Presidents’ Pursuit of Policy in the Executive Branch*

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Abstract

The relative power of the president has been increasing as Congress has become more polarized and less effective. I propose a new way of thinking about presidents pursuing policy in the executive branch: when presidents favor agency policymaking efforts, they strengthen those efforts; when they are against those efforts, they veto them. I formalize this notion in a simple theory that has broad implications for our understanding of the presidency. Using a new dataset that spans 1995-2014, I show evidence that presidents use one particular tool—centralized review carried out by the Office of Information and Regulatory Affairs—to strengthen agency policymaking they favor. In particular, I find that Presidents Clinton and Obama were disproportionately likely to review significant policies by more liberal agencies, whereas President George W. Bush was disproportionately likely to review significant policies by more conservative agencies.

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The relative power of the president has been increasing as Congress has become more polarized and less effective. As public problems persist—such as the budget deficit, unemployment, the failing immigration system, drinking water shortages, climate change, and an education system failing the poorest 25 percent of children—Congress is not able to solve them. By default, the power to do so tips toward the presidency, the courts, and state governments. This paper focuses on how presidents in particular use this increased power to pursue policy goals in the executive branch.

Even in the absence of Congressional gridlock, presidents arguably have a privileged relationship to executive branch policymaking (Moe (1998); Whittington and Carpenter (2003)). They can assert their constitutional authority to set priorities for agencies and engage in policy innovation, and they can coordinate information-sharing across agencies. They can do this with relatively less transparency than other political actors. Even policies that they work on that will eventually be available to the public are often confidential for some period of time.

A more than thirty-year-old literature focuses on presidents working with agencies in the executive branch, but this literature does not connect presidents with policy outcomes. Instead it focuses on presidents controlling agencies (Nathan (1983); Moe (1985)). Instead of focusing on policy, this literature focuses on presidents trying to get agencies to be more responsive to their priorities. Presidents do so through dual strategies of centralizing and politicizing their work (Moe (1985); West (2006)). They have an array of tools to do this, including setting the budgetary agenda for agencies (Moe and Wilson (1994)), appointing executives in leadership positions within agencies (Wood (1988); Lewis (2008)), centralized review.
of agency policymaking to determine the acceptability of agency policies (West (2005); Wiseman (2009); Acs and Cameron (2013); Acs and Cameron (2014); Nou (2013)), as well as unilateral authority via, for example, executive orders, signing statements, and proclamations (Moe and Howell (1999); Howell (2003)).

What do we know about how presidents pursue policy in the executive branch? From existing studies of president’s unilateral authority, we know presidents set direction and priorities for agencies’ work (Moe and Howell (1999); Howell (2003)). But what do we know about how presidents pursue policies after setting this initial direction, and in cases when they do not set the initial direction? The answer, in short, is very little.

My goal is to shed light on this understudied area of presidents’ role in executive branch policymaking. I suggest a new way of thinking about presidents working with agencies that fundamentally broadens the scope of presidential power from the earlier presidential control literature. My theory, quite simply, is that when presidents favor executive branch agency policymaking efforts, they strengthen those efforts; when they are against those efforts, they veto them.

I formalize this approach and test it on centralized review carried out by the president’s Office of Information and Regulatory Affairs, the most important innovation in presidential power in the last 35 years. Using a new dataset that combines data on agency policymaking with data on presidents’ centralized review, I set out to answer two main questions: First, which agencies do presidents get involved with the most? Second, does this differ for Democratic and Republican presidents?

I find that Presidents Clinton and Obama were disproportionately likely to
review significant policies by more liberal agencies, whereas President George W. Bush was disproportionately likely to review significant policies by more conservative agencies. This finding suggests that presidents use centralized review to strengthen policies they favor. It differs from the conventional wisdom that OIRA is a presidential watchdog focused on reigning in wayward agencies. Moreover, it changes how we think about presidential power in administrative oversight.

Taken together with the theory, this finding lays the foundation for a whole new research program that connects presidents with policy outcomes. They suggest that we reconsider not just centralized review, but also presidential budgetary agendas, executive appointments (which exciting new work on presidential staffing choices is already doing (Krause and O’Connell (Forthcoming))), and uses of unilateral authority from the broader perspective of presidents pursuing policy rather than simply pursuing agency compliance.

This paper highlights the promise of a new and broader way of thinking about why presidents get involved with agencies. This policy-focused agenda directs our attention to many under-studied connections between politics and policy. These connections surface when we consider why presidents may get involved with agencies’ work over and above simply bringing the agency in line with their priorities. Potential motivations include trying to please lobbyists (Haeder and Yackee (2015)), building compromises within the Democratic or Republican party coalition, and ensuring that agency policies withstand judicial review. Theorizing about presidents pursuing policy in the executive branch is a promising way forward for tackling these important connections between politics and policy. This paper is a first step in this direction.
1 A Theory of Presidents Pursuing Policy in the Executive Branch

I propose a new approach to thinking about presidents pursuing policy in the executive branch. My approach directly connects presidents’ actions with policy outcomes and it draws our attention to the role of presidents strengthening agency policymaking that they favor. While presidents can veto agency policymaking they dislike, my approach assumes that agencies can anticipate vetoes, leading to the implication that we do not observe them. What we observe are presidents using the tools of the office not to control and veto wayward agencies, but to strengthen the work of agencies with which they are aligned.

The theory presented below is about the interaction between the president and an agency within the executive branch. I assume that the president and the agency are sometimes aligned in what they want and sometimes not, and that both are aware of this alignment (or lack thereof). I also assume that when the two are aligned, the president benefits from the agency’s effort. This could be effort the agency puts forth on developing regulations, administering programs, or conducting investigations. When they are unaligned, the president suffers from the agency’s effort.

In this theory, the agency initiates things by choosing whether or not to take some action of its choosing. Since actions are costly to the agency, the agency will want to conserve its resources rather than take actions that the president would veto. There is no uncertainty in this theory, hence, as mentioned at the outset, this theory predicts that we will not observe vetoes.
The president then chooses between not getting involved, getting involved and vetoing the agency’s initiative, or getting involved and giving a matching grant of effort to strengthen the agency’ initiative. The matching grant of effort could strengthen the policy-making or implementing capacity of the agency, or it could strengthen the agency’s initiative in a political sense, for example through sharing information, accommodating strong lobbyists \cite{Haeder2015}, or providing the backing of the president, and in some cases it could strengthen both agency capacity and political power. The president pays a cost to veto or to give a matching grant, so these actions will only be worth it to the president in some cases.

I directly connect the president’s involvement with the success of the agency’s initiative. I assume that success is equal to the joint effort put forth by the agency and the president when there is a matching grant, and it is zero when the president vetoes. It is worth noting that when the president exerts effort to strengthen an agency’s initiative, it does not necessarily mean that the president makes the initiative more ambitious. It is perhaps more likely when the president is focusing on increasing the political strength of an initiative that this would entail weakening its ambitiousness. The key distinction between weakening an initiative in order to make it politically feasible and vetoing an initiative is whether or not the president ultimately wants it to succeed.

To formalize, consider a game with an agency $A$ and the president $P$. The se-

\footnote{I do not consider the matching grant costly to the agency. I set aside for future research concerns that the president partnering with an agency may be something that the agency prefers to avoid due to the president’s involvement creating more work for the agency (e.g. during the president’s OIRA review process \cite{Nou2013, Heinzerling2014, Bressman2006, Vladeck2006}, or due to the president stepping on an agency’s “turf.”}
quence is as follows. First, nature draws the ideological alignment of the president with respect to the agency, \( \sigma \in \{-1, 0, 1\} \), and shows both players. \( \sigma = -1 \) represents the least ideological alignment between an agency and a president, \( \sigma = 1 \) represents the most alignment, and \( \sigma = 0 \) represents an amount of alignment somewhere in the middle.

Then, the agency chooses whether or not to take an action. I denote taking an action with \( I \in \{0, 1\} \), where \( I = 1 \) represents taking an action and \( I = 0 \) represents not taking an action. Taking an action costs the agency \( c_{\text{action}} > 0 \). If the agency does not take an action, the president has no choice to make, and the game ends with success on the agency’s initiative equal to zero.

If the agency takes action, the president then chooses whether to get involved and exert effort on the agency’s initiative, get involved and veto it, or do nothing. When the president gets involved, he or she pays \( c_{\text{involvement}} \) regardless of whether the point is to exert effort or veto. This captures the cost to the president of simply getting involved and the associated staff time and transaction costs that this entails.

When the president exerts effort on an agency initiative, he or she chooses a level of matching grant, \( m > 0 \). The cost to the president of the grant of effort is the cost of paying out the matching grant, \( \frac{1}{2}(me_A)^2 \), where \( e_A \) is the amount of effort put forth by the agency in the last step of the game.

When the president vetoes an agency initiative, he or she pays a fixed cost \( c_{\text{veto}} > 0 \) in addition to the cost of simply getting involved, \( c_{\text{involvement}} \). \( c_{\text{veto}} \) is an exogenous parameter and both the agency and the president know it. This cost of the veto could be in the form of resources needed from the president or
the president’s staff to carry out the veto in particular. For example, it could be drafting requested changes to an agency’s proposed policy in notice-and-comment rulemaking or issuing a directive in an attempt to get an agency to stop doing something that it is doing. Or, the cost could be the result of making an agency or an interest group unhappy. It is costless for the president to do nothing.

After observing the president’s choice, the agency chooses its effort level, $e_A \in [0,1]$, where $e_A = 0$ can be interpreted as “shelving” an initiative by stopping all work on it.

The outcome of the game is in terms of strength or success of the agency’s initiative. The success of the agency’s initiative is zero when the agency shelves it and/or the president vetoes it, or when the agency does not take action in the first place. Otherwise, the success of the agency’s initiative is equal to the combined effort of the agency and the president.

The president’s utility function is

\[
U_P = \delta \sigma (e_A + m e_A) - \frac{1}{2} (m e_A)^2 - c_{\text{involvement}} - c_{\text{veto}},
\]

where $\delta \in \{0, 1\}$ signifies whether the president vetoes, with $\delta = 1$ signifying no veto. This says that if the president does not veto, he or she gets a payoff from the sum of the agency’s effort and any matching grant that is weighted by the alignment between the president and the agency. This payoff from effort will be negative when the president and agency are distant, zero when they are middle-aligned, and positive when they are close. The president also pays costs to get involved, to exert effort, and to veto.
The agency’s utility function is

$$U_A = \delta(e_A + me_A) - \frac{1}{2}(e_A)^2 - c_{action},$$

(2)

where \(\delta\) is the same indicator function as in the president’s utility function. This says that if the president does not veto, the agency benefits from the initiative’s success, which is determined by effort put in by both the agency and the president. The agency pays a cost to take action in the first place and for the amount of effort it puts into its initiative if it takes action.

From this model, I derive two observable implications. The first implication is that when \(\sigma = 1\) (which I will refer to going forward as the agency and the president being close, by which I mean closely ideologically aligned), the president is more likely to get involved with the agency’s initiative than when \(\sigma = 0\) or \(\sigma = -1\) (which I will refer to as the agency and the president having some amount of middle-alignment \((\sigma = 0)\), and the agency and the president being distant \((\sigma = -1)\)). In this case, as long as the costs of getting involved are not too high, the president benefits from exerting effort on the agency’s initiative. I refer to this hypothesis as the President Effort Hypothesis.

**President Effort Hypothesis.** When an agency and the president are close, the probability of the president getting involved with that agency’s initiative is higher than when the agency and the president are either distant or middle-aligned.

The second implication is that when the agency and the president are close or middle-aligned, the agency takes more actions than when that same agency is...
under a distant president. This follows from the fact within this model that when
the president and agency are distant, the president will want to veto the agency’s
initiative as long as the cost of getting involved and vetoing is not too high. The
agency knows this and will conserve its resources by not taking action whenever
the president would veto.

I refer to this hypothesis as the *Agency Action Hypothesis*.

**Agency Action Hypothesis.** The probability of an agency taking action is
higher when the president and the agency are either close or middle-aligned than
when the agency and the president are distant.

2 Empirical Analysis: The Office of Information and Regulatory Affairs

As previously mentioned, Congress created OIRA as part of the Paperwork Re-
duction Act in 1980 and President Reagan formalized OIRA’s role in reviewing
agency policymaking through Executive Order 12,291 in 1981.

When OIRA takes a policy under review, the agency needs OIRA’s approval
in order to finalize its policy.\(^3\)

\(^3\)The one exception to OIRA review authority is that presidents have not sought to
extend OIRA review to independent agencies. The concept of “independent” agencies is
that they are more independent from the president than cabinet departments and executive
agencies. Since *Humphrey’s Executor v. United States* (1935), presidents have not been
able to fire appointees heading up independent agencies without cause, but can do so
in the case of executive agencies and cabinet departments. Whether OIRA can review
independent agencies’ policies is somewhat ambiguous and there are at least a few instances
of independent agency policies reviewed by OIRA. But in general, OIRA does not review
the policies of independent agencies.
OIRA has broad discretion in choosing what policies to review. There is a set of legal criteria set forth in President Clinton’s E.O. 12,866 for which policies OIRA can review, namely “significant” policies. E.O. 12,866 defines “significant” in the following ways: policies that have $100 million or more annual impact on the economy, and/or are inconsistent with another agency’s policy, and/or alter the budgetary impact of grants or entitlements, and/or raise novel legal or policy issues. But these criteria are neither necessary nor sufficient to guarantee OIRA-review. An agency can send a policy that it designates as “significant” to OIRA for review, and OIRA can choose not to review it. Moreover, an agency can choose not to send a policy to OIRA because it does not designate it as “significant,” and OIRA can overwrite the agency’s significance determination and review it anyways.

When OIRA chooses to review a policy, it can strengthen it in some way or veto it. OIRA may strengthen policies by offering policy-capacity help to agencies, for example by helping with cost-benefit analyses. OIRA may also strengthen policies in a more political sense, for example through sharing information from within or outside the executive branch, accommodating lobbyists (Haeder and Yackee (2015)), and providing the backing of the president.

One aspect of OIRA review that facilitates within-executive-branch information sharing is the interagency review process. When OIRA takes a policy under review, it sends that policy out to other agencies in the executive branch with equity in the policy in order to get their feedback. For example, if the EPA seeks a change to chlorofluorocarbon regulations, OIRA will send the EPA’s proposed changes to other agencies for feedback.

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4 About one third of significant policies go unreviewed by OIRA. See Figure A.1 on page 27 for the proportion of significant policies that underwent OIRA review from 1995-2014.
change to agencies (such as NASA, DOD, and the FDA) with equity in chlorofluorocarbons, a chemical for which there is currently no readily available substitute. This process often brings out the strongest criticisms to an agency’s proposed policy, which OIRA can choose to help the agency deal with before finalizing the policy.

When OIRA vetoes an agency’s policy, the veto takes the form of OIRA refusing to approve an agency’s policy unless the agency makes revisions that the agency would rather abandon the policy than make. OIRA can refuse to approve a policy but cannot revise the policy itself. Upon receiving required revisions back from OIRA, an agency could make those revisions or “shelve” the policy, either by formally withdrawing it or informally stopping work on it. Existing studies of OIRA generally treat OIRA exclusively as a veto player (Wiseman (2009); Acs and Cameron (2013); Acs and Cameron (2014); Nou (2013)), neglecting its role at other times in strengthening policies.

The observable implications that I derive from my model of presidents pursuing policy goals in the executive branch, as applied to OIRA are as follows: (i) OIRA is most likely to review the policies of agencies it is most aligned with (President Effort Hypothesis), and (ii) Agencies are most likely to issue significant policies when they are most aligned with the president (Agency Action Hypothesis).

2.1 Empirical Strategy

To test the hypotheses just described, I collected from OIRA’s reginfo.gov all instances of centralized review from 1995-2014. I collected all instances of policymaking from the Unified Agenda from 2009-2014 to extend Anne Joseph O’Connell’s
Unified Agenda federal government rulemaking data to cover the Obama administration years (through 2014). I coded each rulemaking for whether it underwent centralized review, at what stage it did so, and for what duration it was under review.

I include in my analysis only executive agencies and cabinet departments for which there is at least one mention in the Unified Agenda during each of the Clinton, G.W. Bush, and Obama administrations.\footnote{The agencies that I include from most liberal to most conservative according to Clinton and Lewis (2008) are: Department of Labor, Department of Housing and Urban Development, Department of Health and Human Services, Department of Education, Environmental Protection Agency, Agency for International Development, Department of State, National Archives and Records Administration, National Aeronautics and Space Administration, Department of Transportation, Department of Agriculture, Department of Veterans Affairs, Office of Personnel Management, General Services Administration, Department of Energy, Department of Justice, Department of the Interior, Department of the Treasury, Small Business Administration, and Department of Commerce.} I use agency ideology scores from Clinton and Lewis (2008) to describe an agency’s ideology. These agency ideology measures were created using an expert survey. The measures are time invariant and are meant to capture the ideology of the underlying mission of each agency, regardless of presidential and appointee leadership over that agency at any given point in time. For ease of interpretation, I have rescaled these agency ideology scores so that the most liberal agency has ideology equal to zero.

I exclude independent agencies because their policies are not generally reviewed by OIRA, as previously discussed. I also exclude the Department of Defense because it is an extreme outlier on agency ideology within my sample. It is more than one standard deviation above the second most conservative agency in my sample. As I show in the Appendix, my main result holds when I include the Department of Defense and exclude the Obama administration years, but not...
when I include all three administrations.

I focus only on the most significant policies by including only those policies designated as "significant" according to E.O. 12,866 and/or "major" according to the Congressional Review Act. To focus in on the most significant policies, 1995 is the earliest year included because this is the earliest year for which policy significance was reliably reported in the Unified Agenda (O’Connell (2011)).

The main explanatory variable for both of my hypotheses is agency-president ideological distance. I operationalize this ideological distance by interacting Clinton-Lewis agency ideology with the party of the president. To account for using an estimate (of agency ideology, in this case) as an explanatory variable, I bootstrap all standard errors and show that all results are robust to weighting each observation by the inverse of the variance of the Clinton-Lewis agency ideology estimate.

In order to test the president effort hypothesis, I look at within-agency change in the probability that an agency’s policies are reviewed by OIRA as that agency’s ideological distance to the president decreases. I specify the following ordinary least squares model.

\[
\text{review}_{iy} = \beta_0 + \alpha_i + \beta_1 \text{ag. ideology}_i + \beta_2 \text{Repub.pres}_y + \beta_3 \text{ag. ideology}_i \times \text{Repub.pres}_y + \epsilon_{iy}
\]

The sample includes all policies designated in the Unified Agenda as "significant" according to E.O. 12,866 and/or "major" according to the Congressional Review Act from 1995-2014 for all non-independent agencies for which there is a Clinton-Lewis ideology score and for which there is at least one mention in the Unified Agenda during each of the Clinton, G.W. Bush, and Obama administrations, excluding the Department of Defense. Subscript \(i\) denotes agencies, subscript \(y\)
denotes years, and subscript \( p \) denotes policies. The dependent variable, \( \text{review} \), indicates whether a policy underwent OIRA review. The explanatory variable of interest is the interaction between agency ideology and the party of the president (where Republican president is coded as 1). \( \alpha_i \) represent agency fixed effects.

In order to test the agency action hypothesis, I look for evidence of a higher quantity of significant policies proposed (Notice of Proposed Rulemakings (NPRMs)) by an agency in a given year when that agency is ideologically closer to the president. I specify the following ordinary least squares model.

\[
NPRMs_{iy} = \beta_0 + \alpha_i + \beta_1 \text{ag.ideology}_i + \beta_2 \text{Repub.pres}_y + \beta_3 \text{ag.ideology}_i \times \text{Repub.pres}_y + \epsilon_{iy}
\]

(4)

The sample includes all agency-year pairs from the sample described above. Subscript \( i \) denotes agencies and subscript \( y \) denotes years. The dependent variable, \( NPRMs \), is the number of significant NPRMs per year per agency. As above, the explanatory variable of interest is the interaction between agency ideology and the party of the president (where Republican president is coded as 1), and \( \alpha_i \) represent agency fixed effects.

2.2 Results

Figure A.2 on page 28 shows the results for the president effort hypothesis in the raw data. On average, more conservative agencies, such as the Department of Commerce and the Small Business Administration, are disproportionately likely to have their significant policies reviewed by President George W. Bush’s OIRA.

\[\text{Table A.1 on page 26 provides descriptive statistics on all variables.}\]
\[\text{Partialling out the agency fixed effects gives a consistent picture as A.2}\]
More liberal agencies, such as the Environmental Protection Agency (EPA) and the Department of Housing and Urban Development (HUD), are disproportionately likely to have their significant policies reviewed by President Obama’s and President Clinton’s OIRA.

Table A.2 on page 29 provides results with standard errors for the president effort hypothesis. Moving one unit more conservative in terms of an agency’s ideology makes it three percentage points disproportionately likely to be reviewed by President George W. Bush relative to Presidents Clinton and Obama. This is a 4.5 percent increase above the mean OIRA review rate, which is 67 percent.

Table A.3 on page 30 provides results for the agency action hypothesis. Moving one unit more conservative in terms of an agency’s ideology makes it disproportionately likely to issue an additional 1.87 significant proposed policies/year under President George W. Bush relative to Presidents Clinton and Obama. This is about a 20 percent increase above the mean, which is 9.57 significant proposed policies/year.

Table A.1 on page 31, Table A.2 on page 32, and Table A.3 on page 33 provide additional robustness checks for the president effort hypothesis. Table A.1 provides results that include the Department of Defense, an extreme outlier in agency ideology dropped from the main analysis. These results suggest that President Obama’s OIRA treated the Department of Defense differently than other relatively conservative agencies and differently than other presidents treated the Department of Defense. These differences under the Obama administration combined with the Department of Defense being an extreme outlier in agency ideology affects the main results. When I include the Department of Defense but exclude
the Obama administration years, the main results hold.

Table A.2 shows that results for the president effort hypothesis are robust to including policy-level controls, including whether there was a judicial or legislative deadline, whether there was an interim final rule or direct final rule, and whether there was an Advance NPRM. These policy controls account for differences in these policies over and above being “significant.” An interim final rule or direct final rule suggests that someone involved with the policy thought there was urgency to finalize it. A legal deadline means that either Congress or the courts gave the agency a deadline by which it had to issue a policy. An advance NPRM means that the formal rulemaking process began earlier than it usually does when a policy simply begins the formal process with an NPRM.

Table A.3 shows that results for the president effort hypothesis are robust to weighting each observation by the inverse of the variance of the Clinton-Lewis agency ideology estimate. As previously discussed, the weights are meant to account for the fact that there is greater uncertainty about some agency’s ideology estimates than others. A table showing that the result for the agency action hypothesis is also robust to weighting each observation by the inverse of the variance of the Clinton-Lewis agency ideology estimate is available by request. There are no changes to significance levels from the weights.

3 Conclusion

This paper began with the recognition of how little we actually know about how presidents pursue policy in the executive branch—a particularly important topic given gridlock in Congress. We are still operating from a more than thirty-year-
old theoretical framework focused on presidential control and divorced from policy outcomes (Nathan (1983); Moe (1985)). This framework has little to say about how presidents use the tools of the office proactively to go after the policy outcomes they want. We know presidents set direction and priorities for agencies’ work using unilateral tools such as executive orders, signing statements, and proclamations (Moe and Howell (1999); Howell (2003)). But we know very little about how presidents pursue policies after setting this initial direction, and in cases when they do not set the initial direction.

I have argued that when presidents favor executive branch agency policymaking efforts, they strengthen those efforts; when they are against those efforts, they veto them. I formalized this notion and tested it on a new dataset that combines data on agency policymaking with data on presidents’ centralized review. Looking at this data, I set out to answer two main questions: First, which agencies do presidents get involved with the most? Second, does this differ for Democratic and Republican presidents?

My empirical analysis focuses on the most important innovation in presidential power in the last 35 years: the Office of Information and Regulatory Affairs. I show that Presidents Clinton and Obama were disproportionately likely to review significant policies by more liberal agencies, whereas President George W. Bush was disproportionately likely to review significant policies by more conservative agencies. This evidence suggests that presidents use centralized review to strengthen policies they favor.

This is a first step in a much larger research agenda. Together with the theory, these findings lay the foundation for a whole new research program that connects
presidents with policy outcomes. They suggest that we reconsider not just cen-
tralized review, but also presidential budgetary agendas, executive appointments,
and uses of unilateral authority from the broader perspective of presidents pursu-
ing policy rather than pursuing agency compliance. This policy-focused agenda
complements recent work on capacity-building within agencies through agency
staffing (Krause and O’Connell (Forthcoming)), and it directs our attention to
many under-studied connections between politics and policy. These connections
surface when we consider why presidents may get involved with agencies’ work
over and above simply bringing the agency in line with their priorities. Potential
motivations include trying to please lobbyists (Haeder and Yackee (2015)), build
compromises within the Democratic or Republican party coalition, and ensure that
agency policies withstand judicial review. These are all important areas for future
research.
References


A Proofs

Agency Action Hypothesis.

From the perspective of the agency, when the president does not veto, the agency’s first derivative is

$$\frac{\partial U_A}{\partial e_A} = 1 + m - e_A. \quad (5)$$

The agency’s optimal effort given no veto is $e_A^* = 1 + m$, where $m > 0$ is the matching grant of effort that the president has the option to give.

When the president vetoes, the agency’s first derivative is

$$\frac{\partial U_A}{\partial e_A} = -e_A. \quad (6)$$

The agency’s optimal effort given a veto is $e_A^* = 0$.

When $\sigma = -1$, the president vetoes if $c_{involvement} + c_{veto} \leq 1$, and otherwise does not get involved. The president never exerts effort since doing so would bring utility $-(1 + 2m + m^2) - \frac{1}{2}(m + m^2)^2 - c_{involvement}$, which is always less than -1, the utility the president would get from doing nothing. If $c_{involvement} + c_{veto} < 1$, the agency will not take action since the president would veto. In addition, the agency will not take action if $c_{action} \geq \frac{1}{2}$ since the cost of taking action in the first place, regardless of a veto, exceeds the possible benefit to the agency.

When $\sigma = 0$, the president always chooses to do nothing, which brings utility zero, which is larger than utility would be from vetoing ($-c_{involvement} - c_{veto}$) and larger than utility would be from exerting effort ($-\frac{1}{2}(m + m^2)^2 - c_{involvement}$). The agency takes action unless $c_{action} \geq \frac{1}{2}$.
When $\sigma = 1$, the president never vetoes. This is because the president’s utility from a veto is $-c_{\text{involvement}} - c_{\text{veto}}$, which is always less than the utility the president gets from doing nothing, which is equal to 1.

Since the president never vetoes when $\sigma = 1$, the president’s first derivative in this case is

$$\frac{\partial U_P}{\partial m} = -2m^3 - 3m^2 + m + 2. \quad (7)$$

The president’s optimal value for the matching grant of effort is $m^* = \frac{\sqrt{17} - 1}{4}$. Algebraically, this first order condition could be solved with two other values, both of which are ruled out here since they are negative and $m > 0$. The president gives $m^*$ whenever $m^*(2 + m^*) > c_{\text{involvement}} + \frac{1}{2}(m^*(1 + m^*))^2$, and otherwise does not get involved.

Given a matching grant of effort from the president, $m^*$, the agency’s optimal effort, $e^*_A$, is $1 + m$, and the agency takes action unless $c_{\text{action}} \geq \frac{1}{2}$.

Comparing the agency’s choice of whether to take action under the three possible values of $\sigma$, we see that the agency is weakly more likely not to take action when $\sigma = -1$ than when $\sigma = 0$ or when $\sigma = 1$.

President Effort Hypothesis.

As we saw above, the president gets involved with an agency’s initiative when $\sigma = 1$ whenever $m^*(2 + m^*) > c_{\text{involvement}} + \frac{1}{2}(m^*(1 + m^*))^2$, and the president never gets involved when $\sigma = 0$.

Also as above, when $\sigma = -1$, the president gets involved and vetoes when $c_{\text{involvement}} + c_{\text{veto}} \leq 1$, and otherwise does not get involved. When $c_{\text{involvement}} +$
$c_{veto} \leq 1$, the agency anticipates a veto and takes no action. Hence, the president has nothing with which to get involved.

These comparisons show that the president is weakly more likely to get involved when $\sigma = 1$ relative to when $\sigma = 0$ and when $\sigma = -1$. 
## B Main Figures and Tables

### Table A.1: Descriptive statistics

<table>
<thead>
<tr>
<th>Units</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPRMs/year per agency (20 agencies, 20 years)</td>
<td>agency-year</td>
<td>400</td>
<td>9.57</td>
<td>10.13</td>
</tr>
<tr>
<td>OIRA review (dummy) policy</td>
<td>policy</td>
<td>6233</td>
<td>.67</td>
<td>.47</td>
</tr>
<tr>
<td>Withdrawn (dummy, conditional on OIRA review)</td>
<td>policy-review</td>
<td>7072</td>
<td>.083</td>
<td>.28</td>
</tr>
<tr>
<td>Agency ideology</td>
<td>agency</td>
<td>20</td>
<td>1.34</td>
<td>0.84</td>
</tr>
</tbody>
</table>

_Notes:_ The sample for NPRMs/year per agency includes all agency-year pairs from 1995-2014 for all non-independent agencies for which there is a Clinton-Lewis agency ideology score and for which there is at least one mention in the Unified Agenda during each of the Clinton, G.W. Bush, and Obama administrations, excluding the Department of Defense. Only significant NPRMs are included, which are those designated in the Unified Agenda as “significant” according to E.O. 12,866 and/or “major” according to the Congressional Review Act. The sample for OIRA review includes all policies designated in the Unified Agenda as “significant” according to E.O. 12,866 and/or “major” according to the Congressional Review Act from 1995-2014 for all non-independent agencies for which there is a Clinton-Lewis ideology score and for which there is at least one mention in the Unified Agenda during each of the Clinton, G.W. Bush, and Obama administrations, excluding the Department of Defense. OIRA review indicates whether a policy underwent OIRA review. The sample for Withdrawn includes all policy-OIRA-review pairs for policies designated in the Unified Agenda as “significant” according to E.O. 12,866 and/or “major” according to the Congressional Review Act from 1995-2014 for all non-independent agencies for which there is a Clinton-Lewis ideology score and for which there is at least one mention in the Unified Agenda during each of the Clinton, G.W. Bush, and Obama administrations, excluding the Department of Defense. Withdrawn indicates whether a policy selected for OIRA review was withdrawn by the agency after the review and during the same administration as the review. Agency ideology (Clinton-Lewis) rescaled so that the most liberal agency has ideology equal to zero.
Figure A.1: OIRA Review Rate on Significant Policies

Notes: The sample includes all policies designated in the Unified Agenda as “significant” according to E.O. 12,866 and/or “major” according to the Congressional Review Act from 1995-2014 for all non-independent agencies for which there is a Clinton-Lewis ideology score and for which there is at least one mention in the Unified Agenda during all three administrations, excluding the Department of Defense. OIRA review rate is the proportion of significant policies that underwent review by OIRA during each year.
Figure A.2: OIRA Review Rates by Agency by Administration

Notes: Administration OIRA review rates are fitted with lowess lines. The sample includes all policies designated in the Unified Agenda as “significant” according to E.O. 12,866 and/or “major” according to the Congressional Review Act from 1995-2014 for all non-independent agencies for which there is a Clinton-Lewis ideology score and for which there is at least one mention in the Unified Agenda during all three administrations, excluding the Department of Defense. OIRA review rate is the proportion of significant policies that underwent review by OIRA during each administration. Agencies are ordered along the x-axis according to their Clinton-Lewis ideology score, rescaled so that the most liberal agency has ideology equal to zero. From most liberal to most conservative, the agencies are: Department of Labor, Department of Housing and Urban Development, Department of Health and Human Services, Department of Education, Environmental Protection Agency, Agency for International Development, Department of State, National Archives and Records Administration, National Aeronautics and Space Administration, Department of Transportation, Department of Agriculture, Department of Veterans Affairs, Office of Personnel Management, General Services Administration, Department of Energy, Department of Justice, Department of the Interior, Department of the Treasury, Small Business Administration, and Department of Commerce.
Table A.2: President Effort Hypothesis

<table>
<thead>
<tr>
<th></th>
<th>DV: OIRA review (dummy)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1</td>
</tr>
<tr>
<td>Agency ideology</td>
<td>-.039***</td>
</tr>
<tr>
<td></td>
<td>(.0089)</td>
</tr>
<tr>
<td>Pres party (Repub=1)</td>
<td>.025</td>
</tr>
<tr>
<td></td>
<td>(.018)</td>
</tr>
<tr>
<td>Agency ideology*Pres party</td>
<td>.035***</td>
</tr>
<tr>
<td></td>
<td>(.014)</td>
</tr>
<tr>
<td>Mean of dependent variable</td>
<td>.67</td>
</tr>
<tr>
<td># Observations</td>
<td>6233</td>
</tr>
<tr>
<td>R-Squared</td>
<td>.0074</td>
</tr>
<tr>
<td>Agency FEs</td>
<td>No</td>
</tr>
</tbody>
</table>

Notes: ***p < 0.01, **p < 0.05, *p < 0.1. Robust standard errors from ordinary least squares (OLS) regressions reported in parentheses. There are no changes to significance levels using bootstrapped standard errors. The sample includes all policies designated in the Unified Agenda as “significant” according to E.O. 12,866 and/or “major” according to the Congressional Review Act from 1995-2014 for all non-independent agencies for which there is a Clinton-Lewis ideology score and for which there is at least one mention in the Unified Agenda during each of the Clinton, G.W. Bush, and Obama administrations, excluding the Department of Defense. OIRA review indicates whether a policy underwent OIRA review. Agency ideology (Clinton-Lewis) rescaled so that the most liberal agency has ideology equal to zero.
Table A.3: Agency Action Hypothesis

<table>
<thead>
<tr>
<th></th>
<th>DV: NPRMs/year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1</td>
</tr>
<tr>
<td>Agency ideology</td>
<td>-4.32***</td>
</tr>
<tr>
<td></td>
<td>(.76)</td>
</tr>
<tr>
<td>Pres party (Repub=1)</td>
<td>-1.28</td>
</tr>
<tr>
<td></td>
<td>(2.19)</td>
</tr>
<tr>
<td>Agency ideology*Pres party</td>
<td>1.87</td>
</tr>
<tr>
<td></td>
<td>(1.25)</td>
</tr>
<tr>
<td>Mean of dependent variable</td>
<td>9.57</td>
</tr>
<tr>
<td># Observations</td>
<td>400</td>
</tr>
<tr>
<td>R-Squared</td>
<td>.093</td>
</tr>
<tr>
<td>Agency FEs</td>
<td>No</td>
</tr>
</tbody>
</table>

Notes: *** p < 0.01, ** p < 0.05, * p < 0.1. Robust standard errors from ordinary least squares (OLS) regressions reported in parentheses. There are no changes to significance levels using bootstrapped standard errors. The sample includes all agency-year pairs from 1995-2014 for all non-independent agencies for which there is a Clinton-Lewis ideology score and for which there is at least one mention in the Unified Agenda during each of the Clinton, G.W. Bush, and Obama administrations, excluding the Department of Defense. NPRMs/year include all NPRMs designated in the Unified Agenda as “significant” according to E.O. 12,866 and/or “major” according to the Congressional Review Act. Agency ideology (Clinton-Lewis) rescaled so that the most liberal agency has ideology equal to zero.
## Appendix Tables

Table A.1: President Effort Hypothesis: With Department of Defense

<table>
<thead>
<tr>
<th>DV: OIRA review (dummy)</th>
<th>With DOD</th>
<th>With DOD (no Obama)</th>
<th>Without DOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pres party (Repub=1)</td>
<td>.048***</td>
<td>.016</td>
<td>.027</td>
</tr>
<tr>
<td></td>
<td>(.018)</td>
<td>(.022)</td>
<td>(.018)</td>
</tr>
<tr>
<td>Agency ideology*Pres party</td>
<td>.0023</td>
<td>.040**</td>
<td>.030**</td>
</tr>
<tr>
<td></td>
<td>(.012)</td>
<td>(.016)</td>
<td>(.013)</td>
</tr>
<tr>
<td>Mean of dependent variable</td>
<td>.68</td>
<td>.68</td>
<td>.67</td>
</tr>
<tr>
<td># Observations</td>
<td>6454</td>
<td>4556</td>
<td>6233</td>
</tr>
<tr>
<td>R-Squared</td>
<td>.032</td>
<td>.0087</td>
<td>.032</td>
</tr>
<tr>
<td>Agency FEs</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Notes: ***p < 0.01, **p < 0.05, *p < 0.1. Robust standard errors from ordinary least squares (OLS) regressions reported in parentheses. There are no changes to significance levels using bootstrapped standard errors. The sample in Model 1 includes all policies designated in the Unified Agenda as “significant” according to E.O. 12,866 and/or “major” according to the Congressional Review Act from 1995-2014 for all non-independent agencies for which there is a Clinton-Lewis ideology score and for which there is at least one mention in the Unified Agenda during each of the Clinton, G.W. Bush, and Obama administrations. The sample in Model 2 takes the sample from Model 1 and omits the Obama administration years. The sample in Model 3 takes the sample from Model 1 and omits the Department of Defense. OIRA review indicates whether a policy underwent OIRA review. Agency ideology (Clinton-Lewis) rescaled so that the most liberal agency has ideology equal to zero.
Table A.2: President Effort Hypothesis: With Policy-Level Controls

<table>
<thead>
<tr>
<th>DV: OIRA review (dummy)</th>
<th>Without controls</th>
<th>With controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pres party (Repub=1)</td>
<td>.027 (.018)</td>
<td>.038** (.018)</td>
</tr>
<tr>
<td>Agency ideology*Pres party</td>
<td>.030** (.013)</td>
<td>.022* (.013)</td>
</tr>
<tr>
<td>Mean of dependent variable</td>
<td>.67</td>
<td>.67</td>
</tr>
<tr>
<td># Observations</td>
<td>6233</td>
<td>6233</td>
</tr>
<tr>
<td>R-Squared</td>
<td>.032</td>
<td>.066</td>
</tr>
<tr>
<td>Agency FEs</td>
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<td>Yes</td>
</tr>
<tr>
<td>Policy-level controls</td>
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<td>Yes</td>
</tr>
</tbody>
</table>

Notes: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Robust standard errors from ordinary least squares (OLS) regressions reported in parentheses. There are no changes to significance levels using bootstrapped standard errors. The sample includes all policies designated in the Unified Agenda as “significant” according to E.O. 12,866 and/or “major” according to the Congressional Review Act from 1995-2014 for all non-independent agencies for which there is a Clinton-Lewis ideology score and for which there is at least one mention in the Unified Agenda during each of the Clinton, G.W. Bush, and Obama administrations, excluding the Department of Defense. OIRA review indicates whether a policy underwent OIRA review. Agency ideology (Clinton-Lewis) rescaled so that the most liberal agency has ideology equal to zero. Policy-level controls include whether there was a judicial or legislative deadline, whether there was an interim final rule or direct final rule, and whether there was an Advance NPRM.
Table A.3: President Effort Hypothesis: With Weights Using the Inverse of the Variance of the Clinton-Lewis Agency Ideology Measure

<table>
<thead>
<tr>
<th></th>
<th>DV: OIRA review (dummy)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Without weights</td>
</tr>
<tr>
<td>Pres party (Repub=1)</td>
<td>.027</td>
</tr>
<tr>
<td></td>
<td>(.018)</td>
</tr>
<tr>
<td>Agency ideology*Pres party</td>
<td>.030**</td>
</tr>
<tr>
<td></td>
<td>(.013)</td>
</tr>
<tr>
<td>Mean of dependent variable</td>
<td>.67</td>
</tr>
<tr>
<td># Observations</td>
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</tr>
<tr>
<td>R-Squared</td>
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<tr>
<td>Agency FEs</td>
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<td>Weights</td>
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</table>

Notes: ***p < 0.01, **p < 0.05, *p < 0.1. Robust standard errors from ordinary least squares (OLS) regressions reported in parentheses. There are no changes to significance levels using bootstrapped standard errors. The sample includes all policies designated in the Unified Agenda as “significant” according to E.O. 12,866 and/or “major” according to the Congressional Review Act from 1995-2014 for all non-independent agencies for which there is a Clinton-Lewis ideology score and for which there is at least one mention in the Unified Agenda during each of the Clinton, G.W. Bush, and Obama administrations, excluding the Department of Defense. OIRA review indicates whether a policy underwent OIRA review. Agency ideology (Clinton-Lewis) rescaled so that the most liberal agency has ideology equal to zero. In the model with weights, each observation is weighted by the inverse variance of the Clinton-Lewis agency ideology measure.