$154.6	\$128.9	\$133.0	\$141.3
1 % Retailer Bonus (millions)	\$0.0	\$4.3	\$6.1	\$7.0	\$5.4	\$6.0	\$5.6	\$4.5	\$4.4	\$5.0
Administrative Expense	\$45.1	\$124.9	\$166.6	\$188.3	\$217.5	\$236.2	\$198.3	\$169.2	\$172.1	\$172.8
UNCLAIMED PRIZES										
Unclaimed Prizes Transferred to State (millions)	\$0.0	\$0.0	\$0.0	\$2.6	\$7.3	\$3.0	\$0.0	\$9.7	\$35.5	\$38.9
CASH TRANSFERS:										
To General Revenue Fund (billions)	\$0.203	\$0.609	\$0.869	\$0.927	\$1.158	\$1.189	-	-	-	-
To Foundation School Fund (billions)	-	-	-	-	-	-	\$1.157	\$0.969	\$0.890	\$0.836
To Texas Veterans Commission (billions)	-	-	-	-	-	-	-	-	-	-
Total Cash Basis Transfers to State (billions)	\$0.203	\$0.609	\$0.869	\$0.927	\$1.158	\$1.189	\$1.157	\$0.969	\$0.918	\$0.865
	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10*	Cumulative
SALES:								Unaudited	Unaudited	Unaudited
Total Sales (billions)	\$2.966	\$3.131	\$3.486	\$3.662	\$3.775	\$3.774	\$3.671	\$3.720	\$1.543	\$56.298
EXPENSE:										
Total Prize Expense (billions)	\$1.715	\$1.845	\$2.069	\$2.228	\$2.311	\$2.315	\$2.281	\$2.300	\$0.976	\$32.740
Prize Payout Percentage	57.8%	58.9%	59.3%	60.8%	61.2%	61.3%	62.1%	63.3%	63.2%	58.2%
Commissions (millions)	\$148.4	\$156.6	\$174.4	\$183.2	\$188.8	\$188.8	\$183.8	\$186.1	\$77.3	\$2,016.4
1 % Retailer Bonus (millions)	\$4.2	\$3.6	\$2.1	\$4.3	\$2.8	\$4.4	\$2.0	\$1.9	\$1.6	\$75.2
Administrative Expense	\$166.7	\$158.3	\$180.8	\$178.8	\$184.9	\$182.7	\$167.5	\$192.4	\$61.8	\$3,165.2
UNCLAIMED PRIZES										
Unclaimed Prizes Transferred to State (millions)	\$69.6	\$67.0	\$41.6	\$60.8	\$54.2	\$58.9	\$54.1	\$43.1	\$40.9	\$587.3
CASH TRANSFERS:										
To General Revenue Fund (billions)	-	-	\$0.019	\$0.022	\$0.045	\$0.049	\$0.044	\$0.033	\$0.031	\$5.198
To Foundation School Fund (billions)	\$0.869	\$0.888	\$1.003	\$1.016	\$1.030	\$1.032	\$0.983	\$1.000	\$0.394	\$12.067
To Texas Veterans Commission (billions)	-	-	-	-	-	-	-	-	\$0.003	\$0.003
Total Cash Basis Transfers to State (billions)	\$0.957	\$0.955	\$1.044	\$1.077	\$1.085	\$1.091	\$1.037	\$1.043	\$0.437	\$17.590

* Totals may not sum due to rounding.

* Through January 31, 2010

Produced by: Office of the Comptroller

Through this time, the Texas Lottery Commission changed prize structures, added new games and partnered in two multi-state lotteries, but also increased the odds against winning by adding more numbers to match. As a result, lottery collections generated in 2008 are virtually the same as for 1993 (Texas Comptroller of Public Accounts, Texas Net Revenue by Source 1978-2008).

In pari-mutuel racing, the state receives between one percent and three percent of each dollar bet, depending on the amount wagered and whether the money was wagered on a live race or a simulcast race. The rest is divided among winning bettors, racetracks, purses for race winners, animal research

and programs to reward and promote Texas race animals. Pari-mutuel racing stakeholders have attempted to attract animals and breeders to the State of Texas through the Texas-Bred Incentive program, which allows Texas breeders to be awarded a slightly larger percentage of the earnings from a race than out-of-state competitors. However, the state's pari-mutuel racing industry says it cannot compete with surrounding states such as Louisiana, Oklahoma, Arkansas and New Mexico because those states' expanded gaming environments produce bigger revenues for winners than the limited gaming environment at Texas tracks. Since 2003, neighboring states have significant increased purse money to attract the best thoroughbreds."

Arkansas, Louisiana, New Mexico and

Oklahoma.

Thoroughbred - Regional 5 Year Change (2003 – 2007)				
State	Total Change in Purse	Total Change In Avg. Purse	Total Change in # of Races	Total Change in # of TBs Competing
Arkansas	\$3,530,200	\$6,414	10	(73)
Louisiana	\$27,416,716	\$7,150	121	1,452
New Mexico	\$9,141,344	\$3,828	196	806
Oklahoma	\$11,849,720	\$7,409	366	1,642
Texas	(\$4,361,023)	\$653	(383)	(1,922)

Table 2.4. Agency Strategic Plan For Fiscal Years 2009-2013; Texas Racing Commission

The Texas Racing Commission, the regulatory agency that oversees pari-mutuel racing, spent more than \$4.4 million for its operations in Fiscal

Year 2008, all from wagers and racing-related fees and fines. In Fiscal Year 2008, the Commission also collected \$4.9 million in dedicated, pass-through funds to administer the Accredited Texas-Bred Incentive Program.

In Fiscal Year 2008, the State collected about \$4.1 million in pari-mutuel tax on simulcast wagers, but no live racing pari-mutuel tax revenue because no racetrack met the state's tax threshold of \$100 million in revenue (Legislative Budget Board, 2009).

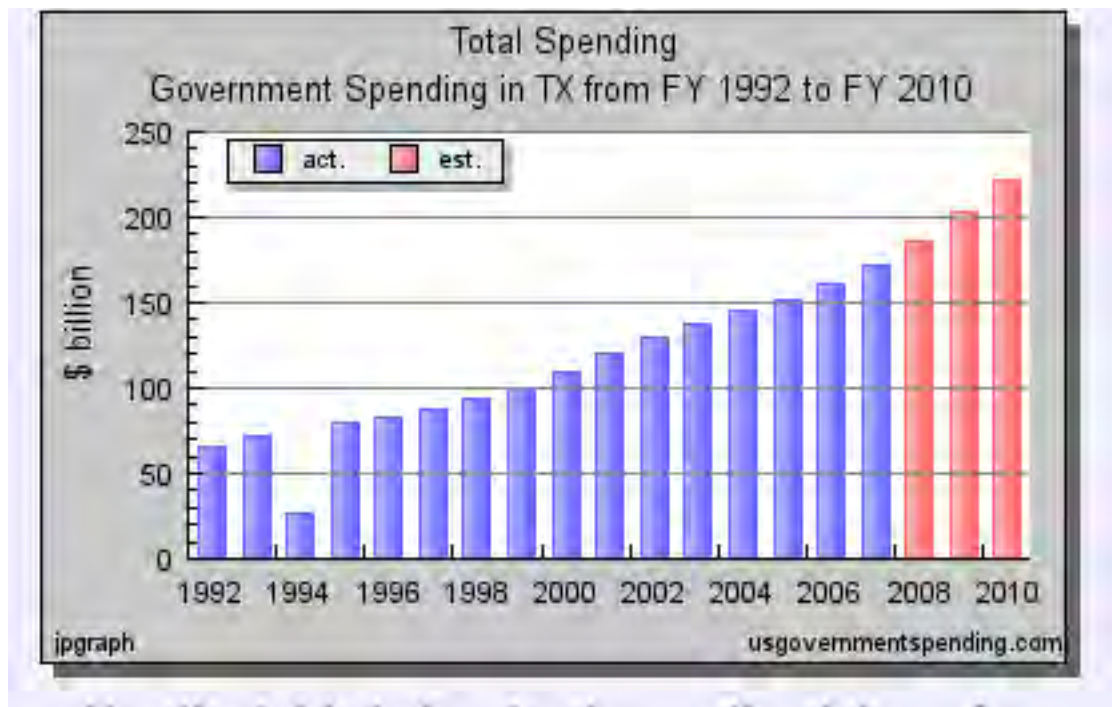
Because racing purses have fallen so dramatically in recent years, Texas racetracks owners announced a plan to consolidate purses for thoroughbreds in one lucrative 2011 season at the Lone Star Park in Grand Prairie. The plan had the support of many of the state's prominent horsemen, but a very vocal group opposed the plan, citing the need for more racing opportunities. The consolidation plan fell apart, keeping the industry scrambling for ways to improve purses and the overall public interest. In Texas, pari-mutuel horse and dog racing (West, September 3, 2010).

In charitable bingo gaming, fees imposed on bingo winnings have never netted the state more than \$20 million (or \$21 million) per year, about six times what it costs the state to regulate the games.

Two key issues effect this struggle for non-tax revenue in Texas: the games themselves have peaked unless the Legislature adds a change in the gambling experience that will help attract more public participation that will, in turn, grow revenues. For example, with the lottery start up, bingo revenues began to decline substantially. And as destination casinos opened up in

neighboring states, they attracted millions of Texans and their money, a loss of potential state revenue in.

Graph 2.5 shows state spending grew from \$65 billion in 1992 to \$194 billion in 2010.



Total Texas Government Spending from 1992 to 2010.

While non-tax revenues from legalized gambling have remained flat for a number of years, general state spending has increased dramatically.

Recently, Comptroller Susan Combs has predicted significant declines in state revenues. Sales tax revenues were down 14.2 percent compared with a year ago in retail trade, oil and natural gas production, construction and manufacturing. The Comptroller predicted the state will collect \$21.2 billion in revenue but so far, collections are about \$1.2 billion below that amount that

had been collected in fiscal year 2009. Legislators expect a funding gap to be at least \$18 billion when they meet again in 2011 to write the next two-year state budget. That figure does not account for new spending to meet the demands of a growing population or federal health care reform requirements.

Education spending, currently the largest expenditure for the State, should be a high priority during the 2011 session after school finance changes that shifted more responsibility for funding public education from local school property taxes to a new state business tax. But this business tax reform, passed in 2009 has earned significantly less revenue than projected (<http://www.window.state.tx.us/taxbud/bre2010>).

A drive to increase non-tax revenues has been reignited by the current economic recession. It is widely believed the Texas sales rate and structure have reached maximum capacity. A history of gambling, from bingo to pari-mutuel wagering to the lottery, has shown this kind of budget crisis helps garner support for legislation that expands gaming and increases state revenue. Gaming lobbyists are acutely aware of this as they prepare for the next legislative session.

Chapter Summary

This chapter identified the players and stakeholders in the current Texas gaming industry, that includes bingo, horse and dog track racing, 8-liner games, and the lottery. and It also summarized Texas gaming history, especially in conjunction with past and looming budget crises in Texas. The

next chapter will discuss and categorize the techniques (gaming or all?)

lobbyists use to advocate their interests.

Chapter 3: Literature Review

Chapter Purpose

This chapter reviews key techniques lobbyists use to advocate their clients' interests and develops a conceptual framework. The next chapter uses this conceptual framework to develop specific interview questions and describe the lobbying techniques Texas gaming lobbyists use. As noted in Chapter 1, this topic is of interest because of the wide variety of players, moral opposition and the current economic climate in state of Texas.

Aspects of Lobbying Techniques

There are four categories of lobbyist techniques, including: 1) providing information to legislators and staff 2) building relationships with these groups; 3) generating support and; 4) lobbying for votes. Before reviewing the scholarly literature, it is important to distinguish the two general types of lobbying techniques.

Direct lobbying refers to lobbyists communicating with legislators *on a personal level*, whether it is through delivering policy and political information or simply spending time with legislators and their staff. Although socializing with legislators may not precipitate a policy or political discussion on every given occasion, it most certainly creates an opportunity for transmission of policy and political information and to develop a more personal relationship.

Indirect lobbying refers to attempts to mobilize constituents or voters to pressure or support the efforts of public officials on particular policy issues (Hojnacki and Kimball 1999, 1000). Making campaign contributions, or *electoral lobbying*, is not necessarily *directly* lobbying a legislator since there may be no direct contact when the legislator receives the donation. For the purposes of this study, electoral lobbying will be categorized as *indirect lobbying*.

Providing Information to Legislators

This section of the literature review will focus on *direct* lobbying--when lobbyists meet with legislators and their staff. They may communicate an array of information using a variety of techniques. Grassroots, or *indirect lobbying*, will always help a lobbyist, but if he or she can present the merits of the case directly to legislators and staff, there's a better chance for a "sale."

Lobbyists may tailor arguments relevant to where a particular bill is in the legislative process. For example, an argument used to get a bill out of committee may not have as much sway on the House or Senate floor. Lobbyists may suggest how language in a draft bill can be shaped to protect the group's interests and clientele. Information and talking points on constituents' opinions on an issue that legislators can use with constituents, the media and others to build support may be key parts of the dialogue between lobbyists and legislators. Some legislators may request head-count information (how many votes a lobbyist has at a given point in the legislative

process), while lobbyists may ask a legislator to contact or lobby other legislators on the group's behalf (Hojnaki and Kimball 1999, 10001).

Policy-Analytic Information

Many legislators, according to studies, believe lobbyists should function as “adjunct staffers” helping provide policy-analytic, or scientific and technical, information. A lobbyist should have a working knowledge of the issues , and several legislators placed strong emphasis on a lobbyist's ability to field technical questions. This may even involve providing the legislator with briefing or support documents. Eighty-four percent of legislators in one study said they appreciated lobbyists providing support documents, including bill and amendment drafts and talking points (Levine 2009, 135).

Another study on lobbying in Massachusetts, North Carolina, Oregon and Utah studied how dependent legislators were on lobbyists for policy-analytic information. A range of 41 to 83 percent of these legislators reported they depended on lobbyist information most of the time; 55 to 88 percent said they had confidence in the information; and a range of 28 - 61 percent reported they found all of the information provided by lobbyists helpful (Levine 2009).

Legislators generally have access to policy-analytic information resources, but they prefer lobbyists, according to the literature, because they are both *convenient* and *accessible* (Nownes 2006). The rhythm and pace of legislative activity places a high priority on the “acquisition features of an information source (Webber 1985, 215).” There is, however, a general respect

for the convenience of using lobbyists' as information resources rather than for the factual information they provide. According to a study on the use of lobbyists in the Nevada state legislature, lawmakers often rely on lobbyists to provide some estimate of the costs and benefits involved in an issue, while they rely on other types of sources to define future trends and problems. For example, according to Webber's study (1985, 218), legislators are more likely to use policy information provided through constituent channels, like citizen study commissions and town meetings, than from policy experts and library research studies. Legislators use policy information most often from the network of contacts and information sources they ordinarily encounter carrying out their legislative responsibilities. They may share and exchange policy information with legislators and staff.

Lobbyists may conduct research, issue reports and testify before legislative committees. California business association lobbyists, for example, are widely lauded for the research papers they prepare and present. Lobbyists may testify or assign experts to testify before Senate and House committees on behalf of their clients. According to the literature, a lobbyist for a government association in Maryland set up two hearings for a panel of finance and budget experts to explain what a proposed tax collection bill would do (Levine 2009).

Another study, however, showed few lobbyists engage in extensive *primary* research; instead, most are "skilled synthesizers", able to combine research with practical, purposeful applications that may lead to drafts of

legislation Most lobbying firms and some individual lobbyists employ research assistants, or contract out the work, to create in-house documents, but only 13 percent of those documents were chiefly based on lobbyist-generated research. More often, a lobbyist draws on existing studies by think-tank analysts, academics or government officials and then repackages the results for legislators (Cigler and Loomis 2007, 405). Another researcher found that interest group power partly stems from the idea that these groups possess data that Congress and state governments lack (Baumgartner etc 2009, 82).

When choosing what policy arguments to take to legislators, lobbyists usually focus on arguments touching on topics as diverse as feasibility, the appropriateness of government action, costs and equality of treatment.

Studies show more than half of all lobbyists offer arguments that raise concerns or offer reassurance about the feasibility of policy options, that suggest certain policy options promote or inhibit some shared goal or that emphasize costs or cost savings particular policy alternatives offer to nongovernmental actors. Feasibility and implementation arguments are the most common themes used in 72.1 percent of lobbyists' presentations to legislators. Almost 70 percent used an argument that the policy at hand promoted a widely shared goal or stood in the way of achieving some broad, shared goal. Another common argument used by 53.5 percent involved the "costs" argument. Costs frequently refer to how much or how little revenue will be generated by a policy measure. Less frequently used arguments include

those that refer to the “magnitude of a change proposed” or the procedural or jurisdictional barriers at stake (Baumgartner etc 2009, 132).

Lobbyists, for the most part, have significant influence over policy decisions made by lawmakers, a review of the literature suggests. Lobbyists may or may not do their own research, but nonetheless communicate research to lawmakers based on arguments including feasibility and implementation, costs and goals legislators hope to reach through the legislative process.

Career-Relevant Information

While lobbyists rely substantially on policy-analytic information to be effective in legislative lobbying, they also regularly use “career-relevant” information. Career-relevant information relates to any information about how the legislator’s vote will affect his chances of reelection.

The idea that ambition shapes the behavior of legislators is hardly new or even disputed. Competition to win office is seen as an engine of democracy because it compels leaders to identify and respond to the interests of citizens to achieve their own career goals. Whether a legislator wants to be reelected or gain higher political office, ambition is a driving force behind how he or she votes (Maestras 2003, 440).

The most basic form of career-relevant information a lobbyist can provide to a legislator is polling data concerning how constituents feel about a bill. According to a Texas contract lobbyist, “We will make use of polling..supporting polling data are important (Nownes 2006).”

The literature offers a wide array of opinions on the use of career-relevant information. On one hand, many legislators reported that they *always* ask for this type of information and would ask, “Where is the chairman on this? Should I be aware of any political concerns? Who’s against this (Levine 2009, 126)?” Conversely, many other lobbyists and legislators viewed providing this type of information as “arrogant” or “presumptuous (Rosenthal 2009)”. In this view, it is not necessary or appropriate to tell a legislator how district voters feel, because he or she should be in touch with how their constituents stand on particular issues.

According to Nowne’s study (2006), when lobbyists present career-relevant information to a legislator or staffers, they do not attempt to make statements concerning how a legislator’s constituency as a *whole* feels about an issue, but rather how a *subset* of the constituency-constituents whose views may be represented by a lobbyist—feels about an issue. A lobbyist may also use a “grass-tops” approach by asking an influential constituent to make an appeal to a legislator about a particular bill.

It may be true that lobbyists provide career-relevant information less often than policy-analytic information. One study found that of 550 documents delivered to legislators, 88 percent of the literature in the documents dealt with policy information, while the remaining discussed career-relevant or political information (Gigler and Loomis 2007, 400).

Building Relationships with Legislators

Relationships are essential in the legislative process because people rely on each other constantly for information and support in a fast-paced environment where critical issues may be at stake. There is often little or no time for verification.

To establish a relationship with legislators, a lobbyist must be considered trustworthy. Legislators are most frequently influenced by the information furnished to them by lobbyists, as previously discussed. Still, legislators cannot afford to be misled, and lobbyists cannot afford to mislead them. The building of trust is mainly a one-way street, since legislators are less compelled to win over lobbyists than vice versa (Levine 2009, 57-63).

Lobbyists seek to build trusting relationships with legislators in other ways, and those techniques will be discussed in this section.

Entertaining and Travel

By entertaining legislators, lobbyists have the opportunity to get to know the legislators in relaxed settings. The most common ways of entertaining legislators include dinners, sports events, receptions and other social events. Many lobbyists try assiduously to get as much face-time with legislators as possible, not just to press specific issues, but rather to build a relationship, and, perhaps, even a friendship.

“Friends don’t screw friends,” one veteran lawmaker explained. “We are overly afraid of people, especially lobbyists, getting to know members. We suppose the worst about ethics and principles. People can be friendly and still make tough choices. Friendship and ethics are not mutually exclusive—even

in policy-making” (Levine 2009, 116). One ex-lawmaker gave another reason for accepting and encouraging lobbyist-lawmaker friendships. “It’s easy to size someone up at a dinner party or a quiet lunch (Levine 2009, 145).”

In the past, socializing among legislators and lobbyists was far more common largely due to two ethics violation scandals involving Texas congressman Tom DeLay and Indian gaming lobbyist Jack Abramoff during the George W. Bush administration. Those incidents evolved into indictments in both cases and federal campaign finance reform that tightened the laws (Schmidt and Gimaldi 2006). Sen. Russell Feingold, a Wisconsin Democrat and co-author of ethics reform legislation, particularly targeted lobbyists’ ability to pay for meals and travel for members of Congress and their staff (Rosenthal 2009). Texas own ethics law states that a “lobbyist may not provide, and a legislator may not accept, transportation and lodging except in connection with conferences, fact-finding trips and similar events.” Texas lobbyists may buy meals for legislators, but they must be present during the event or meal. If a single lobbyist spends more than \$75 on a public official, including staffers, he must name them in an expenditure report (TX EAO-12, 1992).

Regardless restrictions at both the federal and state levels, many lobbyists still manage to entertain and travel with legislators. According to a Congressional Research report in 2007 (CRS 1-12-07), federal lawmakers reported receiving more than \$17.6 million in free travel from interest groups. Elected federal officials received 96 free trips valued at more than \$273,000 from 1998 to 2005 from just 11 interest groups. In Texas, lobbyists spent as

much as \$1.4 million on food and drinks during the first four months of the 2009 legislative session (Stiles 2009).

Overall the literature supports the conclusion of majority of lobbyists who believe that entertaining and modest forms of socializing with lawmakers can be constructive. Friendships that might result from, or be strengthened by, such interaction could serve as “a cleansing agent for our political process.” Friends are more likely to float trial balloons and explore “out-of-the-box thinking.” The tendency in the latter case is to stay on safe ground (Levine 2009, 57-63). For example, it may be easier to tell a friend over dinner that his position on an issue is flawed and why rather than tell a stranger behind a desk or over the phone.

Gifts

Many lobbyists offer gifts in building relationships with legislators. The gifts may be small, but lawmakers, like everyone else, appreciate the gesture.

Wealthier, more organized interests, such as corporate businesses, tend to send gifts more often than smaller public interest groups. This is more likely because these groups have more resources. It also could be that wealthy, organized interest groups tend to receive more attention from legislators, with or without such gifts (Katel 2005).

However, there are many restrictions on giving gifts in some states. In 1957, Wisconsin passed the first “no-cup-of-coffee law,” which prohibited legislators from taking anything of value from lobbyists and their principals. In 1974, California limited what lobbyists could spend on a legislator’s gift to \$10

(Rosenthal 2001, 97-99). In Texas, legislators may accept non-cash items of less than \$50 in value (Texas Ethics Commission, 2006). Many states have completely banned gifts, although exceptions still allow lawmakers to receive gifts under some circumstances, such as attending receptions, forums and so forth.

Some lobbyists have concerns with using gifts to build relationships with legislators; others do not consider gifts an important part of their jobs. Nownes and Freeman (1998, 91) reviewed the results of a 1996 survey of 595 lobbyists from California, South Carolina and Wisconsin. They reported that gifts are one of their least commonly used techniques. In fact, survey results indicated that state lobbyists use gifts less -often than do federal lobbyists though Nownes and Freeman (1998) assert that most lobbyists do not present gifts, it is still common in the political process.

For example, Bruce Bereano, a contract lobbyist in Annapolis, showered legislators with flowers, candy and cigars. For years he sent flowers on Valentine's Day to secretaries of each legislative committee and birthday cards to key staffers. One lobbyist for a national food group would typically leave a can of his company's cashews behind when he visited legislative offices (Rosenthal 2009, 211-214).

Appreciation and Acknowledgment

A host of gestures subtler than gifts and entertainment may affect relationships between lobbyists and legislators. These types of gestures signal respect and deference to both the institution and the political process as a

whole. This comes most naturally to lobbyists who have themselves served as legislators or staff because they know first-hand how difficult it can be to corral votes and deliver consensus.

Groups such as the California Society of Certified Public Accountants honor a “Legislator of the Year” (Rosenthal 2001, 114-115). Texas Alliance for Life, a conservative anti-abortion group, awards trophies and plaques each session to Texas legislators who have worked to defend the right to life (<http://www.philking.com/endorsements>). Furthermore, lobbyists thank and praise the legislators involved after every battle, or even skirmish on the way to passing the bills lobbyists support.

Another form of acknowledgment is promoting the legislator with the public and, preferably, constituents (Rosenthal 2009, 157). For example, a business lobbyist could speak to a legislator’s local Chamber of Commerce about the legislator’s commitment to low business taxes. Many companies invite legislators to visit their facilities and employees, take their pictures to publish in industry publications (Levine 2009, 40).

Constituent Service

Nothing is dearer to a legislator than his or her constituency because the voters ultimately decide how long a legislator will stay in office, if at all. Lobbyists may take advantage of this by offering, or at least being willing, to provide various services to constituents to build relationships with legislators.

It is very common for legislators to call lobbyists representing utility companies, such as telephone or cable television, asking them for a “favor”

involving a constituent (Levine 2009, 101). For example, an AT&T lobbyist could ensure a legislator gets prompt attention for an i-phone repair or a service upgrade. A contract lobbyist who represents Blue Cross-Blue Shield could help a constituent navigate the “company red tape” (Rosenthal 2001, 215-16). In Arkansas, one legislator was contacted by a constituent who wanted compensation for five cows killed by a Union Pacific locomotive, while another had constituents who wanted an old railroad terminal made part of a local cultural center. The contract lobbyist representing Union Pacific took care of it all (Rosenthal 2009, 157).

Lobbyists may help legislators’ constituents by providing information and facilitating relationships. A lobbyist for a university estimated that he spent a third of his time on service to legislators’ constituents by writing letters of recommendation and making phone calls to admissions to help legislators’ constituents’ children get accepted into college. He described the process: “Some lobbyists may have an admissions officers or two in other schools in his ‘pocket,’ so if a key legislator has a constituent who wants to get a applicant admitted, that kid gets admitted....I can’t do that (Levine 2009, 101).” What the lobbyist does instead is provide the legislator with as much information as possible about the constituent’s admission case.

Generating Support

As E.E. Schattschneider (1965) emphasized, political elites, whether lobbyists or lawmakers, when faced with intransigent opposition, will seek to “expand” or “socialize” their conflict. Lobbyists can expand or socialize a

conflict by forming coalitions or seeking support from those with similar interests. The benefits or burdens of a particular legislative proposal may attract or repel potential coalition members. Groups that coalesce to focus on a particular issue can garner support on the grassroots level by using a variety of techniques.

Identifying Coalition Members

The initial task of the lobbyist is to identify potential members of a coalition. “The first thing I do,” reported a California lobbyist, “is to figure out if there’s anyone else out there to help” (Rosenthal 2001, 148). In other words, identify others who are burdened or helped by the legislation. Nownes defines a *coalition* as a “ loose collection of organizations and individuals that cooperates to accomplish common objectives” (Nownes 2006, 15). For example, trade associations, medical groups and consumer organizations may be similarly affected by legislation and decide to take joint action. As Schattschneider pointed out, “The political system is broadly equalitarian; *numbers* are important in politics” (Schattschneider 1957).

Seven of the 11 lobbyists interviewed by Rogan Kersh routinely work in the same informal teams or coalitions. The other four join numerous coalitions, but, on an ad hoc basis and on an average of just over nine coalitions each. Usually none is especially active in more than two or three coalition groups at a given time (Cigler and Loomis 2007, 404).

Studies suggest several factors that produce effective results and should be considered by lobbyists when forming coalitions: size, cohesion, intensity and the group's standing.

Legislators rarely ignore large membership groups, and a membership spread in a few political districts has less political clout than a membership spread across legislative districts across the state (Hojnacki and Kimball 1999, 1003). Schattschneider (1960) believes "the most important strategy of politics is concerned with the scope of conflict." Expanding the size of a coalition may broaden or "socialize" the conflict enough to help to swing momentum to the coalition's side. The smaller the group the less salient the issue may appear to legislators.

Success of a coalition is not just based on size. Large membership groups themselves may have a difficult time agreeing on an objective. Sometimes the larger the group, the more difficult it is to coalesce around an idea and achieve a "collective good" (Olson 1971, 35) to bind a group together. Therefore *cohesion* is an important factor in the effectiveness of a coalition. If its own members do not buy into a group's position, the Legislature is unlikely to be very impressed.

Achieving cohesion is no simple matter for many groups. Rosenthal finds that business associations often have a difficult time agreeing on issues because the interests of large businesses may be at odds with that of smaller businesses. the only significant issue in recent times where business groups in Texas have reached a consensus has been in tort reform (2001, 151).

Environmental groups also face this problem. “You have your purists and your pragmatists in this arena,” remarked one environmental lobbyist in Colorado (Rosenthal 2001, 150).

The intensity of its beliefs is also important to the success of a coalition. The positions these groups take are based on principle; they claim the high ground in the struggle and they are reluctant to budge. For example, few people are as acutely affected by education legislation as teachers. Education proposals may affect teachers in entirely personal ways: pay, benefits, working conditions and the application of their academic training and experience. Even though teacher unions may not take the most popular positions on educational policies in every case, they communicate clearly and with great intensity to policymakers the importance of these issues through indirect, direct and financial means (campaign contributions). As a result, teacher unions are considered one the most influential coalitions in Washington, D.C (Kollman 1998, 83).

However, intensity does not always assure success. If a lobbyist represents a small group with intense but unpopular preferences, policymakers may not be inclined to pay attention to the group’s arguments. Group leaders representing small, intense groups must somehow convince legislators that pursuing the group’s favored policies will either win over significant numbers of voters or, more often, will not repel significant numbers of voters.

Finally, a group's effectiveness may depend on its standing with citizenry or the government. If a coalition attracts members who generate significant revenue for their state or federal governments, they will most likely get more attention from policymakers. These groups may also have the financial capability to hire more lobbyists and staff to assist with their causes. Wealthy groups, such as the U.S. Chamber of Commerce, if their members are united, wield enormous clout in Washington (Kollman 1998, 60).

Large corporations are taken seriously because of their relevance to the economic well being of a state or the country. Pharmaceuticals in New Jersey, oil companies in Texas and electronics firms in California are examples of industries that state legislatures cannot afford to ignore. The value they bring to a state's economy ensures that the "legislative inclination will be to help them out if at all possible (Rosenthal, 2009, 148)." In Massachusetts, for instance, biotechnology generates substantial revenue for the state. In 2006, the Legislature enacted a major economic stimulus bill, which included \$80 million for investment in life sciences and technology. Legislatures may also be willing to subsidize these important groups because of their "fan base" and the prestige they bring to the state.

Lobbyists identify coalition members based on desire for a group comprised of size, cohesion, intensity or standing to help improve their chances of success. Sometimes many different types of interest groups make up a coalition. The language in a bill may ultimately define the group.

Recruitment of Coalition Members Through Legislative Design

After identifying potential coalition members, lobbyists must attract them to the group. The key to attracting coalition members is to help craft legislation that is favorable to a potential coalition member without endangering the needs of the lobbyists' own interest groups (Levine 2009, 199).

Garnering coalition support resembles the behavior of business entrepreneurs. Some lobbyists may poll their potential allies to see what provisions they want in a bill, or conversely, what provisions they could not accept. For example, trade associations are collections of companies with common interests, thus representing a potential core base of support for lawmakers interested in crafting legislation affecting their industry. A legislator may solicit ideas and requests from these groups. The group then will poll its members on which provisions are acceptable or not acceptable and communicate these results to lawmakers.

Lobbyists build larger coalitions through policy framing or legislative design. Groups may also design legislation to project a positive image, diluting any potential opposition to the policy.

Any bill can entail a range of policy choices as lobbyists and interest groups struggle over which themes will be used to frame a given issue. For example, framing an issue as a *moral* issue may recruit more members to the coalition. Although most policy can be framed as morality politics, it is much easier to draw symbolism from sin policies such as gambling, sexual issues and drug policies than, for example, tax policy. Morality politics generates passion and emotion rather than reason. The intensity of a coalition's position

may be enhanced by appealing a sense of compassion rather than a policy's effect on the government's bottom line, which may depend more on research and intellectual persuasion.

On the other hand, lobbyists may blunt appeals to morality politics in a number of ways. In Texas, bingo legislation has partially avoided the association with gambling by limiting the conduct of bingo to non-profit organizations. The revenue generated through charitable bingo goes into charitable activities, projecting a positive image.

Attaching a purpose to the potential revenue serves two functions. First, it can counteract the powerful "symbols" used by opponents who label the proposed policy as sinful or evil. Second, it can create "concentrated benefits" or benefits for other coalition members (Pierce and Miller 2004, 47). Lobbyists working to expand gambling through implementation of video lottery terminals at horse and dog racing tracks focus on the fact that lottery proceeds are used to fund public schools, which may help recruit coalition members from education groups. Those who favor expanding gambling to casinos at selected "destination locations" might include requirements in the legislation that a potential gaming licensee commit to building hundreds of millions of dollars in new construction and public infrastructure at the location. In other words, they attach "economic development" as an inducement to various potential coalition members to join their cause.

Many states, including Texas, dedicate a portion of liquor sales to state education funding. This dedication of funds helps to dissolve moral opposition

to liquor sales and increase the standing of gambling proponents by generating substantial state revenue.

An example of other diverse coalitions include beer and environmental groups in Florida. Ordinarily, these two groups have contradictory positions on legislation, but neither group was happy about possible state changes in types and sizes of beer containers. They coalesced to defeat this particular legislation (Rosenthal 2001, 152). In Minnesota, business and labor groups have been known to cross “family lines.”

“We try to get a connection whenever we can,” a business lobbyist reported about his client’s relations with labor groups (Rosenthal 2001, 151). Skillful lobbyists can persuade disparate groups to work together to defeat or advocate legislation in many different areas.

In order to recruit coalition members, lobbyists must be helpful in crafting legislation that appeals to members through both legislative design and policy framing.

Grassroots Techniques

After identifying and recruiting coalition members, lobbyists can turn their attention to grassroots techniques, defined as “the identification, recruitment and mobilization of constituent-based political strength capable of influencing political decisions (Rosenthal 2001, 153).” Grassroots techniques constitute one element of an increasingly important “outside game,” or indirect lobbying, that supplements the “inside game,” or *direct* form of lobbying and can be an especially effective means of generating support (Nownes 2006,

22). Eighty-six percent of the organizations and 88 percent of lobbyists reported that they mounted grassroots campaigns (Rosenthal 2001, 154).

The literature describes grassroots efforts that are both broad-based and narrowly based in nature. Broad-based efforts consist of group members and others contacting legislators in person or via email or postal mail with a group's message. Narrowly-based efforts involve only a few members working on behalf of the entire group's efforts and message. The two kinds of approaches can, of course, be combined.

By far, most instances of grassroots lobbying involve a few thousand citizens or less. A typical grassroots effort involves an interest group targeting several legislators on a key committee, contacting their coalition members in those legislators' districts and requesting the group write letters, send faxes, emails or make telephone calls to the legislators' offices (Kollman 1998, 45).

Some research suggests that certain types of groups are more inclined to undertake grassroots efforts. Both Gais and Walker (1991) and Scholzman and Teireny (1986) argue that groups will make greater use of grassroots campaigns if individuals, rather than institutions, contribute substantially toward the support of the organization. The literature also suggests grassroots campaigns are less likely to be used by non-membership groups. For example, corporate lobbyists are less likely to engage in these activities than lobbyists with unions, trade or professional associations and citizen groups. Corporations do not have "members" in the same way that labor unions do and frequently do not have members willing to protest in person with placards and

slogans. Corporations, however, encourage their employees, especially their executives, to write or talk to legislators, and they do occasionally advertise on public policies and announce their positions on issues at press conferences (Kollman 1998, 51).

Professional associations rely almost exclusively on membership mobilizations, focusing on specific, narrow issues on which their members can claim expertise (Kollman 1998, 38). A legal professional organization such as the Texas Family Law Foundation, for example, may recruit more members by focusing on potential members' knowledge regarding legislation dealing with child custody issues.

Moreover, because grassroots efforts are more costly to groups in terms of resources as well as time, , than directly lobbying legislators, organized interests likely will lobby through grassroots only on issues that present the most pressing implications for their interests (Hojnacki and Kimball 1999, 1002).

Of techniques identified in academic studies, writing letters and making telephone calls are the most common. One reason is that urging constituents and group members to call their legislators is the least expensive,. Kollman (1998) found that 84 percent of groups inspired letter-writing campaigns and other low-budget tactics. A California lobbyist activates groups and members of his coalition, who in turn write and call, claiming that if a legislator gets 10 phone calls a day on a particular bill, it is a "groundswell" and will get the legislator's attention (Levine 2009, 211). Ninety—two percent of organizations

and 94 percent of lobbyists reported that they had constituents telephone legislators' offices, while 83 percent of the former and 82 percent of the latter inspired letter-writing campaigns, according to a study in California, South Carolina, and Wisconsin, (Rosenthal 2001, 154-55).

Many organizations therefore devote substantial resources to phone and letter-writing activities. The Texas Civil Justice League, a coalition whose focus is product liability and other tort reform, has 40 phone-bank operators in an Austin facility to support its grassroots operation. Associated Industries in Florida has its own computer staff and software to send out action requests to its members. The association claims it can put a thousand letters or telegrams from constituents on a legislator's desk with "a 24 hour turnaround."

(Rosenthal 2001, 161) Techniques used by the Texas Civil Justice League and Associated Industries are examples of broad-based approaches.

Another effective technique, though a narrowly based approach, is called grass-tops programs where key contacts or members who have some sort of tie to the legislator's home district are activated. The Colorado Association of Commerce and Industry relies on its 150-member board of directors, which includes 35 CEOs. The association has at least 10 influential people in each district who serve as key contacts. The Texas Trial Lawyers Association is diligent in this regard by organizing any members who have worked in a legislator's campaign. In Minnesota, the trial lawyers association has key contacts in every legislative district. Each may "make an appeal on a bill once or twice during the legislative session" (Rosenthal 2001, 162).

Many groups may sponsor “lobby days” or “a day in the legislature.” This technique is a combination of both indirect and direct lobbying. A few hundred business people visit their senators and representatives in the state capitol in St. Paul, while 30 to 40 teachers roam the halls of the Capitol in Austin. These groups often go office-to-office, lobbying staff and legislators on their issues. These lobby day require careful orchestration and organization in order to maintain control so the message does not veer off course (Rosenthal 2001, 163).

The research also classifies media, public relations and advertising as grassroots techniques although these more expensive tactics are used much less often. Media and public relations techniques may include radio and television spots, editorial board meetings, newspaper advertisements, press conferences and web pages.

According to Kollman’s (1998) findings, more than half the groups advertised in some form, and one-fourth held press conferences. Reaching the lawmakers and the public through free media is key for those who may not be as well financed for direct lobbying. A study of in three states found that three of four lobbyists and the same proportion of groups reported they regularly talked to representatives of the media (Levine 2009. 199-203).

Citizen groups may rely on free media more than trade, professional, corporate and labor groups. However, one analysis found that corporations and trade associations are more likely to hire public relations firm. Labor

unions rarely hire public relations firms, but they do run advertisements to mobilize their members to contact.

Across policy issues, lobbyists often find it worthwhile to start letter-writing campaigns, advertise policy positions on issues and present to the media research information and policy positions. Indirect lobbying generally is most common among interest groups regardless of their membership size and wealth.

Electoral Lobbying

Not surprisingly, lobbyists are active in election campaigns. The primary way that organized interests “lobby” during election campaigns is by making financial contributions to candidates, donating money to political action committees (PACS), buying issue advocacy advertisements and making other in-kind contributions such as goods or services. There is a considerable research devoted to the effect of campaign contributions on elections and voting patterns.

Individual Campaign Contributions

One the most definitive studies on this subject is Laura Langbein’s 1986 “Money and Access. ” Langein’s findings suggest a causal relationship between the amount of a contribution and the predisposition of the recipient to meet with a contributor for a given period of time. Langbien concludes that one could predict a 25 -minute meeting for each contribution of \$6,390. She concludes that money does in fact *buy* access.

Another study by David Austin-Smith (1995) disputes the idea that contributions translate into access. He says access relates to likeability, and likeability comes from trust and kinship. The more akin the legislator is to the lobbyist, the more valuable the lobbyist will be to the legislator on policy and political information. Didn't understand the term "like" here.

Nownes's research (2006, 215) states that electoral lobbying techniques such as individual campaign contributions are not particularly effective, no matter who uses them, while Levine's interview subjects (2009) contend they do buy access but not necessarily votes.

Nonetheless, many industries, including the gambling industry, have used individual campaign contributions. The Federal Election Commission in 1996 reported that gambling interests doubled their contributions to federal candidates to a total \$4.4 million. (Of that, \$2.6 million was "soft money", or money given to political parties for purposes other than supporting candidates for federal office). Some news media reported these contributions were to counter or influence federal appointments to the 1996 gambling commission. There were \$1.43 million in federal individual campaign contributions by Native American groups interested in gambling legislation during the 1995-96 election cycle (Kindt 1998, 85-97). In Texas, the Alabama-Coushatta and the Tigua tribes have participated in electoral lobbying strategies by contributing money to a gubernatorial challenger favorable to tribal gambling interests. When that plan failed, both sought to hedge their bets by contributing to the incumbent governor's post-election fundraising campaign. In addition, both tribes moved

away from contributing almost exclusively to Democratic candidates in favor of a more bipartisan (bad word) approach. In 2001-2002, 13 of 17 members on both House and Senate committees with jurisdiction over gambling received tribal donations (Skopek and Hansen 2006 110-120).

Contributing to individual campaigns seems widely popular on all levels of government. Many interest groups make thoughtful decisions on how to give money to individual campaigns.

Political Action Committees (PACs)

Labor unions, corporations and trade, health and professional organizations all create political action committees (PACs). PACs collect contributions from particular classes of individuals for the purpose of influencing elections (Rosenthal 2001, 131). The rationale is that by aggregating small donations from a large number of contributors, similarly situated groups can maximize the effect of their money.

Corporate contributions are either prohibited or regulated in 42 states. Thirty-eight states prohibit or regulate union contributions. PACs have grown in numbers and very creative in allocating resources. One strategy is *bundling*, when PACs collect checks made out to particular candidates and then send each candidate the checks all at once. Another type of bundling is hosting a fund-raiser for a candidate. Many PACs bundle contributions from supporters, presenting individual contributions en masse to candidates. this sentence I can't figure out: Bundle or individual? In addition to bundling contributions, PACs also *funnel* donations by giving money to other PACs or to other political

parties, from which PACs also can receive money This sentence I can't figure out either.. A few PACs have begun steering other PAC contributions and are sometimes referred to as *lead* or *front* PACs. Lead PACs analyze elections and candidates and provide information to other PACs with similar goals (Gigler and Loomis 2007, 191).

Incumbents' voting records may be another major factor in determining a PAC's electoral lobbying strategy. An incumbent who voted unfavorably on legislation that a PAC considered to be important would probably be unlikely to receive a PAC contribution. Of course, there are exceptions. PACs, like individual campaign donation contributors, may choose to contribute to an unfriendly incumbent anyway, with the hopes of getting in that legislator's good graces. The rationale: it's less expensive to try to woo an incumbent than to recruit someone new to run against the officeholder (Cigler and Loomis 2007, 193).

Partisanship and ideology may also influence PACs and their decision-making. For example, a study by Amy McKay (2008) found that labor unions were more likely to use an ideological electoral strategy than business groups. Business PACs vary in the extent to which they pursue a partisan strategy, and it is usually contingent on the vulnerability of the political party's incumbent. When the tide appears to favor Republicans, business PACs may contribute more to Republican challengers than when the political climate is less favorable.

In Texas, Texans for Economic Development (TED PAC) spent \$841,214 during the 2008 cycle. Contributors to this PAC included Robert McNair, who owns thoroughbred stables; Peter Holt, an investor in Retama Park horse-racing track in Selma. Landry's PAC paid about nine percent of the PAC gambling money to legislators) Tilman Fertitta, chief executive officer of Landry's PAC, would like to expand his Las Vegas casino business into Texas. Dallasite Jack Pratt's Texas Gaming Association PAC also has tried to legalize casinos in Texas. Conversely, out-of-state Indian gaming interests contributed to the Associated Republicans of Texas PAC in late 2008 to keep expanded gambling *out* of Texas to minimize competition from Texas gambling (Lobby Watch 2009).

PACs have become more common over the years, and lobbyists use them to carry out their electoral agendas. PAC money is strategically given to legislators based on their party, incumbency and voting records on issues.

Issue Advocacy Advertisements

"Issue advocacy" advertising may be the fastest growing strategy used by lobbyists in state legislatures. The technique is already widely popular at the federal level. This strategy differs from previously mentioned grassroots and public relations strategies because these ads are used to influence *elections* rather than attempting indirectly influence a legislator's vote.

Issue advocacy may sometimes be conducted as a part of a campaign to defeat or elect a candidate for office, to promote the policy the candidate either supports or rejects. In 1997 and 1998, at least 77 groups sponsored

issue ads on the federal level, spending almost \$300 million (Rosenthal 2001, 176).

Issue ads are often paid for with “soft money,” or donations to political parties for purposes other than directly supporting candidates for federal office. The Supreme Court decision in *Colorado Republican Federal Campaign Committee vs. FEC* in 1996 has allowed these ads to be financed with soft money as long as they steer clear of language that explicitly urges a vote for, or against, a candidate (Cigler and Loomis 2007, 196-97).

As a direct consequence of this ruling, the use of soft money for issue advocacy in elections grew exponentially. In 2004, issue advocacy spending by independent groups was most evident on television. America Coming Together, a pro-Democratic group, raised more than \$125 million, and the Media Fund, another Democratic group, raised \$50 million to spend on broadcast advertising (Cigler and Loomis 2007, 198-99).

In the last few years, groups interested in health care, tort reform, term limits, a balanced federal budget, climate change and gambling issues have blanketed the airwaves during both federal and state elections. For example, Texans for Economic Development PAC (TED PAC) ran television commercials in 2008 blasting three socially conservative Republican incumbents, Rep. Phil King (R-Weatherford), Betty Brown (R-Terrell) and Nathan Macias (R-Bulverde) for votes on electric rates and government spending. Their targets were outspoken opponents of any expansion of legalized gambling (Lone Star Report, 2008). The PAC responsible for these

ads received extensive contributions from horse track owners and proponents of expanded gambling in Texas.

Issue advocacy ads are used on both the federal and state levels and can have significant impacts on political races. Their main purpose is to generate public support for or against legislators in a more direct manner than simply giving individual campaign or PAC money, which could be used for any purpose. Overall, the literature shows that part of being a lobbyist involves being active in elections.

Conceptual Framework

The purpose of this research is descriptive and the conceptual framework used is descriptive categories. The use of descriptive categories organizes the qualitative interview questions by describing the important elements of lobbying techniques used by lobbyists. A review of the scholarly literature has yielded the key elements of lobbying techniques and has provided a framework for developing qualitative interview questions to describe the techniques and strategies used by lobbyists to advocate for their clients' interests.

Table 3.1: Conceptual Framework Linked to Literature-Descriptive Categories for Lobbying Techniques

Descriptive Categories	Literature
Providing Information to Legislators	

Policy-Analytic Information	(Levine 2009, 135) (Levine 2009) (Nownes 2006) (Webber 1985, 215) (Levine 2009) (Webber 1985, 217) (Webber 1985, 218)(Gigler and Loomis 2007, 405) (Levine 2009, 135) (Baumgartner etc 2009, 82) (Baumgartner etc 2009, 132)
Career-Relevant Information	(Maestras 2003, 440) (Nownes 2006) (Levine 2009, 126) (Rosenthal 2001) (Gigler and Loomis 2007, 400)
Building Relationships with Legislators	
Entertainment/Travel	(Levine 2009 , 116) (Levine 2009, 145) (Schmidt and Gimaldi 2006) (Rosenthal 2009) (TX EAO-12, 1992) (CRS 1-12-07) (Stiles 2009) (Levine 2009, 57-63)
Gifts	(Katel 2005) (Rosenthal 2001, 97-99) (Texas Ethics Commission, 2006) (Nownes and Freeman 1998, 91) (Rosenthal 2009, 211-214)
Appreciation and Acknowledgment	(Rosenthal 2001, 114-115) (Rosenthal 2009, 157) (Levine 2009, 40)
Constituent Service	(Levine 2009, 101) (Rosenthal 2001, 215-16) (Rosenthal 2009, 157) (Levine 2009, 101)
Generating Support	
Identifying Coalition Members	(Rosenthal 2001, 148) (Nownes 2006, 15) (Schattschneider 1975) (Cigler and Loomis 2007, 404) (Hojnacki and Kimball 1999, 1003) (Schattschneider 1960) (Olson 1971, 35) (Rosenthal 2001, 151) (Rosenthal 2001, 150) (Rosenthal 2001, 152) (Kollman 1998, 83) (Kollman 1998, 60) (Pierce and Miller 2004, 35) (Rosenthal, 2009, 148)
Recruitment Through Legislative Design	(Levine 2009, 199) (Baumgartner etc. 2009, 123) (Pierce and Miller 2004, 47) (Pierce and Miller 2004, 34) (Rosenthal 2001, 152) (Rosenthal 2001, 151)
Grassroots Techniques	(Rosenthal 2001, 153) (Nownes 2006, 22) (Rosenthal 2001, 154) (Kollman 1998, 45) (Gais and Walker 1991) (Scholzman and Teireny 1986)

	(Kollman 1998, 51) (Kollman 1998, 38) (Hojnacki and Kimball 1999, 1002) (Levine 2009, 211) (Rosenthal 2001, 154-55) (Rosenthal 2001, 161) (Rosenthal 2001, 162) (Rosenthal 2001, 163), (Levine 2009. 199-203)
Electoral Lobbying	
Individual Campaign Contributions	(Laura Langbein 1986) (David Austin-Smith 1995) (Nownes 2006, 215) (Kindt 1998, 85-97) (Skopect and Hansen 2006 110-120)
PAC Contributions	(Rosenthal 2001, 131) (Gigler and Loomis 2007, 191) (Amy McKay 2008) (Cigler and Loomis 2007, 193) (Lobby Watch 2009).
Issue Advocacy Ads	(Rosenthal 2001, 176) (Cigler and Loomis 2007, 196-97) (Cigler and Loomis 2007, 198-99) (Lone Star Report, 2008) (Texas Weekly, 2005)

Chapter Summary

Within this chapter, twelve key techniques in the strategies used by lobbyists have been identified and discussed. These techniques include: providing legislators with policy-analytic information and career-relevant information, entertaining legislators, gift-giving, showing appreciation and acknowledgment, providing constituent services, identifying coalition members and recruiting coalition members through legislative design and grassroots techniques. In addition, the following forms of electoral lobbying have been identified and discussed: giving individual candidates campaign contributions, contributing to PACs and employing issue advocacy advertisements. The next chapter discusses the methodology utilized in this research.

Chapter 4: Methodology

Chapter Purpose

In this chapter, the descriptive categories are operationalized (see Tables 4.1-4.7). Conceptualization is the refinement of abstract concepts and operationalization is the development of specific research procedures. The ultimate purpose of social research is to *clarify* the nature of social life. As previously mentioned, qualitative research, such as elite interviews, has greater flexibility and allows for greater opportunity to collect more information from the subjects (Babbie 2007, 148). Additionally, this chapter discusses the strengths and weaknesses of qualitative interviewing. Finally, the chapter addresses sample, human subject issues and descriptive statistics.

Operationalization of Conceptual Framework

Table 4.1 illustrates how each element of lobbying techniques identified in the scholarly literature is operationalized into interview questions. The qualitative interview questions were designed to assess what lobbying techniques Texas gaming lobbyists use to advocate their clients' interests. The interviews begin with questions regarding generating support, discussion of what types of information lobbyists' provide to legislators, learning how lobbyists build trusting relationships with legislators and, finally, what electoral lobbying strategies they use.

Some interview questions and probes are framed in an effort to scale the subjects' answers. For example, the question "On a scale of 1 to 10, how well do these coalitions work together" is more effective at measuring groups'

relations with each other than by simply asking an open-ended question. Where questions sought specific qualities, the researcher further queried subjects to determine what quality was more important, “x” or “y” to measure the (salience of certain qualities mentioned in the literature.) Many interview questions only required a simple “yes or “no” answer, but the informal, intimate interview technique helped elicit more detail for enriched results.

Table 4.1: Operationalization of the Conceptual Framework

Descriptive Categories	Qualitative Interview Questions
Providing Information to Legislators	
Policy-Analytic Information	Q1: Do you present policy analysis and other types of research on the implications of gaming expansion? Q2: How do you communicate policy-analytic information to legislators and their staff? Q3: What are some sources of information that you have used?
Career-Relevant Information	Q4: Do you gather career-relevant information? Q5: Do you present this type of information to legislators as you lobby on expanded gaming? Q6: What kinds of information do you consider career-relevant?
Building Relationships with Legislators	
Entertainment/Travel	Q7: Do you take legislators out to dinner?
Gifts	Q8: Do you give gifts?
Appreciation and Acknowledgment	Q9: Do you name, either directly or through other organizations, a “legislator of the year” to certain legislators, giving plaques or trophies?
Constituent Service	Q10: Have you ever helped out a constituent At the request of a legislator?
Generating Support	

Identifying Coalition Members	<p>Q11: Who are the major players on the issue of legalized gaming?</p> <p>Q12: What are the qualifications for being major player inside and outside the government?</p> <p>Q13: How many times in the past year would you say you have discussed gaming policy and legislation with these major players?</p>
Recruitment Through Legislative Design	<p>Q14: Have you formed any type of group or coalition with these major players, if so which ones?</p> <p>Q15: What criteria did you use to select which major players to form alliances with?</p> <p>Q16: How well do different groups in this coalition work together on a scale of 1 to 10?</p>
Grassroots Techniques	<p>Q17: In the course of advocating for expanded gaming, have you engaged in any direct appeals to mobilize the grassroots?</p> <p>Q18: What types of techniques for reaching the grassroots have you used?</p>
Electoral Lobbying	
Individual Campaign Contributions	<p>Q19: Do you contribute to individual legislators?</p> <p>Q20: Do you think contributing is an effective means of gaining access to a legislator?</p> <p>Q21: Do you think contributing is an effective means of getting legislative support?</p> <p>Q22: As far as strategy, do you prefer a bipartisan approach? Do you always contribute to friendly incumbents to the issue?</p> <p>Q23: Do you contribute to unfriendly incumbents to the issue?</p> <p>Q24: Do you recruit candidates to run against unfriendly incumbents to the issue?</p>
PAC Contributions	<p>Q25: Do you contribute to any PACs?</p> <p>Q21: Do you think this is an effective</p>

	means of getting legislative support? Q22: As far as strategy, do you prefer a bipartisan approach? Do you always contribute to friendly incumbents? Q23: Do you contribute to unfriendly incumbents? Q24: Do you recruit candidates to run against unfriendly incumbents?
Issue Advocacy Ads	Q26: Do you use issue advocacy ads to advocate for or against a candidate?

Research Technique

The study will use qualitative interview questions to determine Texas expanded gambling lobbyists' techniques when advocating their clients' interests. Given the descriptive nature and the subject matter, interview questions prove to be the best avenue to address this research purpose (Babbie 2007, 264-267).

Strengths of Qualitative Interviewing

There are several advantages to qualitative interviewing. Unlike a survey, qualitative interviewing is much like "having a conversation" with a respondent. Conversely, questionnaires are rigidly structured and impersonal. Interviews may elicit a tremendous amount of data simply because they give respondents the freedom to answer how they wish. This approach is important in giving them a feeling of control in the interview situation (Babbie 2007, 307). Also, it gives the interviewer control over the amount of detail they wish to give to the interviewer (Babbie 2007, 267). Probing can be useful for two reasons. First, it allows the interviewer to make decisions about asking additional

questions. Second, it liberates the interviewer from any preconceived notions because the interviewee can decide the relevance of expanding on discussion topic (Nownes 2006, 226).

Weaknesses of Qualitative Interviewing

The most obvious problems with interviewing are reliability and validity issues. Reliability refers to whether a "stated technique applied repeatedly to the same object would achieve similar results each time" (Nownes 2006, 227). Validity problems occur when interviewers offer irrelevant descriptions and/or biased questions. Poorly worded questions can distort a respondent's answers.

To combat the weaknesses inherent in qualitative interviewing, the researcher thoroughly researched the interview topic including lobbying, lobbyists, Texas gambling interests, Texas gambling laws and the Texas legislative process. Next, the researcher learned as much as possible about each interviewee. Specifically, the interviewer researched these subjects on Google and other Internet search databases, through the Texas Ethics Commission, on magazine and newspaper databases and spoke to their colleagues. As expected, many respondents have higher profiles than others, but the interviewer found information on every respondent.

Another way to alleviate the problems of reliability and validity is to offer anonymity or identity protection. Even in the using direct quotes, the researcher did not reveal the source's identity. Again, some of these questions are highly sensitive. Interviewees will almost always reveal more

when their identity is protected. It also deepens the establishment of trust because the interviewer understands that research must be more important than political gossip. In order to emphasize this trust and protection, the researcher offered interviewees the first look at the completed findings section before submitting them to academic supervisors.

Tape-recording interview sessions lessen the chances of omitting information or falsifying the respondent's answers to the interview questions. It allows for maximum data retrieval and accuracy. Though some respondents may be less likely to be truthful while being recorded, several steps were taken to assure the respondents felt at ease, including allowing them to select the interview location. Some interviewees chose to be interviewed in a casual setting such as a restaurant, rather than meet in an office. As previously mentioned, the researcher assured the subjects absolute anonymity. Also, the interviews had no time limits; Subjects could speak for as long as they wished.

Sample

Because of the large number of registered lobbyists in Texas, the study focused on registered gaming lobbyists. Through snowball sampling¹⁰ registered gaming lobbyists were chosen, (see below) for qualitative interviews. For example, Lobbyist #1 referred the interviewer to two more lobbyists who, in turn, recommended other sources. Snowball sampling is ideal for elite interview methodology because of the subjects' knowledge of what lobbyists and groups were most knowledgeable and active in the Texas

gaming debate. The qualitative interview questions are presented in Appendix A.

Human Subjects Protection

This survey research requires human subjects, and as a result, it must address potential ethical concerns. Thus, the prospectus of this research was submitted and approved through the Institutional Review Board Process. The approval number is 2010Y2541. Babbie (2004, 64-68) discusses some primary areas for ethical concerns in social research, including anonymity and deception practices. To ensure absolute voluntary participation and prevent any semblance of deception, the interview subjects were given a copy of the results section (see Chapter Five) before this study was submitted to the respective supervisors at Texas State University. The identities of participants are known only to the researcher. In addition, the researcher restricted access to all interviews conducted for the purpose of this study.

Statistics

Descriptive statistics were used to summarize the qualitative interview data. These statistics summarize the data in a clear and understandable way. Descriptive statistics are most effectual for the descriptive analysis called for in this research and provide a range of techniques described by lobbyists. This data is not only useful for determining what techniques Texas gaming lobbyists

use today, but the information could also be helpful in studying what techniques and strategies might affect public policy in the future. For example, that research could include specific comparisons of grassroots efforts or campaign contributions.

Chapter Summary

This chapter presents a table that measured the conceptual framework. The qualitative interview questions were drawn from the conceptual framework identified through the scholarly literature. In addition, this chapter addresses the strengths and weaknesses of qualitative interviews, human subjects issues and statistics. The next chapter presents the results of the interviews.

Chapter 5: Results

Chapter Purpose

The purpose of this chapter is to present and discuss the results of interviews conducted with gaming lobbyists in Texas regarding proposals for expanded gambling. The interview data is presented in the words of the lobbyists themselves as well as coded with certain key words to shed light on the nature of the gaming lobbyist's strategies.

Description of Qualitative Interviews

The interviews occurred between March 15 and March 26, 2010. Qualitative interviews were chosen as the methodology because open-ended interviews provide for more flexibility, possibly leading to collecting more information.

The interviews provide insight into the history and context of efforts to expand gaming in Texas. The interviews themselves loosely followed the script, and without exception, respondents appeared to be open and willing to discuss their experiences advocating for expanded gaming. The loose, conversational nature of the interviewing made it possible to cover all the key elements of the conceptual framework. The interviewer asked questions from

a number of angles, in hopes of eliciting richer answers getting more information on these lobbying techniques.

Overall, this open-ended questioning, with probes and a loosely scripted format rather than administering a standard questionnaire, generated richly-detailed narratives about the lobbyists' experiences. Together with the documentary evidence (hearings, reports, media stories) provided a rather extensive amount of information was obtained.

Providing Information to Legislators

Policy-Analytic Information

All of the lobbyists interviewed present policy analysis and other research on the implications of expanded gaming to legislators. They are also more likely to use the "costs" argument, citing the amount of money the state when Texans go out of state to gamble, combined with the number of new jobs expanded gaming could bring to Texas. Lobbyist # 3 says his own research leads him to anticipate the "social costs" argument from moral opponents. (As previously mentioned, moral opponents rely heavily on "social costs" issues, such as gambling addiction, to blunt efforts to expand gaming in Texas.) However, only half the lobbyists interviewed said they actually leave documents for staff and the legislators to study later.

Lobbyists, for the most part, rely on outside sources for policy information. Half the lobbyists interviewed said they only use outside information, while four lobbyists said they use both "in-house" and outside information to persuade legislators. Economic forecasts, revenue estimates by

the Texas Comptroller and research by law firms are among the most prized “outside” information sources. Lobbyist # 8 reported he relied on an economist recommended by a key public official. Some clients are required by law to explain their earnings because they are non-profit organizations that run charitable bingo games. In that case, some of their research is considered in-house. Lobbyist # 3 claimed only to rely on in-house sources with their own pollsters and economists. Because the Texas Legislature meets for 140 days every two years, there may be less of a need to invest in in-house resources.

Career-Relevant Information

Half the lobbyists interviewed gather political information and report it to legislators as a means of gaining their support. Political information, according to the lobbyists, includes polling, party platforms and past political campaign dialogues. Those who expressed doubts about using political information as a persuasive tool said it was either “too expensive” to poll 181 districts or “inappropriate” for them to tell a legislator what constituents think about an issue, concluding that it is the legislator’s job to have a finger on the pulse of the district. As Lobbyist # 6 distinguished, “I don’t have a problem informing a legislator of what a particular professional group thinks about a bill, but it’s not my place to speak for the lawmaker’s entire constituency.” Lobbyist # 2 said consistent statewide polling suggests Texas voters want expanded gaming but most legislators “would be concerned with political threats from a primary opponent and could care less about the masses support for gambling.”

Those who use political information such as polls to persuade legislators said there is definitely a partisan difference in when this type of information is used. Most moderate Republicans are either “soft no’s” or will simply ask for district poll numbers before they feel secure about providing legislative support for expanded gaming, according to Lobbyist # 8.

Because there is stated opposition to expanded gaming in the Republican Party platform, this issue tends to “drive Republicans a little nuts, ” said Lobbyist # 10. This may be especially true right now with the emergence of Tea Party activists whose issues usually are not moral or religious in nature. This group would likely support expanded gaming because it is *tax- free revenue*, but they may be less likely to vote than Christian conservatives who are also loyal to the Republican Party. While each House member represents approximately 150,000 people (and the majority may support expanded gaming), the member will likely only be concerned with the 5,000 to 15,000 people who vote in the primary election, according to Lobbyist # 2. In order to win an election, a candidate has to win both the primary and general election. The exception would be, of course, if the candidate faces no opposition in one or both elections.

Half the lobbyists interviewed claimed that Democrats support expanded gaming and are not afraid to vote for gaming legislation. Several lobbyists did report the need to actively persuade Democrats in conservative districts to support gaming bills or amendments. Those Democrats are usually

at the mercy of a constituency that is neither solidly Republican nor Democratic.

One lobbyist reported having a negative experience when offering political information to a legislator who was offended at the perceived inappropriateness of receiving this type of information from a non-constituent. (See Table 5.1 for complete results.)

Table 5.1. Interview Responses

Interview Questions	Interview Responses
Q1: Do you present policy analysis and other types of research on the implications of gaming expansion?	A1. 10/10
Q2: How do you communicate policy-analytic information to legislators and their staff?	A2. Office: 10/10; Phone: 10/10
Q3: What are some sources of information that you have used?	A3. In-House only: 1/10; Outside only: 5/10; Both: 4/10
Q4: Do you gather career-relevant information?	A4. 5/10
Q5: Do you present this type of information to legislators as you lobby on expanded gaming?	A5. 5/10
Q6: What kinds of information do you consider career-relevant?	A6. Polling: 10/10; Party platforms: 2/10; Past political dialogues: 1/10

Building Relationships with Legislators

Entertainment/Travel

Socializing with Texas legislators may not be as common as it once was.. The interviews indicate that only three of 10 lobbyists reported “frequent” dinners with legislators. Six of the 10 lobbyists claimed to have only had

“occasional” dinners, while one lobbyist said he *never* takes legislators to dinner (see Table 5.2). Their answers are consistent with their lobby expenditure reports.

Gifts

Giving gifts to legislators also seems to have fallen by the wayside. Only one lobbyist reported giving gifts on behalf of a gaming client. Lobbyist # 2 said, “I would think there is very little value associated in [giving gifts].” Lobbyist #10 expressed that it is just “too problematic” with regard to the reporting requirements of the state’s ethics laws. Also, some legislators may get offended if one lawmaker receives a gift and another lawmaker does not. In summary, giving gifts may not be worth the risk of upsetting another legislator who was not a recipient and could lead to ethics troubles for both the lobbyist and legislator involved.

Appreciation and Acknowledgment

Half the lobbyists interviewed show their gratitude and appreciation to legislators through plaques, trophies and other “Legislator of the Year” gifts (see Table 5.2). Lobbyist # 1 pointed out that giving awards could be less common in the expanded gaming lobby because Texas currently does not have destination casinos, so there is nothing to reward. Those who reported giving awards to legislators represent current gaming license holders in Texas. Since those current gaming license holders generate money for the State, public forms of showing appreciation to them may be more common.

Constituent Service

Again, half the lobbyists interviewed have assisted constituents at the request of a legislator. Of those lobbyists, two reported helping in a “turn key” fashion, where they literally “opened the door” for a constituent by getting them into a gaming club that their clients owned (see Table 5.2). Three of the five lobbyists reported their assistance was merely a “facilitating” role--“only to break through a bureaucratic hurdle, but I would never provide anything that would not be afforded to a normal customer,” Lobbyist # 2 claimed.

Table 5.2 Interview Responses

Interview Questions	Interview Responses
Q7: Do you take legislators out to dinner?	A7: Never: 1/10; Occasionally: 6/10; Frequently: 3/10
Q8: Do you give gifts?	A8: Yes: 1/10; No: 9/10
Q9: Do you name either directly or through other organizations “legislator of the year” to certain legislators, giving plaques, trophies?	A9: Yes: 5/10
Q10: At the request of a legislator, have you ever helped out a legislator’s constituent?	A 10: Yes: 5/10 Facilitating role: 3/5 Turn-key role: 2/5

Generating Support

Identifying Coalition Members

In order to set the tone and identify the “major players” in the expanded gaming debate, those interviewed were asked if they identify themselves as major players. In addition, the interviewer asked the lobbyists to identify the other main players in gaming. **Table 5.3** illustrates the prominence of groups or players identified.

Table 5.3. MAJOR PLAYERS IDENTIFIED IN THE INTERVIEWS

MAJOR PLAYERS	LEVEL OF IMPORTANCE
Indian Tribes	9
Race Track Owners	8
Bingo License holders?	7
Executive Branch officials	7
Committee Chairs	5
Out-of-state Casinos owners	5
Horse Owners	3
8-Liners representatives	3
Moral Opponents	3
Entire Legislative body	2
State Comptroller	2
Dog Owners	2
Machine Suppliers	2
Attorney General	2
Lottery (owners, licensees?)	1

The first group of questions dealt with how lobbyists attempt to generate support, specifically through coalition-building and grassroots efforts for their clients' interests. Overall, groups identified as major players are also in discussion or interact with the other groups. When asked about what qualifications one must have in order to be a "major player," more than half

cited “money” or funding as a sign of a heavyweight in the expanded gaming debate. If a group could bring *standing* and revenue into the state, they definitely had a seat at the table and qualified as main players, the lobbyists interviewed believe. “Vested interest” and “longevity” were most likely to be named after money as a qualification. If a particular group has been at the table for a long time, that group most likely will continue to be an integral voice in the Texas gaming debate.

When asked why lobbyists didn’t include one of the “Big Three” --the Governor, Lieutenant Governor and Speaker of the House- as main players, lobbyists said it was “too early to go to the Governor” on gaming at this stage of the process.

When asked how often in this past year, when the Legislature was not in session, lobbyists have discussed gaming policy and legislation, only two lobbyists said they are in daily discussions. Half those interviewed said they discussed expanded gaming policy on a weekly basis. Three lobbyists said only on a “monthly” basis. Because many of these are “contract” lobbyists, they may have many other clients with different agendas who occupy their time. The next legislative session was nine months away at the time of these interviews.

Recruitment Through Legislative Design

Many lobbyists said they expect to be discussing expanded gaming with other groups more frequently as the 82nd Legislature Regular Session draws closer. Interestingly, only three of the 10 lobbyists interviewed had already

formed coalitions with other gaming groups in preparation for the 2011 session, which begins in January (see Table 5.4). Half the interviewees said they were “still feeling each other out,” and some said these type of coalitions “come and go” depending on the most recent legislation. Two lobbyists answered a flat-out “no” about whether they were already forming coalitions. They said it is too early to know where all the groups stand on expanded gaming because the issue is in constant state of flux. Lobbyist # 2 commented that it is almost impossible to identify coalition members before the “Republican primary”, which occurred in March 2010 after these interviews. To pass legislation, lobbyists first need to know which legislators they will be lobbying. The Democratic primary may be less significant because, as many lobbyists reported, Democrats typically support expanded gaming legislation.

Asked about which criteria they use to select coalition members, seven of the 10 lobbyists interviewed said they would prefer a “cohesive” coalition rather than just a “sizeable” group. The lobbyists interviewed said it is more important to have groups with “common interests” rather large numbers. Some lobbyists expressed concern about being able to trust others in the coalition. Even though Lobbyist # 2 said he would prefer a larger group, but he would “deal with anybody up to the point when I believe he is no longer being straightforward.”

The trust issue also plays a factor in how well these coalitions get along once they actually form groups. The lobbyists were asked, “On a scale of 1 to 10, with 1 being the weakest, how well do different groups in your coalition

work together?” More than half scored their groups between 3 and 5. A third of the sample rated their group at 1 (a score of less than 2 is 1.). This finding may speak to the difficulty of passing any gaming legislation. If members of a coalition cannot agree on what they want, it may be impossible to craft legislation that will encourage them to work to pass a gaming bill.

Grassroots Techniques

More than half the lobbyists use grassroots techniques to generate support for gaming clients (see Table 5.4). Those who do not said it was “too expensive” or that they were more “research and policy oriented.” Of those who did use grassroots techniques, these lobbyists reported an array of techniques including phone banking, letter-writing campaigns, paid media, mobilizing group members through pledge cards, using grass-tops and op-eds in newspapers (see Table 5.4).

Most of these techniques are evenly used by those lobbyists who choose to participate in indirect or outside lobbying techniques (see Table 5.4). Grass-tops methods, or having important community leaders make a plea to legislators are slightly more popular, probably because it is much easier to ask one person to act rather than a group.

Overall, the lobbyists who use grassroots techniques to generate support have an extensive background in outside lobbying. Some have worked on political campaigns as consultants for many years, while others have specialized in mass communication efforts for gaming companies. The lobbyists exhibited a zeal for grassroots lobbying and strongly believed in its

capability to generate both legislative and public support. Those who did not practice grassroots techniques described their duties as more “policy and research-oriented.” Interestingly, they are more likely to be attorneys.

Table 5.4. Interview Responses

Interview Questions	Interview Responses
Q11: Who are the major players on the issue of legalized gaming? Q12: What are the qualifications for being major player inside and outside the government? Q13: How many times in the past year would you say you have discussed gaming policy and legislation with these major players?	A11: See Table 5.3 A12: “Money”: 6/10; “Vested interest”: 3/10; “Longevity”: 1/10 A13: Daily: 2/10; Weekly: 5/10; Monthly: 3/10
Q14: Have you formed any type of group or coalition with these major players, if so which ones? Q15: What criteria did you use to select which major players to form alliances with? Q16: How well do different groups in this coalition work together on a scale of 1 to 10?	A14: Yes: 3/10; No: 2/10; In process: 5/10 A15: “Cohesion”: 7/10; “Size”: 3/10 A16: 8+: 1/10; 6-8: 1/10; 3-5: 5/10; 1-2: 3/10
Q17: In the course of advocating for expanded gaming, have you engaged in any direct appeals to mobilize the grassroots? Q18: What types of techniques for reaching the grassroots have you used?	A17: Yes: 6/10 No: 4/10 A18: Phone in: 4/10; Letter-writing: 5/10; Paid media: 4/10; Pledge cards: 5/10; Grass-tops: 6/10; Media op-eds: 5/10

Electoral Lobbying

Individual Campaign Contributions

All the lobbyists reported giving individual campaign contributions to candidates or officeholders, and one lobbyist even claimed giving “hugely”, indicating he makes significant individual campaign contributions. However,

only half the lobbyists believed campaign contributions to be effective in *gaining access* to legislators. Three lobbyists completely disagreed with the notion that donations meant access, while one lobbyist said “maybe.” Lobbyist # 9 said it was just a “necessary” part of doing business. Lobbyist # 4 said one has to look at campaign contributions as an “investment,” and that it is unwise to contribute for the purposes of short-term gain.

Nine of the 10 lobbyists vehemently disagreed on whether giving campaign contributions was an effective means of getting legislative support, or to put it more bluntly, *buying votes*. One lobbyist who demurred, offered a “maybe” and averted his eyes from the interviewer. Lobbyist # 8 put it simply: “Contributions don’t get you votes, but they tend to get you a chance to make your pitch. That’s all you can ask for in this business.”

All lobbyists reported having a bipartisan strategy. As Lobbyist # 3 said, “You just can’t afford, in the expanded gaming business, to come across as favoring one party over the other. You need 100 votes to win this thing.” Lobbyist # 7 explained that there are very few strictly partisan issues.

All lobbyists interviewed claimed to give campaign contributions to incumbents friendly on the issue. In order to determine the volume of contributions, the researcher probed further, asking the lobbyists if they contribute during the primary, general and post election cycles. Half of the lobbyists said they “always” contribute, and the other half said “sometimes,” meaning they only contribute during one or two of the stages of the election cycle.

Eight of the 10 lobbyists interviewed said they do contribute to legislators who oppose expanded gaming but on a less frequent basis. Of the two who did not contribute, they explained they have to explain their spending. “I have to report my spending to my clients, since it’s their money. I can’t be irresponsible with it,” Lobbyist # 5 remarked.

Eight of the 10 lobbyists said they do not recruit candidates to run against unfriendly incumbents (see Table 5.5). “Parties can challenge incumbents; lobbyists can’t,” declared Lobbyist # 9. Another said, “I don’t recruit candidates, but I do pray for them.” One of the lobbyists refused to answer the question saying, “In the immortal words of Sergeant Schultz of Hogan’s Heroes, „I know nothing, I know nothing. ” The one lobbyist who did admit to recruiting candidates reported that it had only happened once, “with no regrets,” he added.

PACs

The research indicates mixed results on contributions to PACs (see Table 5.5). Many lobbyists interviewed claimed to dislike PACs, preferring to hand a check to legislator themselves. Lobbyists who do contribute to PACs, classified these PACS as “client” or even “legislative” PACS. Lobbyist # 10 said he contributed just to “show support” of his clients’ PAC rather than for actual electoral purposes. The lobbyists also reported that they were either unaware of the PACs’ campaign contribution strategies or assumed it was similar to their own individual strategy.

Issue Advocacy Advertisements

Only two lobbyists claimed to have run issue advocacy advertisements in legislators' districts to promote or show disapproval of a candidate or officeholder (see Table 5.5). Most lobbyists interviewed said this was just "too expensive" or, in their opinion, ineffective. Several lobbyists pointed out that sometimes it can hurt a lobbyist more than it helps. They referred back to a particular issue advocacy ad run three years ago in a few unfriendly incumbents' districts that upset the incumbents and the then current Speaker of the House.

Clearly, all lobbyists contribute campaign money, and most prefer to contribute directly to a legislator's campaign. Their answers were consistent with contributions reported to the Texas Ethics Commission. PACs and issue advocacy ads do not appear to be as popular on the state-level as on the federal level. What remains unclear is why some lobbyists contribute when they expect no return on their investment.

Table 5.5. Interview Responses

Interview Questions	Interview Responses
Q19: Do you contribute to individual legislators?	A19: Yes: 10/10
Q20: Do you think contributing is an effective means of gaining access to a legislator?	A20: Yes: 5/10; No: 3/10; Maybe: 2/10
Q21: Do you think contributing is an effective means of getting legislative support?	A21: No: 9/10; Maybe: 1/10
Q22: As far as strategy, do you prefer a bipartisan approach? Do you always contribute to friendly incumbents to the issue?	A22. Always: 5/10; Sometimes: 5/10
Q23: Do you contribute to unfriendly incumbents to the issue?	A23: Yes: 8/10; No: 2/10
Q24: Do you recruit candidates to run against unfriendly incumbents to the	A24: Yes: 1/10; No: 8/10; No answer: 1/10

issue?	
Q25: Do you contribute to any PACs? Q21: Do you think this is an effective means of getting legislative support? Q22: As far as strategy, do you prefer a bipartisan approach? Do you always contribute to friendly incumbents? Q23: Do you contribute to unfriendly incumbents? Q24: Do you recruit candidates to run against unfriendly incumbents?	A25: Yes: 5/10 A21: N/A A22: N/A A23: N/A A24: N/A
Q26: Do you use issue advocacy ads to advocate for or against a candidate?	A26: Yes: 2/10

Chapter Summary

The purpose of this chapter is to present the results of the interviews with expanded gaming lobbyists in Texas. With some noteworthy exceptions, lobbying techniques found in the literature correlate with techniques described in the interviews. As far as *direct* lobbying, lobbyists reported providing policy information gathered from outside and “in-house” sources. However, only half the respondents claimed to use political information when persuading legislators to act on behalf of their clients’ issues. Nine out of 10 lobbyists do not give gifts; and just half of the respondents admitted to taking legislators to dinner on an occasional or frequent basis. A little more than half the respondents attempt to generate support through grassroots efforts and describe “cohesion” and “size” as important elements to building successful coalitions. Respondents overwhelmingly reported contributing to individual campaigns. However, not all these lobbyists believed contributions were an effective means of gaining access or legislative support. Half reported giving

money to PACs, while even fewer contributed to issue advocacy ads during campaigns. The next chapter recaps the research purposes, summarizes the findings and discusses steps for further research.

Chapter 6: Conclusion

Chapter Purpose

This final chapter provides some conclusions based on the research findings as reported in Chapter Five. Recommendations for future related research also are included, based on the researcher's reflection on the existing scholarly literature and interview results.

Summary of Research

The purpose of this research was to describe the techniques lobbyists use when advocating their clients' interests. To provide a much needed focus and perspective when discussing these techniques, the researcher chose the

issue of expanded gaming in Texas. One reason is the divergent array of political actors in this issue and because this state's current economic and budget quandary makes expanding gaming in Texas even a more salient prospect. To better understand this area of interest, a history of legalized gaming, description of the major players and an explanation of the struggle for non-tax revenue in Texas were presented.

The review of the scholarly literature identified four key issues that should be considered when studying the direct and indirect techniques used by lobbyists: providing information to legislators, building relationships with legislators, generating support and electoral lobbying. The academic literature also revealed 12 sub-elements of lobbying techniques: providing policy-analytic information, providing career-relevant information, providing entertainment and travel, giving gifts, showing appreciation and acknowledgment, assisting constituents, identifying coalition members, recruiting coalition members through legislative design, employing grassroots techniques, making individual campaign contributions, making PAC contributions and issuing advocacy ads. These four issues and twelve sub-elements became the descriptive categories for this study.

In order to assess the techniques used by lobbyists for expanded gaming in Texas, elite interview questions were developed to address each of the four issues and 12 sub elements. Ten lobbyists were selected through snowball sampling methods, and the interviews took place in March 2010.

Findings

The “Costs” Argument

Unanimously, lobbyists reported using the “costs” argument when advocating their clients’ interests. This is one of the most common arguments used when lobbying legislators because it is, in fact, effective. The issue of expanding gaming in Texas has even greater current salience because of stark estimates of budget deficits and revenue shortages facing the state. The new federal health care reform legislation will surely compound this shortage and place a high burden on the state in attempting to fulfill its Medicaid requirements. The costs argument may explain why the Texas Comptroller plays such a vital role in this debate. The Comptroller holds enormous power in this process because Texas is a “pay as you go” state. The Comptroller issues the biennial revenue estimate (BRE) before each Legislative session starts to project of how much revenue the State of Texas can expect for the budget period and how much is already dedicated to other spending obligations. For this reason a fiscal note usually is attached to any bill submitted that will either spend or bring in revenue. The Comptroller must then certify the legislative appropriations bill is balances the costs and revenues to the state. If the Comptroller doubts the revenue estimates from expanded gaming proponents, then legislators will also likely doubt the estimates. That would send lobbyists and expanded gaming groups back to their drawing board or calculators to find a more acceptable projection. Gaming loses its appeal as non-tax revenue without realistic projections and

will likely to lose the debate if revenue projections are considered questionable.

It is surprising to learn that only half of the lobbyists interviewed actually submit supporting documents to legislators and their staffs. The literature indicates this is common and helpful for both parties. Legislators, due to the pace and atmosphere during sessions, are forced to talk in generalities, since it would be difficult to memorize all the information they receive.

Face to Face Meetings

Conversely, it is consistent with the literature to find that all 10 lobbyists do meet face-to-face with legislators and provide them with policy-analytic information. Just like any other profession based on persuasion and the fast-paced delivery of information, it is helpful to see a person's facial reaction. Also, as the literature shows, lobbying, it evolves, seems to be more about policy and research than campaign contributions and cocktails.

The findings on providing political or career-relevant information coincide with the scholarly literature in that half reported using this type of information, while the other half reported it was either "inappropriate" or "too expensive." It is interesting that many of them stated that they have to spend more time lobbying moderate Republicans, or the "soft no's," on expanded gaming because of the composition of the Republican primary voter base—which includes a great many Christian conservatives, often morally opposed to expanded gaming. However these lobbyists either do not or rarely use their funds to support polling in these specific House districts. Statewide polling,

which some lobbyists claim to use, does not appear to move legislators one way or another on this issue. Obtaining Republican primary voter polling on expanded gaming issues is very costly. According to James Henson, Ph.D, a pollster for the Texas Politics Project at University of Texas at Austin, it could cost up to \$10,000 to poll in each House district. Money for polling would probably come from expanded gaming interest groups, which may be viewed as already biased, because of their vested interest in the outcomes.

Socializing with Legislators

It is not surprising to learn that socializing techniques seem to have diminished over the years because the literature speaks to this trend as well. The researcher compared lobby finance reports for the interviewees with their interview responses and found their ethics reporting to be largely consistent. More lobbyists, like the literature shows, demonstrate appreciation through actual professional awards rather than through schmoozing. And similar to all industries, lobbyists have been affected by the recession, making revenues for dinners and socializing less available.

Cohesion and Revenue

Lobbyists identified “major players” and then identified either “money,” “vested interest,” “longevity” and/or “trust” as major qualifications of a (with either, use an “or” or delete either.) major player in the expanded gaming debate. They were more apt to describe “cohesion” and “common interest” rather than “size” as the most likely successful coalition trait. However, most lobbyists were not confident in their coalitions’ cohesiveness.

Crafting expanded gaming legislation requires exceptional cohesiveness, and patience on the part of the lobbyist, from each expanded gaming group. For example, if track owners cannot agree on how many slot machines each track locations can handle, it will be difficult to give the Comptroller a well-researched revenue estimate. This is also true is for charitable bingo. Distributors and manufacturers must decide what percentage of the earnings will be consumed in operations before state officials can determine potential state revenue. Bingo hall owners must come up with a reasonable budget for handling the expanded gaming machines that might hiring more employees, installing new air conditioning systems to handle the heat given off by the new machinery and expanding restroom accommodations. All these decisions require agreement on details and information sharing and, most of all, honesty.

Low cohesion in a group, according to the literature, may not bode well for a coalition's likelihood of success. Since the expanded gaming lobby has so far failed to pass meaningful expanded gaming legislation, their failure to find cohesion might be attributed to this overall failure to pass gaming legislation.

Only six of the 10 lobbyists reported using true grassroots techniques when attempting to generate support. Those techniques include using grasstops, mobilizing group members, organizing phone and letter-writing campaigns, buying media time and soliticing newspaper op-eds. While these descriptions may show the *breadth* of their efforts, the findings do not speak to

the *depth* of these efforts. Merely asking the CEO of a gaming corporation to call his or her legislator may not be as successful, for example, as mobilizing members of Veterans of Foreign Wars to encourage their lawmakers to consider expanding gaming. As the literature states, generating support through grassroots techniques can be highly effective. But if a group makes little effort in this area, they are not likely to meet their legislative and political goals.

However, the Texas Legislature is a citizen legislature, meaning it's made up of citizens who often have other full-time jobs. A physician who may serve as a legislator may not be as acutely aware of the intricacies of family law as a professional attorney serving as a legislator. Likewise, an attorney-legislator may not appreciate the medical sciences to the extent of a doctor-legislator. Lobbyists may not be taking full advantage of such a situation. They may fully pursue direct lobbying techniques such as providing policy-analytic information, but they do not appear to be using indirect techniques, such as grassroots and building coalitions, as may be required. It may be arduous to facilitate cohesion between even the smallest of groups, but cohesion can be achieved. It just may require more time and attention at an earlier point in the biennium.

Contributing to Campaigns

The findings regarding individual campaign contributions leave this researcher puzzled. All the lobbyists interviewed make contributions, but not all the lobbyists think this is an effective means in gaining access or legislative

support. Not backed up. Although some lobbyists reported that giving contributions is a form of investment and long-term gain, other lobbyists reported giving contributions and expecting absolutely nothing in return. The bottom line is, some lobbyists probably want something for their money. If lobbyists do not succeed in getting results for donations, perhaps they should invest their money in other areas of lobbying, such as grassroots efforts or buying more specific polling information for each legislative district.

Some lobbyists contribute to PACs, according to the literature. However, findings suggest that PACs may be a more popular mechanism of contributing at the federal level. Many lobbyists reported they would rather give a legislator a check in person, as a way of building relationships and getting to know the legislator. Because there are fewer elected officials to lobby on the state level, it may be easier for lobbyists to meet each face-to-face and hand them a check. Also, lobbyists may be fearful that their contribution to a PAC may be used to benefit an unfriendly legislator. It is difficult to be friendly with 181 different personalities. This is especially true for contract lobbyists with varied clients and interests. Contract lobbyists may want to meet face-to-face with a legislator for each different interest rather than write a check to a PAC and have no control over where and how the contribution is used.

It is surprising to learn that issue advocacy ads are not used more often on the state level for expanded gaming. Many lobbyists cited “money” as the reason. Some expanded gaming groups have very few resources and cannot

spend large amounts on issue advocacy ads. Other lobbyists reported that using these ads has, in the past, produced negative results for the lobbyists. Issue advocacy ads are most definitely expensive, which may call for a more careful examination of where and how to use issue advocacy ads. Interestingly, lobbyists interviewed with political consulting experience, rather than experience as legislative staff, reported using this type of effort to persuade the public. Since political consultants tend to focus more on “outside” lobbying efforts, they may be better equipped at using these types of ads.

Future Recommendations and Research

Because the researcher explored lobbying elements in current literature, there are some elements that still need study. For example, some lobbyists interviewed revealed that one way they contribute to campaigns is by researching a friendly incumbent’s opponent, commonly referred to as “opposition research.” This consists of researching the opponents’ official public records, including lawsuits, property deeds, criminal records, and past voting records. This type of research is not identified in the scholarly literature but seems common in the lobby business as an alternative to, or in combination with, making campaign contributions. The researcher recommends further study on this particular lobbying technique and its success with gaining access and getting legislative support from legislators.

Recently, the United States Supreme Court issued an opinion in *Citizens United v. Federal Elections Commission*, 555 U.S.__(2010), in which the Court held that a federal statutory prohibition against direct corporate

donations to political campaigns was constitutionally invalid and a violation of the exercise of First Amendment rights by a corporation. It may be that, in the future, gaming corporations and non-profit gaming license holders can use their corporate money in elections. In effect, it may level the playing field for some of the major players in the expanded gaming debate in Texas. For example, during the 2009 legislative session, charitable bingo interests were defeated when an amendment to expand gaming failed in the House after a better financed lobby team representing out-of state gaming interests, gaming equipment manufacturer for out-of state casinos and an in-state Native American tribe helped defeat the amendment. For this reason, this researcher recommends a study, in the next few years, on the effects of the Citizens United decision on electoral lobbying.

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Appendix A

Protocol: Interview Questions

Thank you for your? time. Recap what the purpose of the interview. Remind them that their identity is protected.

Q1. Do you present policy analysis and other types of research on the implications of expanded gaming expansion to legislators?

Q2. How do you communicate policy information to legislators and their staff?

Q3. What are some types of information that you have used?

Probe: For example, think tank, university research, interest group, your own funded in-house research. Ask about specific sources.

Q4. Do you gather political information for legislators?

Explain that political information pertains to what the public or their constituents think about an issue. Will this affect the legislator's career? In other words, will he or she be voted out of office for supporting this issue?

Q5. Do you present this type of information to legislators when you lobby on expanded gaming?

Q6. What kinds of information do you consider political?

Probe: is the type of political information different for different legislators, if so how?

Probe about partisan differences in terms of when it's used

Probe about legislators' reactions to using this type of information. If not used, ask why?

Q7. Let's talk about building relationships between you and the legislators. Do you take legislators out to dinner?

Probe about other types of entertainment, travel

Q8. Lobbyists must disclose gifts to legislators valued at over \$50. Do you guys give gifts?

Probe about examples of gifts.

If they do not give gifts, ask why not.

Q9. Do you name either directly or through other organizations "legislator of the year", giving plaques, trophies and so forth.

Q10. At the request of a legislator, have you ever helped out one of his or her constituents?

Give examples of how they could do this as it relates to their client's industry.

Q11. In your opinion, who are the major players on the issue of expanding legalized gaming in Texas?

Q12. What are the qualifications for being major player inside and outside the government?

Probe: What kinds of people do you speak to on these issues?

Q13. How many times in the past year would you say you have discussed gaming policy and legislation with these major players?

Q14. Have you formed any type of group or coalition with these major players, if so with which groups or associations?

Q15. What criteria did you use to select which major players to form alliances with?

Q16. How well do different groups in this coalition work together on a scale of 1 to 10?

Q17. In the course of advocating for expanded gaming, have you engaged grassroots efforts?

Probe: Why or why not?

Q18. What types of techniques for reaching the grassroots have you used?

Probe: For example, what types of media and advertising techniques have you used?

Q19. Okay, we're almost done. I want to ask you about campaign contributions. Do you contribute to individual legislators?

Q20. Do you think giving contributions is an effective means of gaining access to a legislator?

Q21. Do you think giving contributions is an effective means of getting legislative support?

Q22. As far as campaign contribution strategies, do you prefer a bipartisan approach? Do you always contribute to friendly incumbents to the issue?

Q23. Do you contribute to unfriendly incumbents to the issue?

Q24. Do you recruit candidates to run against unfriendly incumbents to the issue?

Q25. Do you contribute to any PACs?

If the answer is yes, ask Q21, Q22, Q23 again

Q26. Do you use issue advocacy ads to advocate for or against a candidate?

Use Phil King and Betty Brown examples if necessary

Ask for specific ads