Predicting Conference Committee Compromises on Appropriation Legislation, 1981 – 1996

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While much work has been done examining how the parent chamber addresses the results of committee work, the research on the decisions of conference committees remains relatively sparse. Since a conference committee acts essentially as the final arbiter of disagreements between the U.S. House of Representatives and the U.S. Senate, it has the power to reshape legislation in dramatic fashion. In drafting compromise legislation acceptable to both chambers, conferees are likely to take into account several factors. In this paper, we test the impact of three factors on the likelihood that conferees are able to come to produce a compromise acceptable to representatives and senators. These are: the priorities of House and Senate leaders, the relative majorities in both chambers on the legislation, and the existence of divided control of the legislative and executive branches. We test these factors using the conference reports on appropriations legislation from 1981 to 1996, because they provide easily quantified data.

We find that relative margins do impact the process, as does the presence of truncated government. We also find a tendency for the conference committee process to favor whichever chamber offers up the lower initial budget proposal.
Modern legislatures must constantly address a serious collective action problem in order to provide the public policy that helps manage the conflictual nature of society. However, because most legislators know that policy will be created without their individual contributions towards completion, there is a strong incentive to forgo expending the costs involved in its provision (Olson 1965). Legislatures develop processes by which to overcome this collective action problem.

Most legislatures respond to the collective action problem by developing committee systems to perform the duties necessary for refining legislation. These duties include collecting information (Krehbiel 1991) and condensing it into legislation that addresses the concerns of the multitude of issue publics. The membership gives its committee system the necessary resources, such as staff and office space, to help it overcome the collective action problem. Empowering committees to do its work minimizes the costs to the membership in terms of the time and resources it must invest to perform its legislative functions. This principal-agent (Kiewiet and McCubbins 1991) model of legislative committees is an appealing one.

The United States Congress is no different than any other legislature in this respect. The collective action problem is particularly acute in the 435-member U.S. House of Representatives; although they may try, individual representatives cannot spend the time and resources to learn about, to take a position on, and to act upon a wide range of issues. It is left to the committees and their members to act as agents of the membership at large: to collect information and to refine legislation before it goes to the floor. Indeed, the growth and complexity of the committee system of the House of Representatives (Polsby 1968) is evidence of the increasing reliance of
House members on committees as agents in the process of legislating. At the same time, the growth and development of the subcommittee system (Davidson 1981; Haeberle 1978; Hall and Evans 1990) presents further evidence of said complexity. The U.S. Senate, although it has less than one-fourth the membership of the U.S. House, also relies heavily on a complex system of committees and subcommittees in the process of legislating.

An important, yet relatively poorly studied, part of this legislative process is the stage at which the U.S. House of Representatives and U.S. Senate come together in conference to iron out differences in legislation. Each chamber sends representatives to conference in order to attempt to defend its position on legislation and to obtain a final version that resembles its version. The final product of the conference is then submitted to both chambers for a “take it or leave it” vote. This procedure gives great weight to the work of the conferees and presents an excellent opportunity to develop and test a model of chamber effectiveness in conference.

The purpose of this paper is to examine the extent to which each chamber is successful in its attempts to influence outcomes in the appropriations conference process. Appropriation legislation is particularly useful in examining the work of conference committees in that it provides readily quantifiable data, namely dollars. Dollars gives us a metric with which to measure the outputs of conferences and the distance between those outputs and the alleged preferred positions of each chamber of the United States Congress. We also suggest that an examination of the makeup of conferences may provide a fruitful avenue for future research.

Prior Research on the Outputs of Conference Committees and Related Literature

There has been relatively little research on the topic of conference committees in the area of congressional decision-making. In this scant amount of research, the focus lies mainly on determining who wins in conference. Much of this research lies in the area of appropriations and finance legislation (Fenno 1966; Ferejohn 1975; Manley 1970; Pressman 1966). Our effort here
continues in the same vein and attempts to bring this literature into the context of the modern appropriations context.

In his work on conference committees, John Ferejohn (1975) suggested (and rightfully so) that “[t]here is no area of congressional decision-making about which there is less academic consensus than there is about the conference committee.” Indeed, this appears to be the case.

Four different studies on the outcomes of conference committees come to relatively divergent conclusions. First, Gilbert Steiner (1951) found the House of Representatives prevailed insofar as his sample allowed. Secondly, Richard Fenno’s (1966) study of the appropriations process discovered a pattern on Senate dominance in the process. Thirdly, David Volger (1970, 1971) concurs in this finding of Senate dominance in his study of a broad sample of legislation. Fourthly, Manley’s study (1970) of House Ways and Means and Senate Finance committee legislation found a mixture of dominance between the two chambers with the Senate prevailing on revenue and trade issues and the House winning on social security issues. John Ferejohn (1975), in developing and testing a model on United States Corps of Engineers appropriations from 1951 to 1967, found that the House tended to dominate the appropriations process in conference; it was more successful in obtaining new project starts and keeping its desired budget reductions. Most recently, Stephen van Beek (1996) examined the dynamics of the modern conference committee and found that there are many more actors now involved in the process of reconciling legislation than in the past.

Ferejohn’s article is of particular import because he employs data at the project level and develops a model that goes beyond the traditional “split the difference” approach to examining the success of each chamber in appropriations conferences. His model recognizes the fact that each chamber may place into legislation items that the other chamber may just accept without having to “split the difference.” He also defines “winning” in an important way; for a chamber to
“win” in the process is to be successful in attaining its goals. On this basis, the House of Representatives was successful in getting new projects into the federal budget while at the same time holding the line on its budget reductions. Ferejohn’s article also goes far in putting the divergent findings of Fenno (1966) and Manley (1970) in perspective.

In this paper, we adopt the position that each chamber puts forth an “ideal” product. The chambers then charge their conferees with the task of attaining a close approximation to this ideal through the give and take of conference negotiations. In turn, this leads to a strategy of “splitting the difference” and producing a product close to the ideal point of the Congress as a whole.

In addition to the literature on conference committees themselves, literature on the rules of the game informs the current project as well. The principal-agent model of the relationship between the chambers of Congress and their working units (Kiewiet and McCubbins 1991) implies the chamber as a whole will cede some measure of power to its committees and will accept, to some degree, their outputs. Each chamber of Congress delegates to its conferees the responsibility of creating a compromise version of legislation that both chambers are likely to accept. This unique position gives conferees great influence in the process.

That institutional arrangements affect outcomes is not a new conclusion in examinations of legislative processes. Kenneth Shepsle (1979) demonstrated the conditions under which institutional properties in concert with individual preferences would affect the policymaking process. Kenneth Shepsle and Barry Weingast (1987a, b) build on this premise and argue that the committee’s place in the process, first in line on a piece of legislation, combined with its contribution to the makeup of conference committees and an up-or-down vote on the conference report, bestow the power of an ex post veto on the committee. Keith Krehbiel (1987) counters with evidence that demonstrates the ex post veto is not absolute: most bills find resolution in
means other than conference. Krehbiel also argues that institutional rules (particularly in the House) enable the chamber to undermine the will of the committee when it so desires. Steven Smith (1988) also demonstrates how process and sequence can affect whether committees are able to accomplish their preferred policy outcomes. Furthermore, this process has a dynamic characteristic (Shepsle 1989).

We agree that the conference committee holds great influence in the legislative process by its place in the sequence of legislating. The “take it or leave it” nature of the post-conference decision process in each chamber confers great import to the conference committee. On appropriations legislation, the conference committees can play a more influential role in that many appropriation bills are passed with scant time before the beginning of the new fiscal year. As time dwindles, the import of the conference process increases dramatically, and pressure mounts on each chamber’s conferees to come to an agreement. In this environment, both sets of conferees may become more inclined to jettison their preferences in order to obtain an agreement.

Taken together, these two tracks of research inform the current project. We now turn to developing a model of chamber success on appropriations legislation from 1981 to 1996.

**Independent Variables and Hypotheses**

The number of possible explanations for conference committee reports is as great as the number of explanations for how Congress behaves. While most, if not all, of these explanations are valid to some extent, the unique nature of the conference committee process brings certain variables to the fore. We wish to determine why most conference committee reports do not simply split the difference between the House and Senate versions of a piece of budgetary legislation. Consequently, our primary dependent variable is the difference between the actual conference report and a hypothetical 50-50 split between the House and Senate proposals. Although raw budget numbers are of some use, the great disparity in size between, for example,
the Defense and Legislative Operations budgets makes raw numbers impractical. To compensate for this problem, we look at the difference as a percentage change from the hypothetical even split.

The primary causative factor we are interested in testing is the difference in the margins of victory for the original proposals. For example, if the House members pass their version of a bill by a vote of 435 to 0 and the Senate members pass their version by 51-49, the House members should be more likely to compromise because they can afford to lose votes. The Senate, however, cannot risk alienating any member due to the narrow margin of success, and should thus be less willing to compromise. To measure this difference, we examine the margin of victory for the original proposals of both the House and the Senate. In both cases, we quantify the margin as a percentage of the “yea” votes that could be lost on a vote on the conference report and still maintain a one-vote margin of victory. To determine which chamber can afford to lose more support, we subtract the House margin percentage from the percentage for the Senate. When the percentage is positive, the Senate can afford to lose more support than the House, else the House can lose more support on the conference report vote.

While we expect the difference in margins to be a significant predictor of the conference proposal, other factors need to be included in the model. The first of these is the presence of divided or truncated government. Although Mayhew (1991) and Krehbiel (1998) both find that divided government has little impact on the output of legislation (particularly, major legislation), it is still possible that divided government impacts the process itself. While the outcomes may not be substantially different, the process by which said outcomes are achieved may vary dramatically. To test this possibility, we include two dummy variables, one for the presence of divided or truncated government.

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1 For our purposes, we define divided government as the times when both chambers of Congress are controlled by one party and the presidency by the other party. We define truncated government as the times when one chamber of
divided government (1987-1992 and 1995-1996) and one for truncated government (1981-1986). Another factor that merits inclusion in the model is the support of the congressional leadership. While few budget bills pass without the support of the leaders in the House and Senate, their support is generally deemed critical to the process (Covington, Wrighton, and Kinney 1995). In addition, the leaders in the House and Senate have a high level of control over conference committee membership. If budget bills are passed despite the opposition of the leadership, they can attempt to shape the final bill by influencing the make-up of the conference committee. To measure the potential impact of leadership support on the final compromise, we used the votes of the Speaker, House Majority Leader, Senate Majority Leader, and Chief Senate Whip. For each chamber, we scored leadership support as 2 if both leaders supported the bill, 1 if only one leader supported it, and 0 if both leaders opposed the bill.

Using these variables, we develop the following hypotheses:

_Hypothesis I: When the conference report is not an even split, it will tend to favor the chamber with the lower available margin._ As the disparity between the chamber margins increases, the report will move closer to the original proposal from the chamber with the smaller margin.

_Hypothesis II: Under truncated government, the chamber that is controlled by the president’s party should experience a substantial advantage in the conference committee process._ Truncated government will have a substantial impact on the process, as the chamber that sides with the president can use the presidential veto as a threat against the chamber not controlled by the president’s party.

_Hypothesis III: Under divided government the two chambers should be more likely to agree, thus making it more likely the committee report will be an even split of the differences._ Under divided government, the two chambers know they have to work together to counter the impact of an opposition president. Consequently, it is to their benefit to minimize the conflicts between chambers and present a united front to the White House.

Congress is controlled by the same party that controls the White House, while the other chamber is controlled by the other party.
Data and Findings

The data for these analyses are drawn primarily from *The Congressional Almanac*. The *Almanac* provided all of the data regarding the size of the original bill proposals, the conference committee reports, and the vote totals. The votes of the congressional leadership were taken from the ICPSR dataset of congressional voting behavior (study 8475).

As an initial test of the conference committee process, we need to rule out the possibility that most (if not all) of the conference reports are even splits between the House and Senate versions. A simple breakdown of the differences, shown in Table 1, clearly demonstrates this is not the case. In the table, each conference committee report is compared to the original House and Senate versions. If the conference report simply split the difference, the report scores out at 50 percent of the difference between the two bills. If the report moved more towards the Senate version, it scored above 50 percent; if it favored the House version, it scored below 50 percent.

Table 1. *Original House and Senate Proposals and Conference Reports*

<table>
<thead>
<tr>
<th>Movement</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>51%-100% Movement</td>
<td>58</td>
</tr>
<tr>
<td>50% Movement (Even Split)</td>
<td>18</td>
</tr>
<tr>
<td>0%-49% Movement</td>
<td>62</td>
</tr>
</tbody>
</table>

The most obvious conclusion from Table 1 is that most of the time, the conference committee report does not reflect an even split of the differences between the two chambers. In addition, there is no clear pattern favoring one chamber over the other in the conference process. While this is only a simple tabular breakdown, it clearly indicates that further examination of the conference committee process is warranted.

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2 The *N* of our study is much smaller than the total number of budget bills passed during this time period. This is due to the large number of voice votes taken, particularly on the conference reports in both the House and Senate.
A set of bivariate tests also indicates the process of conferencing on budget legislation is more than a matter of “splitting the difference.” Movement is negatively correlated with the difference between the House and Senate margin percentages, indicating the conference report tends to favor the chamber with the lower margin of victory (Pearson’s $r=-0.449$). In addition, t-tests of the amount of movement indicates that the conference reports under divided government and unified government are indistinguishable ($t=1.131$, $p=0.317$), while movement under truncated government tends to support the chamber controlled by the president’s party ($t=2.549$, $p=0.043$). In all three tests, the initial hypotheses hold up to statistical scrutiny. The crucial test of the hypotheses will be how well they hold up in a multivariate model.

Since the dependent variable, the movement of the conference report from a 50-50 split, is on a percentage scale, OLS regression should provide a reasonable approximation of the relative strength of the independent variables.

**Table 2. OLS Regression Model**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>T</th>
<th>P(t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Divided Government</td>
<td>-0.041</td>
<td>-0.174</td>
<td>0.863</td>
</tr>
<tr>
<td>Truncated Government</td>
<td>0.110</td>
<td>2.195</td>
<td>0.034</td>
</tr>
<tr>
<td>Margin Difference</td>
<td>-0.177</td>
<td>-2.270</td>
<td>0.029</td>
</tr>
<tr>
<td>Leadership Support</td>
<td>0.224</td>
<td>0.991</td>
<td>0.326</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.088</td>
<td>-2.602</td>
<td>0.013</td>
</tr>
</tbody>
</table>

Several things stand out from Table 2. First, the overall fit of the model is quite poor—the $R^2$ is anemic, explaining less than 20 percent of the overall variance in the model. Although there is little question this particular issue is difficult to model accurately, such a low level of explanation clearly indicates the model is underspecified. Of the variables included in the model, all are in the proper direction and the levels of significance match most of our initial
expectations. As found by others (Krehbiel 1998; Mayhew 1991), divided government has no discernable impact on the conference process, yet truncated government tends to drive the compromise towards the Senate version and away from the House\(^3\). The leadership support variable was insignificant, possibly as the result of the minimal variance in the variable—the House and Senate leadership supported the original proposed bills in all but three of the 148 bills studied between 1981 and 1996. The margin variable is significant; however, one must be careful when interpreting the coefficient. Since the margin coefficient is the difference between the House and Senate marginal percentages, a negative margin score (meaning the House can lose a greater percentage of votes that the Senate) results in a positive coefficient in the regression. This fits the model, as a positive score indicates the conference report favored the Senate version over the House. If the margin is positive, indicating the Senate can lose a greater proportion of their vote than the House can, the overall coefficient is negative, moving the compromise bill towards the House version and away from the Senate bill.

While the model does verify our hypotheses, the weakness of the overall model is, at a minimum, worthy of further examination. The constant in the regression model indicates that there is a tendency for the compromise bills to favor the House version over the Senate one, although the impact is not as substantial as the other variables in the model. Upon closer examination of the data, it also appeared the initial House proposals were generally lower than the Senate bills, which was clearly supported using Hotelling’s T-Squared Generalized Means test \((p(F)=0.001)\). Although it appears the natural tendency of the conference report is to favor the House, it may be the tendency is to favor the chamber with the lower initial budget request.

\(^3\) Since the only example of truncated government in the time period studied was the period from 1981 through 1986, we expected the compromises to favor the Senate, which was the chamber controlled by the president’s party.
To test this possibility, we included a new variable in the regression model, a dummy variable to indicate which chamber had the initial lower proposal.

Table 3. Revised OLS Regression Model

Dependent Variable: Movement of the Conference Report from a Perfect Split

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>T</th>
<th>P(t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Divided Government</td>
<td>-0.012</td>
<td>-0.109</td>
<td>0.944</td>
</tr>
<tr>
<td>Truncated Government</td>
<td>0.096</td>
<td>2.111</td>
<td>0.048</td>
</tr>
<tr>
<td>Margin Difference</td>
<td>-0.154</td>
<td>-2.191</td>
<td>0.033</td>
</tr>
<tr>
<td>Leadership Support</td>
<td>0.485</td>
<td>0.801</td>
<td>0.527</td>
</tr>
<tr>
<td>Lower Initial Proposal</td>
<td>0.016</td>
<td>2.821</td>
<td>0.007</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.067</td>
<td>-2.558</td>
<td>0.018</td>
</tr>
</tbody>
</table>

Clearly this model is a better fit than the first. By controlling for which chamber had the lower initial proposal, the model fit is substantially improved. The results clearly indicate that the conference committees tend to favor the chamber with the lower initial proposal, rather than showing any particular bias towards one chamber over the other.

Discussion

The results of our examination shed significant light on the conference committee process. If conference committees automatically default towards the lower of the two proposals, the dynamic of give-and-take between the two chambers is not even. Whether the higher chamber automatically adjusts its proposal to compensate for this bias is unclear, but it would seem logical to do so.

In addition to these findings, it is also clear that the conference committee acts in a strategic manner when drafting a potential compromise. It appears to take into account the relative margins of victory between the two chambers. The chamber that has the narrower margin tends to get more out of the conference committee than the chamber with the larger margin.
Although this makes logical sense in terms of creating a compromise that best fits the needs of both chambers, it also creates an interesting situation. If the House desperately wants to keep its version of a bill, would it be better for the House leadership to intentionally try to drive down supporting votes in order to force the Senate members of the conference to compromise? The answer to this question is both yes and no—while it might benefit the House to a certain degree to do this, it is also true that if the margin is too narrow, the conference report might never earn approval from the full House. In any case, the overall effect of the difference in margins is relatively small, and would hardly seem worth taking the chance of scuttling an entire piece of legislation.

**Conclusion**

There are still many questions about the conference committee process that remain unanswered. While we are beginning to get a grasp on the pattern of compromises that emerge from the committee, there can be little question that the make-up of the committee itself will have an impact on the final process. Modeling the membership of conference committees relative to their parent chambers is a research item that has, to this point, been completely ignored. Given the amount of control exerted by the leadership in determining conference committee membership, this is clearly a task worthy of pursuit.

In addition to modeling conference committee membership, another topic of future investigation should be an examination of other types of legislation in conference committees. For example, a cursory examination of our dataset indicates that the Senate tends to get more of what it wants when addressing the foreign operations budget, while the House tends to win on budget items dealing with the social welfare system. Are there systematic differences in how

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4 This would appear to conform to the differences in chamber dominance of the conference process found by Manley (1970).
the House and Senate address these issues? Are these differences reflected in the committee process?

Finally, one somewhat unusual discovery in the process of analyzing this data was the substantial number of voice votes taken by both the House and Senate on budgetary legislation. While we have no further evidence from which to proceed, we wonder if budget items are more likely to receive voice votes as a way for members to avoid being attached to unpopular bills.

We firmly believe that the conference committee process has been unfairly ignored in the literature on legislative behavior. Conference committees are an integral and powerful part of the process, and clearly deserve far more examination.
References


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