

Old Dominion University

## ODU Digital Commons

---

Educational Foundations & Leadership Theses  
& Dissertations

Educational Foundations & Leadership

---

Spring 2020

# Policymakers' Decision-Making: A Critical Policy Analysis on Performance-Based Funding

Laura Rose Inez Soulsby

*Old Dominion University*, [Lsoulsby@icloud.com](mailto:Lsoulsby@icloud.com)

Follow this and additional works at: [https://digitalcommons.odu.edu/efl\\_etds](https://digitalcommons.odu.edu/efl_etds)



Part of the [Education Policy Commons](#), and the [Higher Education Commons](#)

---

### Recommended Citation

Soulsby, Laura R.. "Policymakers' Decision-Making: A Critical Policy Analysis on Performance-Based Funding" (2020). Doctor of Philosophy (PhD), Dissertation, Educational Foundations & Leadership, Old Dominion University, DOI: 10.25777/mfgx-at23  
[https://digitalcommons.odu.edu/efl\\_etds/229](https://digitalcommons.odu.edu/efl_etds/229)

This Dissertation is brought to you for free and open access by the Educational Foundations & Leadership at ODU Digital Commons. It has been accepted for inclusion in Educational Foundations & Leadership Theses & Dissertations by an authorized administrator of ODU Digital Commons. For more information, please contact [digitalcommons@odu.edu](mailto:digitalcommons@odu.edu).

**POLICYMAKERS' DECISION-MAKING:  
A CRITICAL POLICY ANALYSIS ON  
PERFORMANCE-BASED FUNDING**

by

Laura Rose Inez Soulsby  
B.A. December 2004, Longwood University  
M.A. May 2007, Old Dominion University

A Dissertation Submitted to the Faculty of  
Old Dominion University in Partial Fulfillment of the  
Requirements for the Degree of

DOCTOR OF PHILOSOPHY

HIGHER EDUCATION

OLD DOMINION UNIVERSITY  
May 2020

Approved by:

Chris R. Glass (Director)

Rachel S. White (Member)

Felecia E. Commodore (Member)

## **ABSTRACT**

### **POLICYMAKERS' DECISION-MAKING: A CRITICAL POLICY ANALYSIS ON PERFORMANCE-BASED FUNDING**

Laura Rose Inez Soulsby  
Old Dominion University, 2020  
Director: Dr. Chris R. Glass

Over the last three decades, state governments have been challenged by financial recessions. With limited resources, it is not surprising that taxpayers demanded greater accountability over state funds, and neoliberalism, a political ideology that prefaces a strong economy and individual marketplace choices, spread. Scholars have argued that performance-based funding (PBF) policies for higher education, which ties financial resources to specific metrics of achievement, is a result of that spread. In contemporary literature, scholars are examining the impacts of PBF and limitations, especially for community colleges, Historically Black Colleges and Universities, and Minority-Serving Institutions. Research on the PBF policymaking process, however, has been limited, especially from a critical perspective.

From the Critical Theory research paradigm and a Critical Policy Analysis theoretical lens, this qualitative case study critically examined how policymakers approach their decisions on PBF and how they understand PBF. This study utilized Kingdon's (1984) agenda setting theory and Stones' (2012) approach to policy decision making to situate the nuances of policymaking. This case study (Merriam, 1998) included interviewing policymakers across five states and reviewing PBF policy-related documents. The final analysis presented four narratives and included a critical examination of issues related to power and equity.

In the findings, policymakers described themselves as influencers, who balance control over higher education in order to solve problems. They practiced decision-making under feelings

of urgency and tension, but with clear goals for accountability and the economy. Interestingly, policymakers described PBF as a tool designed to be flexible in order to distribute resources based on specific performances, which can include equity. Neoliberalist-based words were frequently used in goal-setting decisions for education and institutions. In contrast, equity-based words were sparingly used. Policymakers felt PBF supports their state plans for a thriving economy and disclosed an active discussion on equity for underrepresented students. However, a gap existed between dialogue and practice. Though they were aware of policy feedback on equity-based concerns for institutional types, they revealed divergent views on whether or not institutions that serve underrepresented students deserve special protection. In these discussions, no policy alternatives were offered, but a policy window (Kingdon, 1984) may open.

*Keywords:* Performance-based funding, policymaking, decision-making, equity, institutional types, Critical Policy Analysis

Copyright, 2020, by Laura Rose Inez Soulsby, All Rights Reserved.

## Dedication

This dissertation is dedicated to Joyce Jean, who has never and will never mince a word a day in her life. I could only tell the story as I understood it because I am her daughter.

## ACKNOWLEDGEMENTS

They said we were entering our “dissertation journey.” They handed us books with covers featuring very determined-looking people climbing picturesque snowy mountains. We sat in circles, spinning our heads and factoring our chances to reach the summit: the completed dissertation. Students at every stage of their climb shared their stories – the peaks and the valleys. As I listened, I told myself that I had entered the program at the “right time” in my life, so I could give “it” my full attention. Regardless, until writing these acknowledgements, I saved my notes, musings, and drafts as “The Thing You Write” on my desktop. For me, the first rule of dissertation is you do not talk about dissertation. Now that I am on other side, I can safely say that this dissertation was never the mountain and that the journey was always about my expedition.

My mountain was change. From the first week, I had to learn new ways of being. I moved around my days. I changed my priorities. I got up way too early. I (mostly) gave up reading for fun. I gave up (most of) my weekends. I spent way too much time driving to and from campus. I read (a lot) in parking lots. I said no – a lot. The “right time” feeling was quickly revoked, as I continued to be handed major health and family issues, changing jobs, and moving two hours away. You know – all of the things that I told my family that I, unlike some of those first hikers I met, would not have to deal with during this program –at least there’s that, I said. But – I changed. I learned entire new frameworks for organizing my priorities. I learned to love writing in the mornings. I learned I love reading about higher education. I changed my dissertation topic (yikes, but for the best). I had some of the very best weekends of my life. I learned that I really love crunching on M&Ms when I am most stressed (and I’m looking at you, comps!). I learned the “right time” was always now, because I relearned just how much I already

had everything I needed (thanks, mom). I learned that stability, much like home, is a feeling that you can give yourself no matter where you are.

The expedition was all of you. We sat in those circles, not fully grasping that our chances to reach the peak was staring right back at us. We learned that we can answer any question if we just look to each other. We learned to challenge each other –and more importantly, we learned to be challenged. We dared to reimagine ourselves as scholars. We learned that someone in the room has the best notes (and they’re probably color-coded, pro-tip), someone in the room could synthesize a book faster than a samurai (and they’re probably a professor, another pro-tip), and someone in the room can make any problem seem smaller than a pebble (and they’re the one with brightest smile), and someone in the room could design a study faster than John Nash (and they probably work in instructional design, FYI). We learned that every person in the room is absolutely the best at something. We learned that spray paint builds a community. We learned that we must sit at the front of that room, looking right back at the spinning heads and factoring minds, and say that the picturesque snowy mountains is this little paper thing you will absolutely write at some point, but not to worry – you are not alone and you can do it- and that very-determined look will quickly become one of proudest smiles of your life.

To my expedition, I thank you – you made this “dissertation journey” both possible and fun. To Dr. Chris Glass for inspiring me, pushing me, and believing in me with the precision and support of the Mathematical Bridge. To Dr. Rachel White for showing me that when you run after anything you want, you give yourself the best chance to get it and so, your turn to buy the dinner will come. To Dr. Felecia Commodore for always dealing in real life and popular culture, while teaching us that the ethics behind our work means far more than their letters behind our names. To the Darden College of Education leadership, faculty, and staff for opening their doors,

sending me around the world, and breaking down all the barriers. To Shanda Jenkins for being my “soul sister” and daring to navigate this big world with me (and promising me that this is just the beginning). To Courtney Jane Belmonte for being the calmest voice in a sea of uncertainty and the positive force that solved all the problems. To Michelle Ryder for reminding me that honesty, much like the first amendment, is best served cold and with a salt rim. To Amanda Burbage for being the voice of reason, sharing the laughter that warms my heart the most, and understanding that there’s absolutely nothing we can’t conquer – so long as we remember to bring “the list”. To Dr. Jeanne Natali, Jessica Watson, and all of my former colleagues and friends for always wishing me well on my dissertation and life journey and reminding me that the most important thing is to be kind to myself along the way. To my Spotsy girls for always making sure that I took the time to still travel with you all and making it all too easy to make that decision. To my parents, Joyce Jean and Larry Dean, for always working so hard to make sure that I had more than enough love and support to pursue the education they never received and showing me a love that lasts 50 years and beyond. And most importantly, to Caitlin for always telling me that I can accomplish anything and for loving me enough to make me believe that I absolutely can, and that even when I fall- everything will be just fine, because we’re still together (and with all of our angels).

## TABLE OF CONTENTS

LIST OF TABLES .....	xii
LIST OF FIGURES .....	xiii
Background to the Study .....	1
Problem Statement.....	3
Purpose of the Study.....	5
Research Questions .....	6
Theoretical Orientation.....	6
Significance of the Study.....	11
Overview of Methodology .....	14
Delimitations .....	15
Key Terms .....	15
LITERATURE REVIEW .....	18
Performance-Based Funding in Higher Education.....	18
Policymaking.....	18
Evolution of Performance-Based Funding .....	22
PBF Outcomes and Consequences .....	24
Underrepresented Students .....	32
Theoretical Lens .....	36
Gap in Literature.....	37
Summary.....	39
METHODOLOGY .....	40
Research Paradigm .....	40
Methodology.....	41
Research Design .....	42
Research Questions .....	44
Participants .....	44
Data Collection Procedures .....	44
Interviews .....	45
Documents .....	46
Researcher Positionality and Reflexivity Statement .....	47
Data Analysis.....	48
Interview Transcriptions and Document Review .....	49

Coding Process .....	49
Final Analysis .....	50
Credibility and Trustworthiness .....	50
Human Subjects .....	51
Limitations .....	51
Summary .....	52
<b>FINDINGS</b> .....	<b>53</b>
The Sweetest Candy: PBF as a Business Tool for Specific Performance, Transparency, and Equity (?) .....	56
A Business Tool for Tough Decisions.....	57
Prioritizing Specific Performance .....	58
Shining a Light on Equity.....	59
Decision-Making: The Dynamic Tension of Having Our Hair on Fire with an Elephant in the Room .....	61
The Delicate, Urgent Balance for Control.....	62
Large Ships Don't Turn Rapidly, Don't Turn Easily .....	63
The Great Urgency for Better Performance .....	66
Bleeding Budgets, Trimming Campuses.....	69
Perform or Die: Making Market-Based Markets and Protecting Underrepresented Students and Missions in an Inequitable System.....	72
Alignment for Economic Growth .....	74
Equity As Defined? .....	76
The Big Discussion: Consequences for Underrepresented Students and Institutions Planning for Underlying Mismatches and Going Out of Business.....	79
The Future of (In)equity .....	80
Forecasting a Gameplay .....	81
Summary.....	83
<b>DISCUSSION</b> .....	<b>85</b>
Summary of Findings .....	85
Discussion of Findings .....	88
Contributions to Theory .....	93
Implications for Further Research .....	94
Implications for Further Practice.....	96
Limitations.....	97
Conclusion.....	97
<b>REFERENCES</b> .....	<b>99</b>
Appendix A .....	110

Appendix B.....111

**LIST OF TABLES**

Table	
Table 1: Governance structure.....	53
Table 2: Participants role, gender, race, and political affiliation.....	55
Table 3: Describing higher education goals with neoliberalism .....	75
Table 4: Responding to equity-based concerns .....	76

**LIST OF FIGURES**

Figure

Figure 1. Policymaking process .....7

## CHAPTER ONE

### Background to the Study

As a result of access-based federal and states policies, American higher education experienced growth in participation over the last century. However, more recently, state governments are divesting in higher education (Alexander, 2000; Kelchen, 2018; Letizia, 2015; Marginson, 2016a). Since the 1970s, taxpayers have responded to financial recessions by electing state officials who espouse neoliberalist views of reducing costs and preferencing quality in market competition for higher education (Alexander, 2000; Chen & St. John, 2012; Dougherty et al., 2016a; Doyle & Zumeta, 2014; Letizia, 2015). Neoliberalism is “based on the idea of choice; individuals are believed to enter into the market and should be free to choose products which are provided to them by entrepreneurs” (Letizia, 2015, p. 30). In higher education, neoliberalism has resulted in changing structures for public funding in order to hold institutions accountable as a critical entity of the marketplace for developing the global economy (Letizia, 2015).

Performance-based funding (PBF) is a state-based policy instrument intended to improve institutional performance by offering financial rewards above base-funding or tying base-funding to achieving specific metrics (Dougherty & Reddy, 2013; Romano & Palmer, 2016). In 1979, Tennessee developed the first state policy that provided higher education institutions financial rewards above their base funding for performing well on metrics such as enrollments (Dougherty et al., 2014). Tennessee’s policy, and similar policies, were referred to as the first wave of PBF, as the policy later evolved. After the mid-2000 recession, a second wave of PBF were adopted or adapted to use similar performance metrics (i.e., enrollment) to determine percentages of institutions’ base-funding. By 2010, state policymakers enacted a third wave of PBF that

increased base-funding percentages for performing well on completion metrics, such as persistence and graduation rates (Dougherty et al., 2014).

Over time, PBF has created a critical shift between government and postsecondary education: from a place of relative autonomy to a more controlling relationship (Alexander, 2000; Dunn, 2003; Kelchen, 2018). PBF may provide financial rewards to institutions for their individual performance, but such policies may not consider that institutions in the U.S. demonstrate “institutional stratification,” or a class-system of high-resourced institutions and low-resourced institutions (Schudde & Goldrick-Rab, 2016 p. 346). The PBF policies and the growing divestment of public institutions likely exacerbates under-resourced higher education institutions that serve low-income and underrepresented students (Jones, 2018; Hagood, 2019; Kelchen, 2019; Schudde & Goldrick-Rab, 2016). PBF also places demands on institutions that may not have the capacity to adequately respond (Bers, Head, & Palmer, 2014; Doyle & Zumeta, 2014; Hagood, 2019; Hillman & Corral, 2018; Jones, 2016). For example, PBF policies may not factor the historical underfunding of Historically Black Colleges and Universities (HBCUs) institutions (Sav, 2000). PBF policies also may not align with HBCUs and Minority Serving Institutions’ (MSIs) missions to serve underrepresented students (Hillman & Corral; 2018; Li, Gándara, & Assalone, 2018; Jones, 2016; Minor, 2008; Sav, 2000). Additionally, PBF is a concern for scholars and higher education practitioners in that it may encourage high selectivity in the admissions process to better ensure student outcomes (Dougherty et al., 2016; Doyle & Zumeta, 2014; Umbricht, Fernandez, & Ortagus, 2017).

The third wave of PBF policies may be spreading in a current political landscape of neoliberalism ideologies, which could compromise higher educations’ larger goals of promoting access for historically underrepresented students by tying institutions’ performance to financial

rewards and penalties (Alexander, 2000; Letizia, 2015; Jones, 2018). Given the evidence around limited impact and negative consequences, why might state policymakers continue to enact and embrace PBF? Recent studies have explored policymakers' experiences and perspectives in the PBF design process (Gándara, Rippner & Ness, 2017; Gándara, 2019a; Gándara, 2019b; Jones, 2013; Letizia, 2015; Miller & Morphew, 2017). These studies have provided important insight into policymakers' views on PBF, but they have seldom been from a Critical Policy Analysis theoretical lens (Jones, 2017).

### **Problem Statement**

Higher education accountability measures like PBF may be pursued with good intentions, including providing students critical information to make informed choices. The concern for PBF is not just that its critics argue that it is failing to improve institutional quality; it is that it has been cited for doing harm (Jones, 2017). With these arguments, scholars should work to reveal communication gaps regarding policymakers' intentions for PBF, given findings on ineffective and problematic impacts of PBF policies (Letizia, 2015; Jones, 2017; Hagood, 2019; Kelchen, 2019). In a qualitative inquiry, Letizia (2015) found that policymakers' crafting of higher education reforms based on neoliberalism ideologies were thought to be the answer to institutions' efficiency problems. In Arkansas, Letizia claimed that repeated references in the policy to accountability seemed "ambiguous" (p. 105), but not to policymakers, who verbally connected it to the market with "no mention of social justice" (p. 105). Letizia (2015) argued that higher education has a broader responsibility to social good and its accountability should be understood beyond strictly market terms.

In the PBF policymaking process, miscommunications and differing goals or strategies for achieving those goals may be especially problematic to certain institution types (Hagood, 2019;

Letizia, 2015; Li, Gándara, &Assalone, 2018; Jones, 2013; Jones, 2017; Romano & Palmer, 2014). Given that incentive-based policy can create complicated relationships (Stone, 2012), it was important to understand any gaps between policy goals and policy realities. For example, Hagood (2019) demonstrated that PBF results in “winners and losers” (p. 208), along institutional types. In the two year-sector, PBF demonstrated an ability to increase short-term certificates, but its success offered limited labor market benefits (Li & Kennedy, 2018). In a series of quantitative and qualitative studies, Jones (2017) explored whether performance or outcomes-based funding (POBF) is supporting equity-based goals, specifically racial equity. Jones argued that if and only if state policies specifically included racial and diversity equity in their accountability metrics, then they are truly working to maintain the inclusion framework of serving historically underrepresented students. Even though diversity is currently a “marketable commodity” (Jones, 2017 p. 138), many POBF policies fail to be explicit and often, whether or not institutions addressed these metrics was negotiable.

Policymakers may use improving quality and increasing efficiency of all institutions as the rhetoric for supporting PBF, but scholars continue to demonstrate limited or negative impacts. Romano and Palmer (2014) argued that a key question for the future is how policymakers will manage an emphasis on economic efficiency and employment outcomes with equity. To Letizia (2015), policymakers are adopting a discourse that limits our understanding of accountability and higher education as a whole; while Jones (2017) questioned the lack of specificity in equity language. Jones (2017) expressed that “to move POBF policies in a direction that is more equity focused will require communication and collaboration between critics and advocates” (p.120). In fact, even when racial equity metrics are in place, Jones found “problematic strategies that characterize underrepresented students as deficient” (p. 119). Therefore, it was important to

present critical attention on PBF, policymakers' decision-making, views of PBF, and their outlooks for the future. This study was especially timely as efforts to adjust PBF policies do not appear to fix problems. This study explored what policymakers anticipate for the future of higher education and PBF.

### **Purpose of the Study**

Given problematic consequences of PBF (Jones, 2016, 2017), this study critically examined the policymaking process of PBF (Fischer, 2003; Taylor, 1997; Young & Diem, 2017). In particular, the purpose of the research study was to explore state policymakers' approaches to making decisions on PBF policies across state systems. The approach was understood as both their perspectives on PBF and their processes for developing PBF policies through the policymaking process. To situate their approach, the policymaking process was understood by broad contexts and individualist views (Kingdon, 1984; Stone, 2012). The policymaking process in this study was narrowed to how policymakers and policies responded to or addressed the "feedback" (Kingdon, 1995, p. 100) about problematic consequences for institutions that serve minority students, including community colleges, Historically Black Colleges and Universities, and Minority-Serving Institutions (Hagood, 2019; Letizia, 2015; Li, Gándara, & Assalone, 2018; Jones, 2013; Jones, 2017; Romano & Palmer, 2014). This study took a Critical Policy Analysis (CPA) perspective, which allowed for an understanding of the role of individuals and their power in the policy process (Young & Diem, 2017). Additionally, this study examined PBF within its context by examining the state PBF policies and related documents (Young & Diem, 2017; Taylor, 1997).

Through a qualitative inquiry, this study understood policymakers' approaches and processes, while also revealing policymakers' perceived values and goals of PBF and any

barriers they perceived as impediments to achieving those goals. Policymakers' approaches to the policymaking process and PBF policy informed a deeper understanding of their decision-making on PBF for any stakeholders who hope to influence the interconnected process and policy (Stone, 2012; Taylor, 1997). State policymakers involved with shaping and enacting higher educational policy served both in and out of the legislature. For example, legislators on educational policy committees are often the first formally organized group of policymakers to review and debate higher education bills and decide whether or not to recommend the bill be considered by the legislative bodies as a whole. Similarly, state-sponsored commissions, such as higher education authorities and postsecondary education councils, often have direct involvement in making higher education policy through the process of developing and/or approving administrative rules and regulations.

### **Research Questions**

How do state educational policymakers approach making decisions on performance-based funding (PBF) policies for postsecondary education?

- What is the language, values, and goals used in feedback about PBF policy?
- How do state educational policymakers make sense of feedback about different institutional types?

### **Theoretical Orientation**

For this study, Critical Policy Analysis (Young & Diem, 2017; Taylor, 1997) served as the theoretical lens. This lens was useful in exploring research questions developed with Kingdon's (1984) policy agenda setting theory and Stones' (2012) approach to decision-making for understanding the policymaking process. Unlike traditional policy analysis, Critical Policy

Analysis (CPA) created space for a critique of phenomenon with a systematic evaluation of both policy and the process of policymaking in addition to constructs like distribution of power and resources (Young & Diem, 2017; Diem, Young, Welton, Mansfield, & Lee, 2014; Taylor, 1997). Young (2014) explained CPA helps explore a range of policy and process, including how “knowledge, power, and resources are distributed inequitably,” how “educational programs and policies, regardless of intent, reproduce stratified social relations” and how “individuals react (e.g. resistance or acquiescence) to such social and institutional forces” (p. 1072). Along with these critical concerns, Young and Diem (2017) outlined that CPA is typically qualitative and includes an examination of “complex systems and environments” (p. 4) and the “inextricable nature of theory and method” (p. 5). CPA was therefore appropriate for studying policymaking and policy.

For this study, policymaking (Figure 1) was understood as a fluid but systematic process that included the identifying of a problem and creating a solution, against other alternatives by select individuals, who must balance larger societal structures, external realities and pressures, and the impact(s) of their solutions (Kingdon, 1984; Stone, 2012).



*Figure 1. Policymaking process*

Kingdon’s (1984) policy agenda setting theory outlined the process of policymaking in multiple streams of identifying problems and acknowledging expert perspectives and alternatives, and political realities, including specific events, national moods, and power changes. These streams may converge and serve to bring about new policy proposals or stop them. Kingdon’s (1984,

1995) theory presented an understanding of the mechanisms in the policymaking process as a complex process with intersecting forces, including public and hidden participants. For example, an open “policy window” is an “opportunity for advocates to push their pet solutions or to push attention to their special problems” (Kingdon, 1995, p. 203). Hillman, Tandberg, and Sponsler (2015) argued that Kingdon’s (1984) policy agenda setting recognized that policymaking is a fluid process that “does not occur in a vacuum” (p. 10). The understanding of policy from this broad perspective underscores the importance of situating policy design within a larger environmental context (Young & Diem, 2017; Taylor, 1997). As part of the fluid process of policymaking, policymakers receive “feedback” (Kingdon, 1995, p. 100) about policies. For policymakers, policy feedback about policies comes from various sources, including formal and informal channels (Kingdon, 1995). Feedback can include evidence-based or symbolic problems, a misalignment of policy goals, and unintended or intended negative consequences (Kingdon, 1995). Kingdon (1995) claimed, “consequences that have some major impacts and that are not anticipated create a sharper sense that something is amiss and should be examined” (p. 103). This study pursued how policymakers responded to policy feedback.

Within the larger context and narrowed focus on feedback (Kingdon, 1984), the individuals involved in the policymaking process should also be considered (Young & Diem, 2017). Stone (2012) placed emphasis on the role of individuals in the policymaking process and recognized that decision-making models often ignore the emotions and morals behind decisions. Policymaker’s decisions and power gained within the *polis* or state and the market or “social system in which individuals pursue their own welfare by exchanging things with others whenever trades are mutually beneficial” (Stone, 2012, p. 19). In a democracy, accountability is an inherent “policy paradox” (p. 384) because individuals select others to control them and, in

the process of the subsequent policy arguments, societal boundaries are “drawn and redrawn” (p. 384). Stone (2012) provided that through policy decisions “one can win and lose at the same time” (p. 377). In this system, power is given to a select few who make decisions that can redefine the state and its boundaries.

The decision on how to distribute goods is a key policy problem in the *polis*, as individuals define equality on individual terms (Stone, 2012). In higher education, PBF may be understood as a response to a “distributive problem” (Stone, 2012, p. 41) for policymakers. The paradox of a “distributive problem” (p. 41) is that “equality often means inequality, and equal treatment often means unequal treatment” (p. 41). For example, an equal distribution of state funds may not capture the specific needs of institutional types, students served, external sources of revenue, etc. In contrast, “equity” (p. 41) represents distributions that are considered “fair” (p. 41) and can include both equality and inequality within them. For example, an equitable distribution may provide more funds to specific institutions for consideration of institutions that serve areas with limited opportunities for higher education, serve students with specific support demands, or operate on limited historical and external funds, etc. Efficiency or “getting the most output for a given input” (p. 67) is another critical distributive problem. If state funds are limited, then policymakers may be especially likely to try to ensure that every distribution is not wasted. Policymakers’ approach to the problem, whether from an equality or equity-based framework, is likely based on their worldview (Stone, 2012).

While efficiency may seem reasonable on the surface, Stone (2012) challenged that it creates advantages and disadvantages in any distribution, as does any incentive-based policy. Incentive-based policy solutions that are designed to offer rewards or penalties make key assumptions that the targets of these policies can control their behavior and the policy is

consistent. Additionally, these policies assume the target is able to make a “unified calculation...and single course of action” (p. 273), concerned for the future cost or reward, and willing to change. In order for incentive-based policy solutions to work, policymakers must not build an understanding of control that oversimplifies cause and effect (Stone, 2012). Similarly, Hillman, Tandberg, and Sponsler (2015) argued that policymakers are often responding to competing demands and that public policy can have “ambiguous or imprecise” (p. 7) goals.

Given these competing demands, as well as the distributive policy problems, it was important to directly hear from policymakers how they view their competing demands and envision goals for public policy. Policymakers may also make a false assumption that equality and efficiency are incompatible, but rather that policymakers are making a political choice in how to define the problem and solution (Stone, 2012). With that understanding, an individual’s stance on distributive problems is more determined by a “general worldview” (Stone, 2012 p.57) than any specific details about any issue. Worldviews include “unspoken assumptions about individualism and community, freedom and moral obligation, and the nature of democracy” (p. 57). Though these worldviews may be “unspoken” (p. 57), policymaking was explored as a process, which happens within a larger political and economic system and at an individual level, wherein individuals identify societal problems and develop solutions, such as incentives, selected above other alternatives (Kingdon, 1984; Stone, 2012).

The integration of CPA with neoliberalism and equity-related theories also supported a critical lens for exploring how policymakers perceived PBF’s values and goals in distributing resources and how they approached their process for responding to challenges with PBF policies. A number of studies have demonstrated the strength of integrating the aforementioned theories. In particular, Letizia (2015) and Jones (2017) used critical discourse analysis and CPA,

respectively, to examine PBF along neoliberalist ideals as stated from policymakers and how racial and diversity equity metrics were addressed or not addressed in policies. Letizia (2015) offered that neoliberalism informs policy-related decisions based on improving the market and that they have no “conception of growth or change, only profit and efficiency” (p 58). Concerned but not surprised with Letizia’s (2015) findings, Jones (2017) borrowed from Bensimon, Dowd, and Witham’s (2016) five principles of equity by design to evaluate PBF policies’ inclusion of racial equity metrics. Bensimon et al. (2016) defined equity as the practice of “accounting for differences in individual attributes and experiences for the purposes of achieving equal outcomes” (p. 2). This study built upon this literature by considering if and how policymakers may account or not for such differences in their policymaking decisions. For example, it was useful to consider if policymakers demonstrated “equity mindedness,” i.e. if they articulated an approach which “raises consciousness of the need to consider equity in connection with historical and political understandings of stratification” (p. 3). Within a broader and individual-level understanding of the policymaking process (Kingdon, 1984; Stone, 2012), the CPA theoretical lens allowed a critical analysis for both reviewing the literature and understanding of PBF policies and policymakers’ views as they intersected with neoliberalism (Letizia 2015; Letizia 2016) and equity and equity-mindedness (Bensimon, et al. 2016; Jones, 2017) principles.

### **Significance of the Study**

In the last 10 years, states policymakers have responded to financial recessions and public accountability demands by developing and implementing PBF policies for higher education (Dougherty et al., 2016b; Kelchen, 2014). Perhaps unfortunately, empirical evidence has overwhelmingly failed to demonstrate that PBF is an effective accountability policy instrument for improving quality, such as improving student graduation rates and meeting career objectives,

of any institutional type (Dougherty et al., 2016b). Scholars are also exploring how PBF impacts different institutions differently. Unfortunately, PBF policies may distribute insufficient funds to HBCUs and MSIs; and in some cases, PBF may actually negatively impact their outcomes (Gándara & Rutherford, 2018; Hillman & Corral, 2018; Jones, 2017; Li, Gándara, & Assalone, 2018; Rabovsky, 2012). While policymakers may intend to equally or fairly distribute limited resources, it is important to take a critical perspective on PBF, including the policy design phase, in order to address these concerns. Through a case study with policy actors and policy documents, Gándara (2019a) explored Colorado's system approach to policy design and highlighted that institutions entered into the PBF policy process at stratified levels of influence. Gándara argued that institutions with "political power" (p. 5), such as research institutions and large access-based institutions, had more influence in this policymaking process. Even when PBF policies have been updated, Favero and Rutherford (2018) found that capacity disparities at institutions worsened. Additionally, some evidence has been found that institutions are actively reshaping their financial priorities to support their responses to PBF metrics, despite its inefficiency and problems (Kelchen & Stedrak, 2016).

With these findings, it was important to understand policymakers' approaches to PBF-related decisions, including their purported goals for PBF. If higher education leaders and stakeholders want to effectively address any inadequacies or injustices, then they should understand policymakers' approaches to their decisions. For example, Romano and Palmer (2016) argued that community college leaders' understandings of student outcomes are likely not compatible with policymakers' perceptions. Romano and Palmer (2016) furthered that policymakers should be cautious about how much funding is tied to PBF and take into account an effort to "do no harm" (p.113). If PBF is simply not as successful as policymakers may hope

in improving quality, it could be argued that it has merit for driving institutional financial behavior toward goals, as an example (Kelchen & Stedrak, 2016). Given recent unsuccessful and problematic findings (Hagood, 2019; Jones, 2017; Kelchen, 2019) coupled with the unlikelihood that PBF is going anywhere (Romano & Palmer, 2016), however, it was also important to understand policymakers' future vision for PBF, as state policymakers continue to adopt PBF and adjust their policies.

By taking a CPA theoretical lens (Young & Diem, 2017), this research critically explored policymakers' understandings of PBF's impact and in which direction they want to move PBF. While a final analysis was not presented as a binary absolute nor a continuum, it provided rich description of how policymakers are currently viewing PBF's goals as they related to a static free market that meets economic demands (Letizia, 2015) or one that may intentionally build an inclusive framework (Jones, 2017). This conversation was timely, especially given the opacity of PBF's effectiveness and associated equity problems and growing empirical research on PBF failings (Dougherty et al., 2016; Hagood, 2019; Jones, 2017; Kelchen, 2019). PBF may be just falling short of its intentions or, alternatively, those intentions may not be fully understood.

By critically analyzing and revealing policymakers' values and goals related to PBF and how they go about making decisions related to PBF policies, the findings from this study empower other policymakers to debate their viewpoints. Policymakers and institutional leaders may be interested in this research as they design PBF policies and metrics in their states, especially since higher education is susceptible to adopting policies of neighboring states (Mettler, 2014). They may also benefit from this research as they discuss and collaborate on other accountability-based policies. Furthermore, higher education stakeholders may be

interested in policymakers' views on PBF in order to develop strategies for discussing and improving any potential gaps in communications and goals.

### **Overview of Methodology**

Because this study sought to critically understand policymakers' viewpoints about the policymaking process as it relates to PBF policy, a qualitative design was appropriate (Young & Diem, 2017). A case study is an "intensive, holistic description and analysis of a single, bounded unit" (Merriam, 2009, p. 203). The case study included an analysis of policymaker interviews and policy-related document review (Stake, 1995). This design brought forward the voices of participants and included relevant documents that described the phenomenon of PBF policymaking. Individuals involved in state education policymaking processes were recruited to participate via e-mail, using publicly available information obtained from state-based websites. Participants in the study included legislators serving on educational policy committees, as well as other individuals serving on commissions with direct involvement in the promulgation of higher education policy. The participants' involvement in postsecondary-education policy was something they intentionally sought after or a seat they were appointed to by the governor or legislative leadership. Participants brought various backgrounds, including professional experiences, individual characteristics and political affiliations, along with their own worldviews (Stone, 2012).

Participants included in the final analysis were selected to build a rich sample, across state contexts, selection methods (e.g., appointed, elected), individual characteristics, and political affiliations. Interviews were semi-structured to allow flexibility for each participant to shape the discussion, though core concepts from the theoretical lens guided each interview (Merriam, 2009). Interviews were coded and analyzed in a two-step process, allowing for deductive coding

along the theoretical lens and inductive coding for emergent themes (Young & Diem, 2017). Additionally, policy-related documents, including PBF policies, were collected, coded, and analyzed. The final analysis integrated both inductive and deductive content analysis that was shaped by existing literature and the theoretical lens, as well as the participants themselves (Merriam, 1988, 2009; Stone, 2012; Young & Diem, 2017).

### **Delimitations**

The number of states that have adopted and are adopting PBF continues to grow (Dougherty, 2016). Because this study understood policymakers' approaches to policymaking and PBF, a cross-national study provided deeper insight into trends across state systems with different models and histories with PBF. In particular, this study included policymakers from five states that are shaping state-level educational policies on postsecondary education and that have been involved in discussions around new or reformed PBF policies in the last 7 years.

### **Key Terms**

The following key terms and definitions informed the exploration of the research questions and case:

- Equity: "accounting for differences in individual attributes and experiences for the purposes of achieving equal outcomes" (Bensimon, Dowd, & Witham, 2016, p. 2).
- Equity-mindedness: individuals who are "aware of the sociohistorical context of exclusionary practices and racism in higher education and the impact of power asymmetries on opportunities and outcomes, particularly for African Americans and Latinas/os" (Bensimon, Dowd, & Witham, 2016, p. 3).

- Feedback or policy feedback: information provided, whether formally or informally, to governmental officials about the “operation of existing programs” (Kingdon, 1984, p. 100), including consequences (both negative and positive and anticipated or unanticipated)
- Neoliberalism: “an ideology that developed in Europe and the USA in the middle of the twentieth century and which began to exert great influence on American policymakers and taxpayers by the late 1970s” (Letizia, 2016, p. 284) and “based on the idea of choice; individuals are believed to enter into the market and should be free to choose products which are provided to them by entrepreneurs” (Letizia, 2015, p. 30).
- Performance-based funding: a system for allocating funds to higher education institutions for achieving specific measures (i.e. course completion, degree completion, graduation completion, etc.)
- State policymakers: individuals directly involved in state policymaking through the legislature or state-sponsored commission on postsecondary education
- Policymaking: the process of certain individuals selected to develop and/or reformulate policies intended to solve problems within a democracy by exploring information, examining possible alternatives, balancing current external realities, and using their worldviews (Kingdon, 1984; Stone 2012).

### **Organization of the Dissertation**

This dissertation is organized into five chapters. Chapter One provides the context of the study by providing background information, problem statement, significance of the study, overview of the methodology, delimitations, and key terms. Chapter Two presents the literature review. The literature review is organized into four sections that narrow the scope of the study. These sections include state demands for policymakers and the policymaking process,

performance-based accountability, performance-based funding typologies, and institutional challenges of performance-based funding. Chapter Three outlines the methodology for this study, as well as the research paradigm and theoretical lens, data collection and analysis procedures, and limitations. This study utilized a qualitative case study design and the data collection included interviews and policy-related documents. Chapter Four presents the findings of this study. The findings are organized into four unique narratives that present direct quotations from policymakers. In Chapter Five, the findings are discussed and connected to the literature. The discussion also includes how these findings contribute to theory, future research, policymaking, and practice by higher education leaders and advocates.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter explores state-based accountability measures as policy instruments for funding and the policymaking that occurs to inform these measures. The chapter begins with a broad understanding of accountability and funding and continuously narrows as it relates to the dissertation topic on the policymakers behind performance-based funding policies. The chapter concludes with an existing gap in the literature. After researching Old Dominion University library databases, the literature on higher education policy and policymaking and performance-based funding (PBF) presented four themes. The following themes were identified and reviewed: (a) state-level policymaking and policymakers responses to higher education accountability demands; (b) performance-based funding as a policy instrument for accountability; (c) the performance-based funding typology; (c) the outcomes of performance-based funding policies; and (d) equity concerns for under-represented students.

#### **Performance-Based Funding in Higher Education**

##### **Policymaking**

In recent history, higher education has gained scrutiny from policymakers who think it is inefficient and inflexible for a global economy (Kelchen, 2018). The need to understand the state policymaking process is a growing concern for higher education scholars (Dunn, 2003; Dougherty, 1998; Hearn & Holdsworth, 2004; Kelchen, 2018; Miller & Morpew, 2017). Among these concerns, scholars have questioned how far policy can reach in impacting individual institutional behavior. By the late 1980s, state policymakers had crafted “highly centralized” forms of campus governance (McLendon, Deaton, & Hearn, 2007, p. 647). Dunn (2003) argued that state officials adopting accountability policies have clearly demonstrated a desire for more

“direct and explicit controls” (p. 70) over higher education institutions. State policymakers have established accountability measures, especially for public institutions, with policies that set specific measures, such as centralizing governance control, and policies intended to influence behavior, such as performance-based funding (Kelchen, 2018).

Higher education has entered an era of accountability (Jones, 2016; Kelchen, 2018; Rabovsky, 2012). State policymakers introducing policy aimed at increasing higher education performance is the policy response to economic and social factors, as financial recessions, including the late 1970s crisis to the mid 2000s economic downfall, drove taxpayers to elect officials concerned about expenditures and productivity (Alexander, 2000; Dunn, 2003; Dougherty et al., 2016; Letizia, 2015). The shift has even resulted in federal advocacy associations exploring the effectiveness of state-level accountability policies and practices on the institutional outcomes they are designed to impact (Kelchen, 2018).

Performance-based funding (PBF) policies, an accountability-based policy, tie at least some institutional funding to specific performance metrics, such as enrollment and persistence rates (Rabovsky, 2014). On the policymaking process, Dunn (2003) argued that democratic governance combines internal and external controls of elected and appointed officials. On those controls, McLendon, Deanton, and Hearn (2007) defined the state policy innovation and diffusion framework as holding that “states adopt the policies they do in part because of their internal demographic, economic, and political features and, in part, because of their ability to influence one another's behavior” (p. 651). In their study of 1985-2000 data on state legislative enactment of governance changes in higher education, higher education was highly sensitive to legislative cycles and shifting landscapes. McLendon et al. (2007) argued that governance changes are more political than socioeconomic, structural, or emulative, meaning that

governance reform will persist. McLendon et al. claimed, “clearly, demography and economics matter in determining some state policy outcomes for higher education, but the oft-neglected sphere of politics clearly also matters because political institutions help structure social choices” (p. 667). These findings revealed that policymakers’ personal and cultural experiences, as well as the context for when and where they served, were important factors to understanding how higher education policy was shaped. Furthermore, higher education stakeholders need to be prepared for change.

Therefore, policymakers do not exist within a vacuum (Dougherty, 1998; Letizia, 2015). For example, Dougherty (1998) found that policymakers supporting technical education in community colleges were heavily driven by internal and external groups’ attention to the economy and needs expressed by communities. On the policymaking process, Dougherty argued that scholars should not view government officials as passively making policy as a response to external pressures from stakeholders, including taxpayers. Rather, scholars found that policymakers are “often acting in the absence of significant interest-group demand, operating on the basis of values and interests that were their own but were also constrained by a democratic polity and a capitalist economy” (p. 422). Given Dougherty’s (1998) findings, it is not surprising to question the neoliberalism movement’s impact on higher education policy, specifically performance-based funding (Letizia, 2015).

States policymakers’ increasing accountability measures as a method for determining funding levels for higher education institutions have unsurprisingly intensified tensions between policymakers and higher education leaders (Alexander, 2000; Doyle & Zumeta, 2014; Dunn, 2003). Critics could therefore argue that higher education policies should be examined in a variety of contexts as a process that includes policymakers who are influenced by diverse factors

and set policies that have direct and indirect impacts that are both intended and unintended. Additionally, this process also creates a tension, especially as the relationship between the state and higher education institutions have changed over time (Jones, 2015). For example, community colleges are especially challenged by capacity issues (Smith, 2016). Community colleges have a growing number of students enrolled, limited institutional capacities, and a lack of private funds on top of overall state disinvestment in funding (Bers & Head, 2014; Doyle & Zumeta, 2014; Romano & Palmer, 2014). While all institutions are challenged by recessions, Dowd and Shieh (2014) claimed that the very “character” (p. 53) of community college has been changed by the Great Recession of 2007 and its subsequent state disinvestment.

Policymakers may need to consider designing PBF responsive metrics for input factors and addressing data capacity at the institutional level (Jones, 2014). Mettler (2014) claimed higher education is particularly susceptible to political polarization and impacts of a wide variety of policies that she referred to as “policyscape” (p. 14) and policy drift. Higher education stakeholders should be concerned if policymakers are not considering the structure of institutions in which their policies will enter. Higher education exists in a system that perpetuates societal privilege and inequality and worsens institutional elitism, reflecting the social capital and family background stratifications within their own societies (Marginson, 2016a; Marginson, 2018; Mettler, 2014; Schudde & Goldrick-Rab, 2016; Trow, 2010). Community colleges must also contend with their countercyclical relationship with a declining economy and high unemployment rates that fill their campuses with students, while state tax revenues decline (Romano & Palmer, 2014). Because of policies, rules, and procedures, community colleges often have limited freedom and flexibility to make decisions in their own interest (Bers & Head, 2014). Therefore, it is not surprising that PBF policies can be even favored by elite research

institutions while broad-based institutions, such as community colleges, need “serious and consistent incentives” if they are meant to substantially increase their outputs (Zumeta et al., 2012, p. 108).

Critics of PBF can argue that community colleges are disadvantaged in the policymaking process, given their limited resources and influence in responding to and shaping accountability measures. Some states policymakers have had success in developing merit-based aid that when given directly to students positively and significantly impacted student outcomes, such as enrollment and persistence (Chen & St. John, 2012). However, PBF, given at the institutional level, has actually demonstrated a negative impact on graduation rates over time (Rutherford & Rabovsky, 2014).

### **Evolution of Performance-Based Funding**

In 1979, Tennessee became the first state to implement a performance-based funding (PBF) policy for higher education. In higher education literature, PBF funding policies are divided into two eras or waves, 1.0 and 2.0, that are currently evolving toward a third wave or 3.0. The first wave, PBF 1.0, is based on Tennessee’s 1979 policy. PBF 1.0 policies were driven primarily by higher education leaders and legislators, typically Republican, as a means to secure more funding despite growing concerns about higher education’s cost to taxpayers and reward some institutions above the base state funding for enrollment (Dougherty et al., 2014). PBF 1.0 provided additional funds to well-performing Tennessee institutions on top of their standard base appropriations. Budget constraints and increasing tuition rates were factors to PBF origins in many states and their neighboring states. Political factors, including the increase of Republicans in state legislatures with neoliberalist views, helped establish PBF 1.0 (Dougherty et al., 2015).

Tennessee remained a PBF 1.0 until 2010, though its metrics and weights slowly evolved over time (Dougherty & Natow, 2015).

By 2003, PBF appeared in 21 states (Kelchen, 2018). The second wave of PBF, PBF 2.0, are policies that typically emerged as a direct policy response to the Great Recession (Dougherty et al., 2014). With a history of policy focusing on access in higher education, the Great Recession of the early to mid-2000s shifted the focus of policymakers on “buying degrees instead of enrollments” (Doyle & Zumeta, 2014, p. 95). PBF 2.0 moved performance funding from a financial bonus to embedded, regular state base funding model (Dougherty & Reddy, 2013). In PBF 2.0 models, policies were designed with more emphasis on producing student outcomes, such as persistence and graduation (Dougherty et al., 2016a; Kelchen, 2018). In this phase, state governors, the Republican party, and outside actors, including philanthropic and policy organizations, also typically took a greater role in influencing policy adoption (Dougherty et al., 2016a). Letizia (2014) claimed PBF 2.0 grew out of neoliberalism and neoconservatism views and that 2.0 policies were adopted specifically to hold higher education accountable to the state economic and global economy.

By 2011, higher education entered a third wave of PBF or 3.0 policies, more commonly referred to as outcomes-based funding (OBF), driven largely by the Gates and Lumina Foundations (Jones, 2013). The shift from using the word outcome in place of the word performance emphasized the increased pressure for institutions to produce the ultimate outcome: graduates (Jones, 2013). Kelchen (2018) found that 34 states had PBF for at least some sectors within their states by 2015 in these new outcome-focused policy designs that tied metrics to base funding. The “theory of action” (Kelchen, 2018, p. 86) of OBF is that it will encourage colleges to emphasize campus policy and practice on completion. For open-access community colleges,

the shift to outputs is a particular challenge, as one of the key elements for achieving success in PBF models is control over the input of students (Romano & Palmer, 2014). For example, even when PBF policies offer bonuses to community colleges for serving historically underrepresented students, PBF has done little to increase the enrollment of these students (Kelchen, 2019). In fact, PBF 3.0 led to institutional changes that were specifically brought on by increasing external pressures, including Obama's attention to graduation rates (Dowd & Shieh, 2014). These changes are only going to be understood, in part, over time. For example, 2.0 policies, when compared to 1.0 policies, appeared to have "less positive or even negative effects on traditionally low-performing institutions, as compared to their higher performing counterparts" (Favero & Rutherford, 2018, p. 20). Therefore, critics may ask policymakers to consider distributional effects of performance funding, i.e. its own outcomes, on varying institutional types and the students they serve, if policymakers want to create opportunities for all institutional types to have equitable participation in the policymaking process (Favero & Rutherford, 2018).

### **PBF Outcomes and Consequences**

The outcomes and consequences of PBF has had broader impacts on higher education and specific results at institutional types and institutions. State policymakers use funding as a policy instrument to incentivize college leaders with the expressed goal of improving institutions' outcomes (Dougherty et al., 2016; Hillman, Hicklin Fryar & Crespín-Trujillo, 2017). Like any policy, PBF has impacted higher education in ways that may be intended or unintended (Doyle & Zumeta, 2014; Jones, 2016; McKinney & Hagedorn, 2017; Umbricht, Fernandez, & Ortagus, 2017). For example, Dougherty and Reddy (2011) found that institutions are reshaping their planning efforts and campus strategies in order to achieve the goals and metrics outlined in PBF

policies. However, PBF, overall, has had little to no impact on actually improving student outcomes (Dougherty et al., 2016; Hillman, Tanberg & Gross, 2014; Rabovsky, 2012; Rutherford & Rabovsky, 2014).

If PBF is intended to improve outcomes, then harmful results should especially concern higher education stakeholders. In a nation-wide study looking at data from 1993 to 2010, Rutherford and Rabovsky (2014) considered PBF impacts on student outcomes in public, four-year institutions. PBF 1.0 policies actually had some slight negative impacts on student retention. Furthermore, PBF funding policies did not significantly impact graduation rates, though PBF 2.0 policies showed some promise on student performance. While institutional characteristics, student profiles, and state environments were related to student outcomes, the adoption of PBF did little to change an institution's student outcomes. Rutherford and Rabvosky (2014) argued that the one-size-fits all PBF adoption may be insufficient to create meaningful impacts on performance across institutions even within one state system. This sentiment is also felt by those experiencing PBF on campuses. In a qualitative inquiry, higher educational faculty and staff expressed similar concerns about a one-size-fits-all PBF, expressing concern over a zero-sum game for state funding of institutions (Wayt & LaCost, 2017). Additionally, PBF may actually lower academic standards (Dougherty, 2013; Dougherty et al., 2016; Doyle & Zumeta, 2014). The impact PBF has on an institutional type should alarm stakeholders.

PBF policies may demonstrate higher education institutions' challenge in responding to state policy and accountability measures. In a survey of college presidents and state-level data, Rabovsky (2014) argued that performance-based funding policies are largely driven by political ideologies, such as neoliberalism, and that scholars should be skeptical of assumptions that these policies, even when crafted under bipartisan efforts, are meant to improve higher education. Like

Letizia (2015), Rabovsky (2014) contended that PBF is aimed at moving toward privatization and reducing spending. These findings are alarming when considering Kelchen's (2018) findings on PBF funds. Even when the amount of funding tied to performance goals only represents a small percentage of appropriations overall, the incentives for bonuses still may influence institutional behavior in significant and immeasurable ways (Kelchen, 2018). As a state policy, PBF requires higher education leaders to influence their faculty and staffs' behaviors toward performance goals, sometimes even negotiating their institutional missions and financial priorities (Kelchen, 2018; Kelchen & Stedrak, 2016). Though Rabovsky (2012) found little impact on state appropriations and institutional priorities, state budgets were developed to provide more appropriations to their research institutions than their peers. These findings suggested that PBF may reinforce institutional privileges (Marginson, 2016a; Schudde & Goldrick-Rab, 2016; Trow, 2010) through the policymaking process.

When policy is set to influence funding on an institutional level, the policy's influence may be more readily understood, even if indirectly, for actions taken by leaders (Dunn, 2003; Rabovsky, 2012). For instance, PBF has shifted the priorities of institutional behavior to meeting specific outcomes, which call for instructional practices to align (Kelchen, 2018). Policy has direct and indirect impacts on institutions that concern higher education scholars. The policy impacts of state divestment in higher education can also be felt at the individual level, as the financial burden of higher education is increasingly shifting to individuals and their families (Lacy & Tandberg, 2014). Some studies have argued that policy may indirectly impact the classroom, even if they cannot directly influence instructional practices and faculty (Hearn & Holdsworth, 2004). Additionally, Dunn (2003) claimed that accountability measures shift the responsibility of higher education faculty and administrators to "define their responsibilities

differently and more in keeping with the preferences of these elected officials” (Dunn 2003 p. 72). For example, Rabovsky (2012) suggested that PBF policies could affect administrative behavior if “policymakers are able to connect more meaningful incentives to various metrics of performance” (p. 697). Perhaps even more alarming, Kelchen (2018) pointed out that state policies can influence institutional behaviors that cannot be easily tracked.

PBF may shift state funds from needs-based to merit-based, creating more opportunities for middle class students in place of underrepresented or marginalized students (Umbricht, Fernandez, & Ortagus, 2017). Additionally, PBF may increase selectivity and incentivize targeting specific groups who may be perceived as more likely to have positive outcomes (Umbricht, Fernandez, & Ortagus, 2017). States with PBF tended to give more state appropriations to research and highly selective institutions compared to their peers and the more institutions enroll undergraduates, the less they spend on research (Rabovsky, 2012). PBF 1.0 had limited impact on improving outcomes for community colleges (Romano & Palmer, 2014). In North Carolina, PBF disadvantaged the state’s underserved rural community colleges (Thornton & Friedel, 2016). On these campuses, faculty and staff cited limited institutional capacity and the need to ensure nearly every student is successful because of small cohort sizes.

With Dougherty et al.’s (2016) findings about limited improvements, PBF may not be effective in building and ensuring the sustainable changes policymakers desire for higher education, which supported earlier literature. At public universities, state appropriations served to strengthen a connection to student outcomes or served as a more “symbolic” (Rabovsky, 2012, p. 679) purpose, as well as how accountability measures may have influenced resources allocated at the institutional level. This study considered enrollment inputs, including variables for underrepresented minorities, and outcomes, such as retention and graduation rates, and analyzed

the relationship between each variable (i.e. inputs and outcomes) as it related to state appropriations. Overall, PBF had little impact, as relationships proved weak between performance and institutional funding. PBF did, however, have a minimal impact on institutional priorities. Rabovsky (2012) claimed that institutions already have an incentive to improve outcomes and PBF policies have done little to strengthen the existing incentives for performance. With these findings, it is interesting to put into context how Tennessee has viewed PBF over time. For example, researchers surveyed PBF-affiliated administrators in Tennessee as PBF adoption entered its third five-year plan (Banta et al., 1996). The study explored program longevity factors, strengths and weaknesses, and stakeholders' thoughts on specific performance indicators that could improve performance. Individuals directly involved with PBF policy and practices on campus cited some positive influences on outcomes, but, overall, they had "lukewarm" (p. 40) responses to PBF's accountability measures, which had grown more complex over time. Therefore, institutions aimed to have more control over goals and assessment that aligned with state interest (Banta et al., 1996). PBF can provide a prime example of the tension between state policymakers and higher education that centers the feeling of control on campus and ultimately impacts campus practices and policies, even though PBF is largely considered unsuccessful in improving outcomes by its critics.

As a policy, PBF is also failing to demonstrate that it is supporting institutions' capacity to improve. Institutions, both community colleges and public four-year institutions, have responded to PBF policies by changing institutional policies and procedures, but it has done little to build their capacities (Dougherty et al., 2016b). Their efforts tended to focus on reforming developmental education and improving advising and counseling services. PBF policies failed to significantly impact student outcomes, though some delayed impacts on graduation rates at the

public universities and short-term certificates and associate degrees at community colleges. The obstacles to success were identified as college readiness of incoming students (particularly at open access institutions), poorly matched metrics with institutional missions and student bodies, and institutional capacity. Dougherty et al. (2016b) argued that policymakers need to a) develop policy instruments to address the differences between community colleges and public four-year institutions, as well as low capacity versus high capacity institutions; b) consider the intended and unintended consequences of PBF, such as missions, student demographics, specific and missing indicators, institutional capacity; and c) develop methods for ongoing consultations with institutions.

Even as PBF has evolved over time, PBF's outcomes do not seem to improve. Dougherty et al. (2016) provided a significant and expansive mixed-methods study on PBF 2.0 in Indiana, Ohio, and Tennessee. This study highlighted the need to better understand state-by-state differences and the likely larger impacts of PBF 2.0 policies. In addition to 2011 IPEDS data, the study included 261 interviews, including state officials, and documentary sources to capture the experiences at nine public universities and nine community colleges, which were categorized by capacity-level on institutional factors, such as resources and at-risk students. Tennessee had a slight impact, but overall PBF 2.0 had little impact on institutional funding in its early adoption years and did little to influence institutional capacity. The responses in interviews reflected that, as Dougherty et al. (2016) reasoned, was in part because the funding at stake was minimal and phased-in. However, PBF 2.0 did have some impacts on campus, such as changes to developmental education, course articulation, advising and counseling services, tutoring and supplemental instruction, and orientation and first-year programs (Dougherty et al., 2016).

PBF 2.0 in all three states was correlated with increased graduation numbers at both universities and community colleges more significantly than the institutions' enrollment numbers (Dougherty et al., 2016). Dougherty et al. (2016) cautioned, however, that their methods only controlled for enrollment changes. PBF had no significant impacts on student outcomes. Furthermore, higher education professionals, particularly at the community college, were concerned about unintentional impacts on selectivity and interviewees, particularly at universities. On key research concerns, Dougherty et al. (2016) argued that state policies are failing to respond to the need for developing institutional capacity, college personnel report a lack of institutional capacity as the reason for their inability to respond to PBF, and capacity hinders performance and drives institutions toward unintended impacts.

In a study on community colleges, PBF had impacts on outcomes, specifically certificates and degrees awarded, from 1990 to 2013 in all PBF states, excluding Tennessee (Li & Kennedy, 2018). Using a differences-in-differences strategy to remove time trends and state differences, they compared institutions both pre and post policy adoption and identified a comparison group. PBF policies, overall, had no statistically significant impacts on certificate and degree completion outcomes, and a slight decrease in degrees during second- and fourth-years post-adoption. The number of certificates awarded did show a slight increase; however, it was a statistically significant level. Li and Kennedy's (2018) findings became even more nuanced once they considered PBF typology. For example, policies that awarded more base-funding toward outcomes, differentiated between missions and student populations, and existed for longer periods of time were more likely to increase certificates, especially in the first five years of policy adoption.

Li and Kennedy (2018) rightfully point out that institutions may be shifting their attention to certificates in order to satisfy completion expectations. This is a good example of institutional changes that may not be clearly understood or not readily tracked (Kelchen, 2018). These findings highlight that policy adoption may have an impact at the program level, which supports Dougherty and Reddy's (2011) findings on reshaping of institutional goals. For example, in a review of 35 states, increased certificates appeared only in Tennessee community colleges (Hicklin Fryar & Crespín-Trujillo, 2017). Critics may argue that findings are hardly evidence of a successful policy, given that certificates offer only little value to economic growth to the state and a global economy (Hicklin Fryar & Crespín-Trujillo, 2017; Letizia, 2014; Li & Kennedy, 2018).

Given the overview of policymaking and policymakers' approaches to accountability and funding for higher education, it was important to understand the contexts for which PBF enters the landscape of higher education policy and how it may shape its future. In response to states' PBF policies, higher education scholars often stress directly speaking to policymakers about policy impact and influence, as well as who should be involved in the policymaking process (Jones, 2013, 2015; Li & Kennedy, 2018; McLendon et al., 2007). On PBF's overall economic impact, Li and Kennedy (2018) argued that policymakers should not look to mirror Ohio's and Tennessee's PBF models, though they have limited successes, because certificates have little economic returns. Li and Kennedy (2018) argued that state policymakers continuing to adopt PBF despite the evidence of being ineffective and having negative consequences should be "raising additional questions about the ultimate value and long-term consequences of the policy" (p. 27).

Policy consequences, even if unintended, may be best understood from those directly impacted. For example, Jones (2014) argued that policymakers should engage Historically Black Colleges and Universities' (HBCU) campus leaders and experts in the policy design process and “take steps to guard against creating unintended perverse effects” from PBF “based on what is learned about the intended and unintended consequences” (p. 1034). The tension between higher education stakeholders and state policymakers is certainly felt on HBCU campuses, as campus community members expressed a “historical narrative of racial oppression from the state” (Jones, 2015, p. 1033).

### **Underrepresented Students**

Institutions that primarily serve students of color have distinctive experiences with state policy (Hillman & Corral, 2018; Jones, 2016; Sav, 2000). Community colleges, HBCUs, and MSIs may need specific support to improve institutional capacity if they must address PBF metrics (Bailey, Jaggars, & Jenkins, 2015; Hillman & Corral, 2018; Jones, 2016; Li et al., 2018; Minor, 2008; Schudde & Goldrick-Rab, 2016). For example, community colleges are less-resourced than public four-year universities and though they have successfully enrolled historically underrepresented students, they report lower overall graduation rates (Bailey, Jaggars, & Jenkins, 2015; Schudde & Goldrick-Rab, 2016). McKinney and Hagedorn (2017) argued that PBF disadvantaged Texas community colleges because of their average student enrollments and that PBF was counterintuitive on Pell Grants and developmental education. McKinney and Hagedorn contended that many lower socioeconomic students who enter at the community college do not apply for Pell Grants because they are first generation students or lack a citizenship status. Additionally, students in lower level math secured more weight in PBF metrics than those in developmental math. Therefore, the high number of students who enter the

community college at the developmental level did not reward the institution. In sum, critics argued that PBF undermined an access-based mission by not rewarding institutions for enrolling students they were built to serve. This should raise concerns for policymakers about the target for accountability as evidenced by PBF policies and impacts.

PBF may also compromise institutional missions that support underrepresented students (Dougherty, 2013; Dougherty et al., 2016; Doyle & Zumeta, 2014). This is especially true for community colleges, HBCUs, and MSIs (Hillman & Corral, 2018; Jones, 2016; McKinney & Hagedorn, 2017; Montgomery & Montgomery, 2012). In support of Dougherty et al.'s (2016) findings, Jones (2016) found that college personnel are concerned about institutional capacity for achieving PBF's expectations in the HBCU context at a single institution. Jones stated, "participants felt that their limited resources were a direct result of institutional racism on the part of the state system of higher education and the larger society" (p. 1024). The PBF policy design, in this case, provided specific flexibility to target minority students, meaning it was flexible enough to operationalize white students as the minority student in the HBCU-context. The participants felt that the policy forced their focus away from their primary mission of serving Black students and this shift was yet another oppressive move from the state. Hillman and Corral (2018) shared a similar fear that MSIs will be forced to move away from their institutional missions based on state funding and divestment after PBF adoption. While Dougherty et al. (2016) found little attention to institutional capacity in the research, Jones (2016) argued that a low-resource HBCU institution had no choice but to focus on bolstering institutional capacity. Jones (2016) contributed this bolstering as the HBCU's overwhelming desire to maintain its mission, despite the state pressure to focus on underrepresented students in their context. Given that states budgets show a history of underfunding HBCUs (Minor, 2008;

Sav, 2000; Sav, 2010) and PBF funds have been shown to be stratified by institutional type (Rabovsky, 2012), it is understandable that HBCU faculty and staff would express concerns that PBF creates a political tension to abandon their mission and therefore perpetuates systemic racism. Given findings in the literature, their concerns are certainly not unwarranted.

PBF has already shown that it will undercut HBCUs and MSIs (Gándara & Rutherford, 2018; Hillman & Corral, 2018; Li, Gándara, & Assalone, 2018; Rabovsky, 2012). Hillman and Corral (2018) found that MSIs in PBF states have statistically significant lower funding per full-time equivalent student. Li, Gándara, and Assalone (2018) had contrasting results in two-year MSIs which had no statistically significant differences compared to non-MSIs in Washington and Texas. These contrasting findings point more toward state-level contexts, though the concerns for HBCUs and MSIs overall is not unwarranted. Furthermore, PBF has had a negative impact on Black student enrollment with the strongest negative effect on models with minority and low-income premiums (Gándara & Rutherford, 2018). Rabovsky (2012) also found an alarming reality for institutions enrolling underrepresented students. For every 1% increase of Black students, institutions' state appropriation was associated with \$98,000-\$132,000 less funding. For Hispanic students, the state support decrease was \$583,000-\$721,000 for every 1% increased enrollment. In Ohio and Tennessee, Jones (2017) found that PBF resulted in institutions competing to increase their student-of-color acceptance rates, which compromised funding at HBCUs in place of state institutions. Similar to Sav's (2000) findings on underfunding, PBF policies with premiums for at-risk students do not raise the capacity for HBCUs to adequately serve the students they are already serving (Jones, 2017). Similarly, McKinney and Hagedorn (2017) acknowledged low funds for at-risk students but still contended that policymakers should include metrics for progressing at-risk students.

The overall underperformance of PBF, especially at community colleges, HBCUs, and MSIs, provides a daunting projection for higher education as it aims to improve social mobility of underrepresented student populations (Kelchen, 2018). After all, these institutions provide the majority of higher education opportunities to underrepresented students (Schudde & Goldrick-Rab, 2016). Policymakers trying to address these challenges do have access to empirical evidence, as, for example, scholars have a history of sharing how funding policies can be responsive to HBCUs' specific needs (Jones, 2016; Minor, 2008; Sav, 2000, 2010). Disappointingly, only a limited number of state policies are properly addressing racial equity and diversity in their policies (Jones, 2017). In fact, Jones (2017) recommended that "institutional effort or the ability of institutions to effectively serve students with their available research" and "campus climate" (p. 147) should be considered in accountability. Jones (2017) argued that policies could encourage "racial equity through the inclusion of equity-related metrics" (p. 157), including explicitly including race and not simply socioeconomic status. Additionally, Rutherford and Rabovsky (2014) claimed that we still need to "understand much more about the underlying casual mechanisms that explain policy failure before we can make conclusive statements about the efficacy of performance funding writ large" (p. 204). The realities of PBF as experienced on different institutional types may or may not be at the forefront of policymakers' decisions.

For higher education stakeholders, scholars hope for better communication and use of evidence in policymaking (Gándara, 2019; Hillman, Tandberg & Sponslor, 2015; Jones, 2017). Scholars need to demystify any held assumptions that administrators can simply implement strategic changes to improve institutional performance and that administrators intentionally mismanage institutions in a way that can be fixed with providing them goals and incentives

(Rutherford & Rabovsky, 2014). Institutions are clearly working toward PBF goals. The gap between policy reality and goal may mean that the policy instrument is simply not working or that the reality is not understood. With these concerns of harm, the role and motivations of policymakers, as well as those involved in the development of PBF, should be better understood, in addition to the data-driven understanding of PBF's failings. Because PBF occurs at the state-level, it was important to understand the specific influences on state policymakers, their processes for making decisions, their goals for funding-based accountability metrics, and their views on any barriers for institutional success in meeting those goals.

### **Theoretical Lens**

Critical analysis of public policy has examined socially constructed power, which is gained and exercised in a process of competing discourses (Fischer, 2003). Critical Policy Analysis (CPA) provided a nuanced approach to understanding policy and the policymaking process (Taylor, 1997). Taylor (1997)'s CPA model is based on a growing emphasis on discourse theory, feminist theory, and situates policy text as the result from the process of policymaking. Policy texts arise from an "arena of struggle" (p. 26) of making meaning in political struggles and evolve as socially constructed meaning evolves. CPA was useful in revealing "how policies come to be framed in certain ways—reflecting how economic, social, political and cultural contexts shape both the content and language of policy documents" (p. 28) within an historical context.

CPA was useful for investigating policy discourse to explore any difference between "policy rhetoric and practiced reality" (Diem et al., p. 1065). Along with the distributive policy problem and incentive-based policy solution (Stone, 2012), CPA allowed a critical examination of the roles for power and resources in the policymaking process (Young & Diem, 2017; Diem, Young, Welton, Mansfield, & Lee, 2014; Taylor, 1997). CPA is also commonly used to

interrogate the policy process and “epistemological roots of policy work” (p. 1075). The interrogation should therefore include a consideration for the various policy streams that impacted the process and policy (Kingdon, 1984). CPA scholars have several key concerns (Diem et al., 2014):

1. Attention to the difference between “policy rhetoric” and “practiced reality” (p. 1072).
2. The policy itself, including history and development.
3. Recognition of power distribution, including knowledge and resources.
4. Understanding of broader effect of policy on social stratification, i.e. inequality and privilege.
5. Interest in non-dominant groups “who resist processes of domination and oppression” (p. 1072).

Furthermore, CPA is typically qualitative and allows for an analysis of the people involved in the process, as well as how power and voice exist within the process. CPA also presented the opportunity to highlight voices who are under-represented in the policy process (Diem et al., 2014). CPA also revealed trends in perspectives, particularly as they related to equity and inclusion (Bensimon et al., 2016; Jones, 2017) and neoliberalism (Letizia, 2015), and highlighted differences in policymakers’ identities.

### **Gap in Literature**

With the important empirical, quantitative studies on PBF and its consequences, scholars have highlighted the need to reconsider what is reflected in policymakers’ decision-making processes, what information they readily have, and what they envision for future financial accountability policies. This was especially important given that state policymakers are crafting one-size-fits all PBF policies that may harm institutions specifically designed to serve unique

student populations, even when the policies do consider their unique missions (Jones, 2016; McKinney & Hagedorn, 2017). Unfortunately, scholars have found a disconnect between policymakers, policymaking, and research (Hillman et al. 2015). Hillman et al. (2015) argued that the burden is on scholars to put their work in policy frameworks and make content that is relevant, responsive, and resonates with policymakers. On PBF, only a few studies have included interviewing policymakers and reviewing document data on PBF policymaking processes (Dougherty, 1988; Gándara, Rippner & Ness, 2017; Gándara, 2019a; Gándara, 2019b; Miller & Morphew, 2017). Similar to Dougherty's (1988) study, policymakers were heavily influenced by external agents who intended to shape or redesign higher education (Gándara et al., 2017; Miller & Morphew, 2017).

In addition to calling for more understanding of state characteristics and governance, Gándara et al. (2017) argued that more research is needed on how “policies diffuse during the agenda-setting, policy formulation, and policy implementation phases” (p. 721). In a comparative case study, researchers interviewed 56 participants involved in policymaking, observed meetings, and analyzed documents on how PBF policy diffusion appeared in Georgia, Tennessee, and Texas (Gándara et al., 2017). Intermediaries, specifically Complete College America, influenced policymakers and provided incentives and shame with “carrots” and “sticks” (Gándara et al., 2017, p. 714) to motivate institutions. In their observations, intermediaries went as far as publicly denouncing scholarly work. Likewise, Miller and Morphew (2017) reviewed agenda-setting organizations' PBF efforts in Florida, Massachusetts, and Montana by comparing and analyzing policymakers' public statements and publicly available documents made by PBF organizations, such as the Bill and Melinda Gates Foundation and Lumina Foundation. These agencies “engage in political tactics that set the terms of policy

debate, certify actors and information, and discredit the work of others who produce different findings” (Miller & Morphey, 2017, p. 777). Organizations are encouraging PBF by claiming that it is a response to accountability and limited state budgets, as well as painting it as “progressive thinking and innovation” (p. 777). In contrast to Hillman et al.’s (2015) suggestions, policymakers may not be influenced by “distilling research into easily digestible bullet points,” which “may not improve the research-to-practice pipeline” (Miller & Morphey, 2017, p. 778). As those involved in educational policy diversify (White, 2017), it is increasingly important to consider the individuals behind the policymaking process. For example, Jones (2017) argued that the “individuals who sit at the table during policy design” (p. 28) are critical to righting the historical injustices of underfunding HBCUs and to bringing equity to POBF policy designs that consider HBCUs and non-White students.

### **Summary**

This research study unpacked how policymakers approached the decision-making process for PBF. This research study also aimed to highlight any nuances to the influences on policymakers’ decisions, their goals, and perceptions on the challenges of PBF. The momentum of PBF adoption should alarm higher education leaders and stakeholders. This study explored the nuances of PBF’s policy and policymaking as expressed by those who currently have the authority. By looking across five states, this study showed narrative trends in approaches and ideologies, as well as important counternarratives. Along with existing quantitative data, the findings from this research should prepare higher education stakeholders and advocates for a meaningful dialogue of PBF with policymakers. These findings should also help policymakers understand the views of their colleagues that may or may not be expressed in the policymaking process.

## **CHAPTER THREE**

### **METHODOLOGY**

This qualitative case study used Critical Policy Analysis to critically examine PBF and the policymaking process in higher education. The research study was part of a broader research effort to better understand how state education policymakers come to their education policy decisions. The cross-national research study explored how policies impact historically marginalized populations and their access to equitable educational opportunities at the K-12 and postsecondary levels.

This concentrated research study explored policymakers' perspectives on decisions regarding PBF policies for postsecondary institutions. This study also explored their views of the goals of PBF, and any barriers they perceive as impediments to achieving those goals. This chapter outlines the research perspective and design, participants and sampling methods, data collection and analysis. This chapter also includes the steps taken to ensure reliability and credibility.

#### **Research Paradigm**

The researcher embraced Critical Theory as a research paradigm. Critical Theory recognizes and challenges that dominance permeates social structures, such as class, labor divisions, and science, and that power is reflected in social constructs, such as language, history, and knowledge (Kant, 1790; Horkheimer, 1968; Marx, 1846). In this paradigm, truth is in flux and controlled by those in power, as it “connected with the constellations of reality” (Horkheimer, 1968, p. 237). I, therefore, acknowledged personal subjectivity in order to better situate how policymakers' truths and realities are understood and analyzed in this study. Critical

Theorists should “reduce the tension between his own insight and oppressed humanity in whose service he thinks” (Horkheimer, 1968, p. 222).

As a Critical Theorist, the examination of legislative issues should, therefore, be both critical and understand that the “universal and the particular” as “ineradicable other than by repressive means” (Bonner, 2002, p. 292). Critical Theory, by its own nature, is both “oppositional” and a “struggle for social change and the unification of theory and practice” (Kellner, 1990, p.22). Within a Critical Theory research paradigm, this study used Critical Policy Analysis and a qualitative design to provide a detailed description of the phenomenon and its processes within its existing context (Diem, Young, Welton, Mansfield, & Lee, 2014; Merriam, 1988; Taylor, 1997; Young & Diem, 2017).

### **Methodology**

A qualitative design allowed the participants to share their own views on performance-based funding policies and their lived experiences with PBF as a policy as well as the policymaking process itself. With Kingdon (1984) and Stone (2012) policymaking theories and CPA to frame this study, the description critiqued the phenomenon after a systematic evaluation of both policy and the process of policymaking (Young & Diem, 2017; Diem et al., 2014; Taylor, 1997). I considered the individuals behind the policy, including neoliberalism (Letizia, 2015) and equity-based concerns (Jones, 2017), and their personal views to build on existing PBF-related literature. Dougherty (1998) rejected passive influence of external bodies, such as the Bill and Melinda Gates Foundation, and highlighted the role of “relatively autonomous government officials” (p. 421) in policymaking. In a recent study on educational policymaking, Miller and Morphew’s (2017) found policymakers often restate foundation-driven document language in their public speeches. With these findings, it was important to take a critical

perspective on how policymakers described their worlds and how policy itself reflected those views or not. Given the aim of understanding policymakers' approaches to PBF-related decisions, a case study design was most appropriate.

Case studies are a useful design when studying a specific policy and processes (Merriam, 1998). Case study has been useful to study PBF-related research because policy includes processes involving people and documentation (Dougherty et al., 2016; Hillman et al., 2014; Wayt & LaCost, 2016). As Taylor (1997) laid out, the policy discourse and text are interlocked. Therefore, interviews and documentations will inform the descriptive end product of the case study (Merriam, 1988). The end product includes "thick description" (p. 11) of policymakers' approaches toward PBF and PBF-related text. This case study provided the researcher with "new meaning" (p. 13) on policymaking process and policymakers' views on PBF. The end product was heuristic, reflecting the researchers' new experiences and knowledge with policymaking and PBF. I also relied on inductive reasoning. The research looked for new understandings and relationships related to literature, rather than a utilizing a defined hypothesis, to shape the analysis and final product. The final product is an "intensive, holistic description and analysis" (Merriam, 1988, p. 16).

### **Research Design**

The researcher used a qualitative case study design to understand what approaches the participants use when making policy-decisions and shaping their policy goals and understandings regarding the potential barriers to those goals. The case study provided an in-depth understanding of a bounded system through data collection involving multiple sources of information (Creswell & Poth, 2018). This approach allowed me to conduct an in-depth investigation of the phenomenon in its own context (Merriam, 2009). A descriptive case study

presented a detailed explanation of the phenomenon, which can be very important for a topic that is not fully represented in the literature (Merriam, 1988).

A case study is best defined by how the phenomenon is bounded in a system (Merriam, 1998). The phenomenon in this qualitative study was bounded by my desire to know policymakers' approaches to PBF. A descriptive case study presented a detailed account of the phenomenon (Merriam, 1998). This descriptive case study also highlighted identity-related differences, furthering a discussion on policymakers and their influence in the policymaking process (Merriam, 1998). As Jones (2018) pointed out, PBF policy-related literature has not explored how individual characteristics of policymakers' influence PBF. This research unpacked policymakers' approach toward PBF and highlighted their individual perspectives and influential factors. The individuals, however, cannot be disconnected from the policy itself and their current state. I used a theoretical lens that critiqued approaches to PBF policy and recognized policymakers' different cultural experiences and identities and the role of power in a holistic methodology (Hays & Singh, 2012). A critical policy lens allowed for a critique of the policymakers' approaches to both the process and policy, as well as the policy text (Taylor, 1997).

This case study also included data collection of publicly available data. The document review of the policy and related materials, such as strategic plans, provided an understanding of PBF within each state used in this study. This review helped shape an understanding of the PBF in the policymakers' state and may also highlight decisions made in meetings and any proposed or realized changes in the policy. Interviews with policymakers were semi-structured in order to allow for the participants to share their own experiences in their own unique voices (Hays &

Singh, 2012). Interviews were scheduled for approximately 30 to 60 minutes. The researcher interviewed as many participants who met the selection criteria and volunteered.

### **Research Questions**

The following research questions guided this study: How do state educational policymakers approach making decisions on performance-based funding (PBF) policies for postsecondary education? What is the language, values, and goals used in feedback about PBF policy? How do state educational policymakers make sense of feedback about different institutional types?

### **Participants**

For this study, purposive sampling was used to identify participants who meet basic requirements (Creswell & Poth, 2018; Hays & Singh, 2012). Participants for this study served on a state-level educational committee in five states at the time of data collection. The states were selected to maximize variation in the institutional structures and norms of the state political institutions (White, 2019, see Appendix A). I identified current members within each state, as listed on the state website, in order to contact all policymakers via e-mail. The email introduced the researcher to the policymakers, outlined the research study, and explained the role of participants. The email also indicated that policymakers' participation in this study was voluntary and did not include compensation. The email also acknowledged the my efforts to de-identify participants' information in any publication and their right to withdraw from the study at any time. Upon a signed informed consent form, the researcher collaborated with the participants to schedule 30 to 60-minute interviews at a mutually agreed upon date and time.

### **Data Collection Procedures**

Case studies utilize various types of data, including interviews and documentation that are triangulated and analyzed to provide context to a phenomenon (Creswell, 2014; Creswell & Poth, 2018; Hays & Singh, 2012). Interviewing is a useful data collection method when exploring how people interpret “the world around them” (Merriam, 2009, p. 88). Interviewing is also a scientific process that should recognize the participants’ structural and personal contexts, such as class, race, gender, age, and linguistics, which may differ from the interviewer, and the relationship between the interviewer and the participants, which grants more power to the interviewer (Seidman, 2006). Seidman (2006) argued that “striving for equity is not only an ethical imperative; it is also a methodological one” (p. 110). I ensured that the description of the phenomenon, including direct quotations and text, were situated by the context of the phenomenon. The researcher also confirmed with participants that they understood the context and process of the data collection and study.

The data collected for this study was part of a larger cross-national study. This research was supported by an ODU Office of Research’s Summer Research Fellowship Program 2019 and integrated and built upon a Spencer Small Research Grant. This research was also submitted to Jameel Poverty Action Lab’s (J-PAL) “State and Local Innovation Initiative” grant program. The project has four objectives: 1) better understand how the voices that are brought into the fold of education policy conversations by state education policymakers vary by policymaker gender and race, 2) unpack if and how collaboration and deliberation during the policymaking process varies by policymaker gender and race, 3) understand if and how linguistics and discourse among policymakers differs by genders and races, and 4) explore intersections of race and gender in the policymaking process (White, 2019).

### **Interviews**

Interviews with 20 policymakers were the focus of this research study, as the purpose was to hear directly from them in their voices (Stake, 1995). I used a semi-structured interview protocol (see Appendix B) to allow their voices to provide thick and rich description about PBF in their context from their unique individual perspectives, which may be shaped by their cultural views (Merriam, 2009; Stake, 1995; Taylor, 1997). The semi-structured protocol allowed for further inquiry, as participants discussed their perspectives, goals, and concerns related to PBF. Interviews were conducted between July and September in 2019. The interviews were conducted in various formats, including in-person, video-chat, and phone. These formats varied depending on participants' preferences and feasibility. Face-to-face interviews were the preferred method, as visual cues add to dynamics of the interviewing process (Hays & Singh, 2012). Due to travel and cost constraints, phone and video-conferences were the most common medium in this research study.

The interviews were audio-recorded, and field notes better ensured accuracy of participants' statements and visual cues (Hays & Singh, 2012; Stake, 1995). Audio files, uploaded fieldnotes, and transcripts were stored on the researchers' computers and Old Dominion University two-factored MyODU account and GoogleDrive. De-identified transcripts were uploaded to a modern qualitative data analysis software tool for coding and analysis (Creswell & Poth, 2018). The participants in this study opted into their participation and may have had social desirability as appointed and elected officials to make specific claims about the policymaking, PBF, and commitments to equity and fairness, for example.

### **Documents**

Because this study is about the policymakers' perspectives on PBF within their context, I also examined the policy-as-written and recent policy-related documents, such as strategic plans,

that were made publicly available on state websites. These documents provided context for their perspectives, goals, and concerns for PBF in their respective states. Research on policymakers and PBF has reviewed the influence of external agencies and statements (Jones, 2013; Miller & Morphew, 2017), but this documentation highlighted a better understanding of how they make meaning of the process and policy. Document review of policy-related documents, such as the state policies and planning documents, are also useful in providing context for case studies (Stake, 1995).

### **Researcher Positionality and Reflexivity Statement**

As a qualitative researcher, I was interested in how people describe their world and I served as the “primary instrument for data collection and analysis” (Merriam, 2009, p. 15). I also acknowledged my own biases. As a former equity-based administrator in a community college, I entered this study with fundamental distrust toward PBF. With a commitment to social justice, I value historic and current efforts to promote access to higher education for historically underrepresented students, including protecting the institutions that serve them. Additionally, I value supporting the success of these students to obtain certificates and degrees that support quality livelihoods that are on par with their peers. I believe that efforts must be taken to address systemic inequities in order for all minority students to have equal opportunities with their majority peers. With these values, the concept of fairness was a factor in the consideration of any distributive problem. Rather than avoiding subjectivity, I took critical steps toward ensuring trustworthiness and practiced reflexivity in the research process (Merriam, 2009). Furthermore, I embraced a critical perspective. As a critical researcher, I aimed to recognize and challenge societal structures that maintain power for those in power (Merriam, 2009). Therefore, I

considered who benefited from PBF within the economic, social, and historical contexts that existed when these policy decisions were made (Hagood, 2019; Taylor, 1997).

### **Data Analysis**

Using CPA (Taylor, 1997; Young & Diem, 2017), the analysis evaluated and critiqued the data based on the theoretical perspective. In CPA, the specific critical perspective and the methods for exploring the research questions are intrinsically linked (Diem, Young, & Sampson, 2019). I, therefore, was critical throughout the data collection and analysis processes. The analysis process for this qualitative study included three phases of analysis (Creswell & Poth, 2018; Merriam, 1988; Stake, 1995). The first stage was preparing interview transcriptions and documentation for the coding process. The second phase was coding interviews and documentation. The interviews were coded in two phases with several rounds within each phase. The documentation was coded in two steps and analyzed. The final stage was the triangulation of all data in the form of discussion (Creswell & Poth, 2018; Merriam, 2009; Stake, 1995). The analysis was both inductive and deductive to “make sense of the data” (Merriam, 2009).

I conducted a holistic review of the phenomenon that considers the nuances of the case (Diem et al., 2019). Although, policymakers were situated in different state contexts and PBF, this case study is bounded by the policymaking process (Merriam, 1988). These situational contexts, as an example, are important to the policymaking process as outlined in Kingdon’s (1984) agenda-setting theory, which recognizes that policy decisions are situated in various contexts and balance varying demands. The individuals behind policy and their approach to making decisions and general worldviews are also key considerations (Stone, 2012). Therefore, it was important to highlight any policymakers’ statements and policy-related documents reference to external factors, such as the state economy, for example. Therefore, PBF-related

documentation that revealed patterns across situational contexts and PBF-related literature were critical to presenting a holistic understanding of the phenomenon (Merriam, 1988, 2009).

### **Interview Transcriptions and Document Review**

Audio-files of the completed interviews were transcribed by the researcher. Field notes were added to capture any additional pertinent information, such as visual cues and tone. The completed full interview transcripts were saved and copied to a new file where I de-identified the interviews. Any information related to the participants' location were removed from the transcript to assist in eliminating any potential researcher bias during the coding process. All policy and policy-related documents were collected for analysis.

### **Coding Process**

The de-identified interview transcripts were uploaded to the modern qualitative software tool, Dedoose, for coding and analysis. Using the theoretical lens, the first round of coding were "systematic and informed" into categories (Merriam, 2009, p. 183). The codes were established and entered into Dedoose. I then used Dedoose to review at least two rounds of three interviews. I then debriefed with the expert researcher.

A second round of coding was inductive, allowing patterns and themes to emerge (Merriam, 2009). I discussed potential emergent themes and entered those themes into Dedoose. Similar to interviews, the documents underwent a deductive then inductive process (Hays & Singh, 2012). The documents were coded first by using the theoretical perspective and related literature as a foundation for a codebook to provide further contextualization to the case (Creswell & Poth, 2018). A second round of coding was fully inductive, allowing for any emergent themes and meaningful patterns (Hays & Singh, 2012; Merriam, 1988). Finally, I

triangulated the analysis from the interviews and documents and prepared the final analysis (Merriam, 1988, 2009).

### **Final Analysis**

The final analysis triangulated the findings from the deductive coding process and the categories and emergent patterns from the inductive coding process from the interviews (Merriam, 1988, 2009). All data was organized into a relationship that reflected the theoretical perspective and related literature (Merriam, 2009; Stake, 1995). For example, any gaps between policymakers' approaches to PBF decisions and policy feedback (Kingdon, 1984), whether in the documentation or literature, were reflected in the final analysis (Diem et al., 2019). Given the various contexts, I provided nuance about how policymakers viewed their thought processes and steps for making decisions on available financial resources, as an example (Diem et al., 2019; Stone, 2012). Additionally, CPA (Diem et al., 2015) was useful for calling attention to marginalized voices. From a critical perspective, this analysis considered the feedback (Kingdon, 1984) of problematic impacts of PBF and limited voices in the policymaking process on community colleges, HBCUs, and MSIs (Bers & Head, 2014; Gándara & Rutherford, 2018; Hillman & Corral, 2018; Jones, 2017; Li, Gándara, & Assalone, 2018; Rabovsky, 2012).

### **Credibility and Trustworthiness**

The researchers collaborated on the collection plan and coding and analysis processes to ensure methodological rigor (Creswell & Poth, 2018; Hays & Singh, 2012). The peer review process included the include triangulation of the data to better ensure validity (Merriam, 2009; Stake, 1995). To improve credibility, the researchers included a de-identification process and member checking, as needed, to mitigate my subjectivity in the analysis stage, which included multiple rounds of coding and triangulation of the data (Merriam, 2009; Stake, 1995).

Additionally, I used a semi-structured interview protocol to include some consistency across interviews. The process of reflexivity was used throughout the study to reflect on and acknowledge power structures, perspectives, and personal subjectivities (Hays & Singh, 2012; Merriam, 2009; Parker & Lynn, 2002; Seidman, 2006). To improve validity, I presented a “holistic interpretation” of the case that situated the participants’ perspectives in context (Merriam, 2009, p. 215).

Trustworthiness is imperative for all qualitative research; therefore, the researcher took important steps to build rapport and build a dependable relationship with the participants (Creswell, 2014; Creswell & Poth, 2018; Seidman, 2006). Rapport building meant being transparent about the process and reaching back to participants regarding any missing context and or potentially sensitive statements (Seidman, 2006).

### **Human Subjects**

At the opening of the semi-structured interview protocol, I ensured that the participants were informed that their interviews were being recorded, transcribed, and de-identified. Furthermore, I informed the participants that the interview files would also be destroyed. Given the democratic political process, these steps to protect anonymity were especially important to ensure that further research was possible. To support a more equitable process (Seidman, 2006), it was important for the participants to understand the process, their right to redact statements, exit the process, and remain informed of any future publications. As needed, I practiced member checking to ensure that policymakers’ statements were given proper context and understanding (Merriam, 1988).

### **Limitations**

To improve trustworthiness of this study, I engaged in peer debriefing with a recognized scholar in education policymaking on the development of the semi-structured interview protocol, data collection, and analysis, in addition to triangulation of the data (Merriam, 2009; Stake, 1995). Rich description of the phenomenon of the case improved the likelihood of generalizing the case to another context (Merriam, 2009). Participants in this study may not have directly served in an official capacity at the time that their state policymakers adopted a PBF policy in their state. They, however, revealed important predictions for future processes. The cross-national approach to data collection also provided variation to state-specific issues, which provides more transferability of the case (Merriam, 2009).

### **Summary**

This chapter focused on the methodology of the proposed case study. The primary purpose of this case study was to critically analyze decision-making behind PBF. In this critical analysis, it was also a goal to present the voices of policymakers, especially those who can be marginalized in the process. This case study was situated with CPA (Diem et al., 2014; Taylor, 1997). This study was also framed by Kingdon's (1984) policy agenda setting theory and Stones' (2012) approach to policy decision-making, as a structure to consider personal reviews related to the literature (Letizia, 2015; Jones, 2017). The methodology proposed a systematic process for analyzing the phenomenon with a critical and narrowed perspective. I acknowledged personal subjectivity and maintained a central role as an instrument in this process, which included de-identifying transcripts and a second researcher. By framing this phenomenon with relevant literature on PBF and policymaking, this case study furthered the literature on PBF by utilizing CPA in a qualitative inquiry with policymakers and PBF-related policies.

## CHAPTER FOUR

### FINDINGS

In this study, 20 policymakers across five states shared their experiences in policymaking and their understandings of performance-based funding (PBF). I interviewed (majority) or co-interviewed each policymaker for 30 to 60 minutes (majority) with a semi-structured interview protocol that covered policymaking, PBF, and PBF-related literature. The majority of participants serve directly on higher education-specific committees or commissions that recommend PBF metrics, often advising state legislators or governors. The states had a variety of governance structures for postsecondary education (Fulton, 2019).

Table 1: *Governance structure*

State	Structure
Hogwarts	Single, Statewide Coordinating Board/Agency
Terabithia	Single, Statewide Coordinating Board/Agency
Doldrums	Single, Statewide Coordinating Board/Agency
Wonderland	Administrative/ Service Agency; One or More Major, Systemwide Governing Board
Hobbiton	Administrative/ Service Agency; standalone postsecondary agencies

Six participants currently serve as state senators or representatives; four participants serve on a state board of education. Participants are 70 percent male and 75 percent white. Regarding participants' public roles, 25 percent are Republican, 15 percent are Democrat and 60 percent are unknown affiliations. Most participants recalled PBF discussions in their subcommittees or representation on higher education-specific committees, though no participant specifically

mentioned their vote on PBF legislation. Since the majority of these participants currently serve on committees that discuss PBF after its most recent adjustment, they are in a position to continue to recommend PBF metric adjustments or new higher education funding policy in their states.

In this chapter, I present a critical policy analysis of PBF as it exists in policy and the worldviews and perspectives of policymakers who have the power to shape and reshape PBF policy and related documents. I assess PBF both as it is written and as it is described using a theoretical lens of policymaking and policy (Kingdon, 1984; Stone, 2012). The policymakers' voices have been included as much as possible to highlight their direct experiences with policymaking, PBF, and policy feedback (Bensimon et al., 2016; Diem et al., 2014; Jones, 2017; Letizia, 2015). Their voices provide an essential understanding of future directions for PBF policymaking for higher education. In these findings, the voices of six participants emerged as providers of rich description of the case (Merriam, 1988).

To protect anonymity, all participant names are pseudonyms and states are listed as letters (see Table 2). Allen is a business owner and lawyer turned public servant serving on a higher education committee as part of their official role in Hogwarts, which has a long history of PBF. Also serving in Hogwarts, Bob has a background in finance and was appointed as a volunteer on the higher education committee. Three participants are from Terabithia, which is newer to PBF and has a stated focus on equity. Carl has a background in engineering and serves in a leadership role as a community member appointment. Eric has a background in industry and manufacturing, also a community member appointment. Fred has a background in higher education administration and finance and holds a community member appointment. David serves on the State Board of Education in Wonderland and has a background in K-12 teaching. In

addition to highlighting these voices and including all participants' voices, I have analyzed key policy-related documents, including the states' policies and relevant strategic plans for higher education.

Table 2: *Participants role, gender, race, and political affiliation*

State	Pseudonym	Role	Gender	Race	Political Affiliation	
Hogwarts	Allen	Member	M	White	Unknown	
	Bob	Member	M	White	Unknown	
		Senate	M	White	Republican	
Terabithia	Carl	Member	M	White	Unknown	
	Eric	Member	M	White	Unknown	
	Fred	Member	M	POC	Unknown	
		SBE	M	White	Unknown	
		Member	F	White	Unknown	
	Doldrums		Member	M	White	Unknown
			Member	F	White	Unknown
			Member	M	White	Unknown
			Member	M	POC	Unknown
House			F	POC	Democrat	
Doldrums		House	M	White	Republican	
		SBE	F	White	Unknown	
		SBE	M	White	Unknown	
Wonderland	David	SBE	M	White	Unknown	
Hobbiton		House	M	POC	Democrat	
		House	M	White	Republican	
		House	F	White	Democrat	
		SBE	F	White	Democrat	

*Note:* Person of Color (POC), Female (F) or male (M) and State Board of Education (SBE)

The findings in this case are presented in a three-fold narrative. The first section explores how policymakers viewed PBF as a tool that compels institutions to operate akin to a business that has established clear, transparent objectives, which can include highlighting underrepresented students. The second section provides context for how policymakers described their world, as they debated how to balance control over institutions with their overwhelming feelings that institutions need to perform better with limited budgets. The final section of Chapter IV reveals policymakers' discussion on PBF's potential negative impacts on underrepresented students and the institutions that serve them, as PBF compels institutions to operate from a business-model framework. At the end of Chapter IV, I provide a brief summary of how these narratives come together.

**The Sweetest Candy: PBF as a Business Tool for Specific Performance,  
Transparency, and Equity (?)**

Performance-based funding has been adjusted or adopted since 2012 in all of the states included in this study. Legislation, often associated with a budget, was passed in each state that established PBF for higher education. In most cases, the legislation dictated a particular entity, committee, or representative group to identify and recommend specific metrics. With a total of five states, four states (Hogwarts, Terabithia, Doldrums, and Hobbiton) have PBF policies that fund both four-year institutions and two-year institutions. Three states (Terabithia, Doldrums, and Hobbiton) have specific and separate PBF metrics for two-year institutions. All five states include specific targeted PBF metrics for low income students. Three states (Terabithia, Doldrums, and Wonderland) include metrics for “minority students” or “minority

underrepresented students” in their funding formula, and two states (Doldrums and Wonderland) include metrics for “veterans” in their funding formula.

### **A Business Tool for Tough Decisions**

Policymakers typically described PBF as helping institutions and its leaders to adopt a “business model” or “business” approach in order to make better “resource utilization” decisions on campus. Several participants made claims that PBF helped to encourage presidents to make “tough choices” on their campuses, such as eliminating programs. PBF helped to outline, according to one policymaker and retired educator, that institutions “have to pay [their] own way in the future” and be more responsible with what is happening with enrollment. By allowing institutional input, institutions also present clear goals for their futures. A member of the House of Representatives in Doldrums echoed that institutions are responsible, as he contended “I’d be surprised if the presidents around the state have a problem with this because it’s clear, we don’t change it, at least that part we don’t change, and they know what they have to strive towards.”

Policymakers across the states described PBF as a “tool,” “rubric,” or “rating system” that allows legislators and campus leaders to better understand student outcomes and promote improvement. Policymakers also referred to PBF as a means to ensure “transparency” about institutions. For example,

It's just one tool of many, and so it's just like any tool, if it's used appropriately, it can be an effective tool for success, or part of your success. It's just one tool in the toolbox.

It can be used for a tool for students to try to figure out what pathway or what's the best choice for them. Could be a good tool for parents that don't know much about this whole thing when their kids go off.

I think there is some mechanisms that you could put in place, some sort of a rubric that would maybe help colleges do a little better job.

The state legislature wants to rate things on what's this contributing to the state, what are the outputs? If we're putting money into people that quit and they owe a lot of money,

that's not helping anyone. But if we have standards of course accomplishment and degrees, absolutely that's helping the state.

Most policymakers viewed PBF as flexible enough to respond to different institutional types.

When designing PBF, Allen explained its usefulness,

We want every, whether it be the community colleges, whether it be the regional campuses or the research institutions, it's important that every one of those succeed in their mission. And so, where we need to make sure that performance-based funding, is not a hindrance to that, but really furthers important higher-level goals without doing damage to the mission of each of those organizations.

David felt that community colleges in his state have been especially able to take advantage of PBF's flexibility and respond even faster than their state research institutions.

A lot of times your community colleges, they're the ones that do some of the things first. Because if you think about the [university system], they have to go through the board. That is like trying to turn a barge around on a dime. It just doesn't happen. At the community colleges, we tend to react faster. We tend to be more cutting-edge on stuff in the state.”

### **Prioritizing Specific Performance**

Policymakers described PBF as an effective strategy for setting goals, tracking, and evaluating goals. Goals were often described as “priorities” set for – and often with – institutions. Bob asserted that PBF “does not eliminate inefficiency” but instead encourages “specific performances.” He claimed, “Funding is still the greatest incentive. It's the sweetest candy that can be found that everybody strives for. So, if it really is that important, then you should reward for exceptional performance and those measures.” According to him, PBF can even help for tracking the “talent pipeline” in STEM fields for the future and effectively responding to the “information era,” modernizing itself as a workforce training. As Bob described,

You have to be in a position to very broadly identify your broad objectives, but also be in a position where you can tweak the performance funding elements or measures, metrics,

so that you can recognize, give some recognition to what a particular institution is focused on doing and is going to define whether they're doing well or not doing well.

David claimed that some states are behind in fully utilizing PBF. He explained,

Some is enrollment, like full time equivalents or demographics. In other cases, it's pretty much basic measures of performance, like graduation and retention rates. That's what we're thinking of. I know some states are starting to be a little bit more innovative, or institutions, but that's, at a national level, I feel like where the policy conversation has been at.

A policymaker in Terabithia argued,

I think it's important to see if the model is working, if there are flaws in the model, that we evaluate that. If we are going to as a state achieve the educational objectives that have been set forth and try to improve overall educational attainment throughout the state, there needs to be some level of accountability for everyone.

Collectively, policymakers viewed PBF as a means to judge performance after establishing set goals or priorities.

### **Shining a Light on Equity**

When probed about issues on equity, policymakers focused on recruitment and retention of low-income and underrepresented students. PBF and related data collection, according to Allen, works to “shine a light on the equity issue.” His comment is particularly interesting because his state’s PBF metrics does not include minority students. A State Board of Education member in Hobbiton mirrored this language by offering that PBF has allowed their state to push institutions to increase their proposed metric-based goals for recruiting and retaining low income and underrepresented students. She argued that they do not want institutions to set expectations too low for these students. She explained,

Having a performance-based funding where you have great access to actual demographics helps to determine whether or not performance-based funding is effective and working too, so the data is part of this assessment as to how much of the funding should be included and is the formula really effective. Again, those are ongoing conversations and you can't assume that it's working well in every circumstance. But I

think from the big picture it's certainly been a very effective tool, and I think used effectively in this state, not just blindly or without proper assessment with the actual data.

Several policymakers furthered that PBF and related measures have compelled institutions to really examine “students’ obstacles,” such as family care obligations and under-employment, and develop targeted programs. A committee member in Terabithia, which committed to equity by their plans and metrics, countered that if PBF policies move to “pure performance” that minority students would be “disproportionally” affected and community colleges and HBCUs would experience a “lack of funding.” He was concerned about performance overriding students’ unique needs. He stated,

I think that in today's environment, and it's the right, in my opinion, the right thing to do. They've got to look at the student that's coming in, and almost customize and individualize some of that stuff. And from the lending standpoint as well, there's some disproportionate, people are qualifying for loans, and we're seeing a disproportionate amount of minorities default on those loans. And as we're getting data back, and collecting it, it's because they never finished their degree.

Policymakers overwhelmingly viewed PBF as a positive force that was addressing problems and supporting solutions to colleges and universities in their states. They often discussed PBF in tandem with concerns about student debt and affordability. Policymakers expressed that enrollment – sometimes characterized as “seat filling” – was no longer the desired goal of PBF, and in-state adjustments or desired adjustments to PBF reflected this goal. For example, a member of the House of Representatives in Hobbiton claimed that PBF could actually eliminate disparities. He argued,

Honestly, I think no matter what we do from the state's standpoint, when you give people freedom or you give individuals any amount of funding and... There's no amount of accountability that you really can place on these institutions to completely stop any kind of injustice or wrong-doing. And that is something that, again, even like I mentioned in the beginning is that putting structures in place that just increase the likelihood is that things will occur, I guess.

Policymakers expressed an inherent belief that PBF holds institutions accountable for achievable goals. As Bob claimed, “We've continued to increase the amount of funding that is tied to performance funding.” His comment illustrates policymakers’ growing reliance on PBF to address state policy goals.

### **Decision-Making: The Dynamic Tension of Having Our Hair on Fire with an Elephant in the Room**

The policymakers approached their role as policymakers as influential, often giving voice to a particular viewpoint, a strategic goal or initiative, members of their constituency, and their leaders. They referred to their committees as bringing an “overriding perspective and influence” over PBF, as well as serving as the “conveners” of PBF. A State Board Member in Doldrums argued they provide “substance” to educational policies. Often, PBF was framed as setting goals for institutions to achieve their own goals, e.g. graduation rates. As Eric explained,

I think under the big goals it's to ... For me, it's to get the universities to understand the drivers of their performance. Why do they lose freshmen? We're starting to get into discussions. We're only retaining 27% of our freshmen. Why is that? Then, if you continue to ask the whys, then we discover that most people in that subgroup are not passing their math class at [state HBCU]. Ultimately, the big goal, I think, for performance-based funding is to improve graduate rates in the state.

Similarly, Fred claimed,

So anyway, the point I'm trying to make is I get the general trust in state capitals that universities need to be more efficient with their resource utilization.

For the policymakers, their role was shaping how institutions can support the larger goals of the state by both setting these goals and helping institutions to translate these goals and data on their campuses to benefit the state.

## **The Delicate, Urgent Balance for Control**

While no policymaker felt that their role was inconsequential, several expressed concern that their operating body did not have enough control in the policymaking process. Those who expressed a desire for more control often revealed some type of concern about students immediately dropping out after enrollment or institutions failing to show graduation rates. This concern sometimes included an understanding of the limited ability for institutions to control for loan abuse. Eric, who expressed a desire for the state to have a controlling board, stated, “The smell of bureaucracy in higher education just drove me crazy from a lack of sense of urgency to being accountable to decisions.” Along with this sentiment, he shared that it would be problematic for college and university presidents to try to justify wanting any funding if they only made limited or no significant PBF- related changes on campus. He also wanted the ability for the committee to hire and fire college presidents. A former educator also in Terabithia, who emphasized the need for institutions to buy-in, stated, “it is a delicate balance, where you want to push institutions, but you don't want to starve them financially at the same time.” For policymakers to gain buy-in by educators may have been challenged in the state, as Eric commented on the PBF’s origins within his state. He recalled,

If you can take a look at that bill as it started out, we were talking about tenured professors and how they would be used and how they should interact with undergraduates and how they would be evaluated. If they didn't act in a certain way, they couldn't go on sabbatical, and things of that nature.

With these comments, policymakers are discussing not only accountability but whether or not higher education ultimately lacks the motivation and ability to innovate quickly enough in response to the urgency they are feeling.

Counter to the control-focused narrative, a businessman-turned policymaker viewed control as counter-productive to accomplishing a shared goal of progress in education. Allen stated,

I mean, [colleges and universities] know what's best. They're at the cutting edge of the programs they to offer. They know what's working for their citizens. So, we're dealing with the bigger issues at a higher level, but we're relying upon them to really drive the strategy, and I think that works well. If we were more heavy-handed or had more legislative authority, it could have a chilling effect upon their agility, in a sense, the strategic agility as well as their creativity. It just feels like a good balance to me, just based upon my experience in running city and being a small business guy.

Eric provided some additional insight into the typical tension by describing it as structural to the policymaking process. He claimed, “there needs to be a significant way or a better way of working together between the universities and the legislatures to make all these things happen. But as you know with the bureaucracy of both sides, it's going to be a challenge way beyond my participation.” Despite the tension, Allen felt that his state is making progress by working through it. He continued,

I think it's a very collaborative atmosphere and it's a healthy tension and it's an inclusive atmosphere. So that's part of why I think we've had the success we've had, as opposed to opposing all performance funding or... I mean we are doing our job in keeping the spotlight on it, talking about how important it is, but these conversations are happening, and they need to happen at sort of a deeper level among staff representatives and of course the trustees. So, I guess I feel that based upon what I've observed over the years and conversations I've had, we have interaction with these institutional representatives. I think it's a good balance and it's a good tension.

With this commentary, policymakers were concerned that higher education may be stifled by PBF, but they also felt that the tension between policymakers and campuses is probably healthy.

### **Large Ships Don't Turn Rapidly, Don't Turn Easily**

When explaining their goals for PBF, policymakers described a “tension” and “dynamic tension” between their efforts to address budget problems and crises and higher education

leaders, who must respond on campus. The “real challenge” of budget problems put some policymakers at odds with their own goals, such as promoting higher direct investments from the state. Policymakers, from former educators to business owners, commonly commented that making college more affordable and reducing student debt influenced their support for adopting PBF in their states. David argued,

I do think there's some value. When I was at the community college, graduation rates were a big thing. A completer, a student that actually completes a program, that was a big thing. I think there is some value. I think there are some institutions that maybe aren't doing a good job, unfortunately. I think we need to be looking at student debt load when they graduate. To me, that should be some sort of an indicator when they're leaving college. I don't know. I think there are some value to ... If you have low completion rates and you have students coming out with high debt, something's not right. I think there is some mechanisms that you could put in place, some sort of a rubric that would maybe help colleges do a little better job of ... it's not just the student that's coming through and we don't care what happens to when they leave or how much debt they have. Maybe a little bit more ownership on some of those students as they're passing through the system.

He described PBF as a means to increase transparency to students and parents, in order to make good decisions about their futures – even if that means not attending college. Many policymakers also emphasized PBF as helpful for moving colleges and universities to focus on employment goals, though mostly as it related to supporting a state or committee-level goal. For example,

I think [discussing PBF] is certainly very timely and appropriate, and really important because there are limited dollars and resources out there and the most efficient utilization of those everywhere, regardless of the amount of resources is absolutely critical. And how that ties into employment and the economic development, things like that are really, really important.

I mean, I think as a state, we have completely gotten beyond the idea that the four-year college degree is for everybody, and that there is a lot of enthusiasm around the idea that we need to encourage a lot more kids to consider some sort of industry-based certificate program, or career technical program, post-secondary.

Maybe some of this performance-based also helps to paint a better picture for students and say, "Well, if I go to institution A, here's what their numbers are showing that I can expect when I'm done. They've got a 99% placement rate in the job market. Wow, I'm going to find a job. Their debt is low, and their graduation rates are high versus institution B."

Policymakers viewed PBF as a transparent tool that links higher education's goals to supporting a growing economy and workforce, even in certificate-based programs as an alternative to a bachelor's degree.

Policymakers with an education background often set personal goals to better ensure their colleagues have insider knowledge about the complex systems of education from K-12 to post-secondary. As Bob explained,

What we've tried to do, I think is create some formulas that provide rewards for our overall key metrics that everyone, we want all of them to achieve. But then, also give them the opportunity to recognize some of the uniqueness or differentiation metrics that they might be trying to achieve as well. And again, we've continued to increase the amount of funding that is tied to performance funding as well.

He also made arguments related to the limits of accountability, such as diverse structures of institutions, over tying success to limited metrics, and hard-to-measure practices like "good teaching." He expressed concern that institutions have been left to operate on unstable funding. He argued,

In terms of the future, right now it's a relatively small part of the overall funding. In an ideal world, you would like to performance fund even a greater proportion, but what I've found is it's really hard to do that. And the other thing about performance-based funding is it can fluctuate dramatically, or it has the potential of fluctuating. And most institutions, particularly government institutions, not just higher education but any kind of government entity, it doesn't have the flexibility of sustaining those kinds of fluctuations, so you need to have a more stable funding environment. So as I look at the future, going forward, philosophically I'd like to see more performance-based funding. But realistically, I probably recognize that you're probably never going to get above probably 15% or probably in that range is probably the max you're going to get just because of those other factors. You need to have stability in the funding. Large ships don't turn rapidly, don't turn easily.

Bob outlined that PBF is intended to drive institutions to make changes, but he still recognized that changes take time and PBF may need to be adjusted accordingly. Given the complexities of institutions, policymakers are concerned that PBF cannot adequately capture successful efforts

on campus to address state goals. They also commonly expressed that fellow educators should be key to the policymaking process. Interestingly, David explained that educators may have more power by inserting their voices on these state committees. He claimed,

I would say that the voices of the administrators and the teachers were less influential. Shifting over to being a board member, the teacher and administrators, I find their voices are more powerful. It's interesting for me to see both sides of this. On the legislative side, definitely it's the groups and organizations that have the most power and their voices are probably the most heard versus the actual administrators and teachers.

Meanwhile, policymakers from a business background tended to emphasize goals related to representing their communities and providing solutions to state problems. Rarely, policymakers mentioned a personalized goal, such as promoting military service or scholarships. Carl argued that the “world is driven on incentives,” and argued that institutions should expect the same. Similarly, several argued that a structural change is needed in higher education funding. Bob, for example, advocated for addressing “philosophical difference [exists] between probably government and business” and urged colleges and universities to no longer expect to automatically receive a set allocation of funds just because they have entered a new calendar year. Policymakers with business backgrounds tended to express that institutions need to be pushed in their state to aim higher in their efforts on campus, though Allen argued that colleges and universities need space to innovate on their own and David felt PBF needed to be flexible in its metrics to accommodate their uniqueness.

### **The Great Urgency for Better Performance**

Many policymakers expressed that the level of influence was critical to the legislative process in both creating and reshaping policies within their respective states, which included building from other states’ models. They often stated that the real work of shaping PBF policy happens at the subcommittee-level of higher education-based state-sanctioned committees. Some

policymakers contradicted this level of influence. For example, Carl stated that the committee does not actually set policy but rather serves to help institutions set their budget priorities (which are based on the policies made at the legislative-level). Two policymakers in Doldrums commented on a “disconnect” of policymakers without education backgrounds, citing that often education is viewed by their colleagues as a topic that “everyone can claim to be an expert in.”

Policymakers indicated that they felt their role also included helping to translate PBF policy across various groups. In some cases, this translation was indicated as a need for state-sanctioned higher education committees to speak directly to legislators on the behalf of universities or the workforce and in other instances, the need for House and Senate members to speak directly to college presidents and community members. As a State Board of Education member in Terabithia claimed,

I feel like, as policymakers, we have a responsibility for promoting a just sort of hair-on-fire sense of urgency about educational improvement across the state, and to create policies that encourage that kind of urgency.

He expressed concern about this tension,

We can't sit in the state capital and dictate education policy and expect these overnight transformations in educational practice. We have to figure out how to do that in partnership and collaboration with people out in the field. Sort of helping us collectively maintain that dynamic tension, I think, is a really important part of my role on the state board.

This statement suggests that policymakers see the process of shaping PBF as a shared undertaking between policymakers and institutional leaders. Similarly, a policymaker in Terabithia, who viewed higher education as providing a “product”, felt an urgency to address injustices for underperforming institutions. He argued,

I think in terms of performance-based funding or colleges, universities. If you're just saying, okay, your graduation rate is 73% and that's going to equal, we'll give you \$100 million. I don't personally believe in that. I don't know. I don't think that's real moral, to

be honest with you. I think that that's a moral imperative from legislature. I think they're wrong in that.

Policymakers commonly described committee staff members as content experts that are highly influential to the policymaking process and shape their own understandings of PBF.

Several policymakers argued that maintaining a balanced policymaking structure and a focus on consensus building were critical to the process of designing and implementing PBF. For example, a policymaker also in Terabithia stated,

I think that the [committee] is heavily involved in performance-based funding, but in the spirit of any goal-setting that you would do in any company, organization, or entity, there needs to be buy-in from the people that are expected to deliver upon that.

Most policymakers expressed that either by normal practices of their policymaking body or personal self-directed action, they have and seek plenty of opportunities to speak with individuals or entities who express diverse perspectives. For example, David shared,

I love to know what people's stories are. I spent an enormous amount of time out in the lobby as a legislator. I would just go out and talk to lobbyists and talk to them, and they had hooked me up with people that they would represent. I always like to do my own research and just dig, dig deeper, talk to people, hear the actual stories. That was probably, on any sort of policy for me, that was the biggest thing, was just going out and formulating my own opinions based on my own investigations.

Policymakers serving on state-sanctioned committees grappled with serving on an apolitical committee, though most members are serving as either elected officials or governor appointments. Policymakers viewed politics as often understated, but more than often present in the process of making educational policy. A Senator in Hogwarts lamented, “We're seeing unprecedented levels of political bias that, in my opinion, don't help the process forward but hopefully things will get better.” The politicking can be worse when organizations do involve themselves, as David explained,

I just feel like we can get so much further and get so many more things done, but they create these silos. Then they create animosity between the parties when it comes to education policy. It's just extremely unfortunate. There were different pieces of legislation that I would bring forward that I thought were good things for education, and they'd register against it. I'd be like, "Why are you guys registering against this? It benefits students." So sometimes I start to wonder, are these organizations really about the students or is it more about creating controversy to drive membership? Sometimes I feel like it's the latter. At the end of the day, the only people that struggle and that are hurt by it are the students.

By these policymakers' stories, they feel compelled to act fast in addressing the perceived problems of higher education, such as affordability and student debt. They may be influenced by politics and lobbyists, regardless of the apolitical natures of their committees.

### **Bleeding Budgets, Trimming Campuses**

Policymakers described how challenges in their state environments also shaped an understanding of how they approached PBF. Frequently, policymakers outlined that they were operating under a "budget crisis" that only heightened the urgency to improve economic development within their states, which was a "top priority" for their states' governors.

Additionally, Fred felt that states have not "fully recovered from the great recession" and that the "elephant in the room" was that there is "no real bucket of money anywhere to drive the policy."

PBF could help send that budget shortfall message. Eric argued that PBF is important for messaging. He explained,

[The Governor] is cutting funding to everything, including higher education, it's like, "What do you mean I'm not getting my money?", which is why I think it's even more important that we have performance-based funding in higher education, because at least now people are starting to understand there isn't unlimited funds. You've got to figure out a way to make sure ... Just like they do when they try to attract students to the university.

In one case, a policymaker explained that alumni are watching PBF take shape in their state. A policymaker described getting "hate mail" after PBF because their alma mater got less funding than its rival institution.

Policymakers scanned the higher education landscape and recognized that the recent “demographic drop off” is still in the immediate forecast. With that, they are poised to make tough decisions, as former-administrator turned policymaker in Terabithia explained,

Our university, which grew like crazy in the first 10 years of the century has seen more or less monotonic decline in enrollment rates and we are not alone. And so what happens, I mean, it's not really hard for me to forecast that what happens is in five years or maybe 10 years, we are half of what we were five years ago. And for the most part that university doesn't exist, maybe a few of the department's exist. So, the point is it's still about trimming the number of universities or it will happen on its own, which won't be strategic.

Many policymakers were concerned about the potential “trimming”. For example, Eric argued, “we need to protect some of the HBCUs...and over the last few years when we have gone through budget problems and crises, I would argue in many cases that (HBCUs) have been given a softer landing pad than other universities have.” A colleague in his state shared his concern, as he stated, “We always want our [HBCUs and MSIs] to do better, we want them to improve, but that doesn't mean that we put them in a position where they'll have to shut down if they aren't improving at the rates that we would like for them to.”

Carl thought the budget crisis was a “narrative” that needed to be reshaped. He explained, “we’ve got to quit using money as an excuse for not meeting the goals we have set out.” Still, in the current climate, higher education policy has been “totally overshadowed by [a budget item] obligation, and the immediacy of needing to fund that.” The problem is structural, according to Fred. He stated, “if you don't disrupt, what happens is we are all going to... And I'm exaggerating. We are all going to die a slow bleeding death.” With these comments, the policymakers are aware of the implications PBF has on the futures for individual institutions and those futures are uncertain.

Policymakers sometimes viewed education policy through the lens of political biases. Many policymakers argued that their discussions are often held in bipartisan tones. However, David argued that political party letter behind names causes inaction and stereotyping. He claimed,

In the perfect world, education should not be a political pawn. Unfortunately, it is. And it shouldn't be. It shouldn't even be brought up during campaigns. Everybody should be supporting education. It just doesn't happen.

His frustration was in part because they had seen their Republican colleagues treat institutions differently based on perceived “liberal” campus cultures, claiming “there was definitely policy based on the culture climates of each one of those institutions.” This statement suggests that politics transcended their policy discussions and had real implications on college campuses.

Regardless of their views on control over higher education, policymakers seemed to share the understanding that accountability for higher education was necessary. In fact, many policymakers expressed a desire to have more integration in the policymaking process at a structural-level by bringing together education – from K-12 to postsecondary – educational committees with different missions, and the State Board of Education into higher education. For example, Carl explained,

The beautiful thing about this country is that there are 50 different incubators for new ideas that can be tested on scale or to a scale that can then be implemented and I haven't talk to a single person who comes up with a brand new idea who wouldn't be thrilled to get implemented somewhere else. So now they were stealing it. We openly went up there and said, "how are you guys doing this?" And they were fantastic and they listened and they pulled out the red carpet for us.

For some, policymakers needed to do a better job in helping institutions reflect their outcomes in the data. Other policymakers expressed that institutions needed to lift themselves up in an accountability-based process. They valued structured input from institutions and its leaders, and not just at the presidential level. For example, a member of the House in Terabithia explained,

One of the conversations that we had at our last meeting was how, when the universities were putting this information together, basically, in their submission to make sure they were meeting their goals, they had [the committee], the staff, went back and talked to universities and said, "You're leaving a lot of stuff out here, or there seem to be a lot of gaps. Are you sure this is everything that you've got?" Really going back and gleaning more data, and not just talking to a senior VP or an associate vice provost or what have you, but talking to folks really at the director level or the coordinator level or assistant director level, who would have this deeper information.

Carl also shared that presidents are often there to answer questions and put their administrators in the lead when it comes to policy. He explained,

University presidents come to our meetings and actually most of them, you guys have been around university presidents. You give them the floor, they'll talk for 20 minutes, but they're typically very willing to answer some kind of off the cuff questions. If there is, once a year they present to us kind of a State of the University abbreviated address focusing on the key performance indicators that we're looking at. If there is a policy discussion or topic that requires action on our end, the president typically is not the one that's going to be engaging in that discussion. It's going to be somebody at the Chief Budget Office, Academic Affairs, something like that. But I think we have a pretty decent system lined up right now.

These policymakers presented an honest and daunting picture about the real budget challenges in their states and the subsequent decisions that are being made about institutions.

### **Perform or Die: Making Market-Based Markets and**

#### **Protecting Underrepresented Students and Missions in an Inequitable System**

Commonly, policymakers described their own goals as supporting strategic plans and their policymaker roles as providing their personal expertise or background in support of those plans. They discussed the governor's plan for education, their committee's strategic plan, or a particular program or initiative. They argued that their goals are to move forward on the goals for the state. As Allen outlined,

I was new to academia. I had been in it per se in terms of undergraduate and a law degree, but the issues are complex, and it's been a changing time over the last 12 years in

higher education, so it was really a learning experience for me and continues to be so, but it's changed a lot and [the committee] through its first strategic plan and through its kind of focused approach on completion, alignment, we use incentive funding for our goals.

Policymakers are clearly relying on these documents to help shape their understanding. For example, Allen wanted to convey to universities, who are continuing to improve their efforts in supporting their goals, that they do not “make these [policy] decisions in a vacuum.” He argued that the “key to performance funding is not having too many goals and not making it too complex.” Policymakers mentioned having to consider the implications of their policy beyond the intended target. For example, a policymaker in Terabithia explained,

Yeah, I think as we look at reviewing this going forward, there will definitely be things that would be needed to be evaluated and looked at differently just to say, hey, like any good business plan, you put in place that metrics that you believe are the ones we should measure and there are a multitude of metrics that are being measured. If some of those metrics today aren't aligning and getting up to where we need to be, we're not seeing the results, then it's our responsibility to evaluate, come back, but I do think it is probably premature to say what should or shouldn't be there at this point, at least.

Many policymakers referred to their efforts to speak to as many people as possible in their processes in order to make informed-decisions. Some policymakers discussed the risk of setting PBF goals, including the limits of “one size fits all” policy and the challenge of adopting metrics to meet the need of every institution, and, as a State Board Member in Hobbiton recalled, the “finger pointing” that takes place during evaluations. The push for more state-set goals and accountability in PBF policies created some concern amongst policymakers. For example,

It can be used for a tool for students to try to figure out what pathway or what's the best choice for them. Could be a good tool for parents that don't know much about this whole thing when their kids go off. No, I think there's a lot of value to it. I think there's probably some dangers, just like with anything. You could have some institutions that suddenly ... almost like a teaching to the test mentality.

This comment suggested that PBF could be counter-productive, similar to the comment on PBF being counter-productive to innovation. For some policymakers, higher education needs to

modernize in significant ways in order to make the urgent and necessary improvements in support of economic development. Bob argued,

Education continues to be, particularly to academia, as you've been in academia a long time and you realize it's evolutionary as opposed to revolutionary. And particularly, with the concept of shared governance within a university environment, it's not easy to drive change within higher education.

Bob's comment here echoed Fred's sense that if higher education does not "disrupt" then it is possible that institutions will die a "slow bleeding death."

### **Alignment for Economic Growth**

Through the process of interviewing, policymakers frequently referenced established goals for higher education and PBF in a state-wide plan for educational attainment. In written plans, every state included attention to low income students, mirroring their PBF policy metrics. Each plan had particular attention to higher education's role in serving as a catalyst for "economic development," the "future," and the "growth" for the state. Similarly, policymakers' framing of higher education as an "investment" for the state was commonly used. When policymakers framed higher education for students, investments and economic development were described as "jobs" and "careers," as well as students as "workers." For example, education and students are preparing themselves and the states for the "market," "labor market" and marketplace" in order to meet "labor and/or labor market demands". The plans also addressed the need for "aligning" higher education and curriculum to K-12 and "industry" or "market." The "future" was referenced as a stated aim for students in their careers and the state, often with no clear understanding of what that means beyond "economic" conditions.

As policymakers discussed policymaking and PBF as a state policy, words that could be used to describe neoliberalism (Letizia, 2015) frequently emerged (see Table 3). These words helped to underscore the framing of strategic plans for higher education.

Table 3: *Describing higher education goals with neoliberalism*

Usage	Neoliberalist words
To describe goals for higher education	<ol style="list-style-type: none"> <li>1. Market or marketplace or market-based solutions</li> <li>2. Industry</li> <li>3. Economy/Economic</li> <li>4. Train(ed)/(ing) workforce</li> <li>5. Employment</li> <li>6. Solvent</li> </ol>
To describe higher education's efforts to support workforce and K-12	<ol style="list-style-type: none"> <li>1. Alignment</li> <li>2. Aligning</li> </ol>
To describe higher education's goal for supporting the state	<ol style="list-style-type: none"> <li>1. Future</li> <li>2. Growth</li> </ol>
To describe a higher education degree	<ol style="list-style-type: none"> <li>1. Product</li> <li>2. Asset</li> </ol>

As an example of how these words were used together, a policymaker in Terabithia argued,

A state has an opportunity to continue to thrive economically is steeped in understanding that economic development and education are very, very closely tied and economic development cannot be successful if we don't have a very strong educational system in the postsecondary area and the K through 12 area and the connection between them.

This statement highlights that many policymakers feel economic development for the state hinges on the success of education, which can include embodying a “business plan” approach to operation. For students, a degree is akin to an “asset,” according to Carl. He argued,

I'm not at all that concerned about the ability of an in debt and burdened and hardened by the graduates have, is they're getting a degree, they're going to have a tangible, for lack of a better term, asset that they can go out there on, go out there and sell in the marketplace. So, frankly guys, the ones I'm really more concerned about are the ones who don't

graduate. You go to school for three years, racked up \$50,000 in student debt and then they have nothing to go out in the workplace and try to be an active member in the market.

Unsurprisingly, the strategic plans and policymakers shared a vocabulary about what the goals are for institutions within their states.

### **Equity As Defined?**

Only one state used words such as “equity” or “equitable” in regard to funding institutions. Surprisingly, only one state had significant attention to student diversity in its plans, though “minorities” were included in three state’s metrics. In fact, four out of five states did not even address “minority students” (nor particular racial or ethnic groups, such as African American/Black students or Hispanic students) in their plans. In its place, most state plans emphasized that “every” student or “all” students will have access to higher education.

Perhaps unsurprisingly, given the lack of framing in strategic plans, policymakers’ discussion of equity and equity-based concerns was sporadic and often prompted (see Table 4). However, policymakers did ensure that equity is a concern, especially as it relates to students.

Table 4: *Responding to equity-based concerns*

Usage	Student-centered responses
To describe goals for higher education	<ol style="list-style-type: none"> <li>1. Support “all learners”</li> <li>2. Provide “holistic support”</li> <li>3. Help all students be “successful in life”</li> <li>4. “Fill in the gaps” for first-generation students</li> </ol>

An educator and State Board of Education member in Terabithia felt PBF can strengthen universities’ attention to students in need, in addition to the market-place focus. He expressed,

I can really only speak for my own university here, but it's really changed our conversations within the university, because we understand now that to some extent, we have to pay our own way in the future, through our student enrollments and through student retention. It's made everyone here much more sensitive to issues of student

recruitment, and bringing students here, and making them happy, and giving them a great experience, and then hopefully, placing them in a job in their field when they're done here.

Policymakers framed discussions on equity, sometimes in direct questions related to equity, around students and institutions that have been historically underrepresented. At the institutional-level, the conversation included calls for policy to respond to an historically “inequitable system.” A policymaker in Terabithia claimed,

I think that's what performance-based funding is designed to do, to help each institution fill out their mission, but also bring in students who typically have been left out in the past ... and this goes back to the equity lens ... that students have access to each of those institutions regardless of where they come from or what they look like, and the institutions are keeping them there and then graduating them. Because one of the issues before was that you could bring in students, but you wouldn't necessarily keep them. You would effectively just replace them.

Seldomly, policymakers made a clear argument that equity is critical to supporting state goals, like those mentioned in neoliberalism. Allen offered a defining framework for his state system as,

Equity is inclusion. So, all learners need to access higher education opportunities and the support needed to meet their unique needs. Equity is critical to our state success because our population projections indicate that [state] will become increasingly more racially and ethnically diverse, and we're seeing that in our demographics, so it's important to our overall goal. And equity requires targeted support.

Hopefully, Allen will be able to advocate for incorporation of minorities, in addition to low income students, in his state's PBF metrics. Fred had similar views as he claimed,

I have no argument with the performance funding models, it's absolutely worthwhile that we have to educate more of our population and especially we have the reach in this day and age of inequality where we are more and more having those conversations, we have to reach populations that have not seen the fruits of education and economic progress and migration from one generation to the next.

He saw PBF as a supportive measure for promoting social mobility of underrepresented students. Policymakers grappled with attempting to lay an equitable funding structure on structures that are inequitable to achieve broader goals for students and the state.

Policymakers in this study used language that both reflected and did not reflect their state's PBF metrics and strategic plans. Policymakers often spoke in terms of the need for higher education to train the workforce and support their state economy. When institutions, even those dedicated to serving underserved students, cannot support these state goals, some policymakers shared some admittedly harsh views. Eric commented,

This sounds harsh, but you either perform or you don't. Businesses that don't perform and don't innovate and provide opportunities for their employees and do those things, they're not going to be around. I realize that may mean that a university goes out of business... because my argument is, how can we continue to fund a university that sits somewhere in the state of [removed] that isn't performing?

While admittedly harsh, this policymaker furthered that they felt that institutions, such as HBCUs, cannot be held solely accountable – not that efforts to specifically serve this population should not be a goal. A policymaker and educator in Terabithia wants to make sure universities are taking equity seriously enough, and that includes not underselling their goals. He explained,

Any of our rural counties, folks that come from low-income background or in our urban areas, ensuring that they have the same types of opportunities. One thing that's included also too, in the performance-based funding plan, is that universities are really working to increase their numbers with regard to underrepresented groups. If it is students of color, if it is low-income students, oftentimes those groups overlap, but they're not the same. One thing I tried to do last meeting was make sure that we weren't making excuses for universities if they weren't meeting goals, and that the numbers weren't too low to begin with. Because let's say a university has currently 5% black students enrolled on campus. Well, if they set their next year's goal to be 6%, just so they can reach the goals, is that too low? That's one of the things I tried to ask in our last meeting, to say, "Well, how can we push it up? How can we really hold people accountable?" I'd say that's the one thing I've been able to do thus far specifically. Again, it's not a specific policy so much as it's a process. What are we doing to get more students who are underrepresented? What are we doing to keep our students who are underrepresented? I think I'll have more opportunity to do that in the future, but again, I really do want to give a hat tip to the staff and the president, because it's something they're thinking about already. It's just getting our

universities on board to really commit to it, which again, I think they like to do. I think they have to do, from a performance-based funding perspective, but I'd say that'd be the closest thing to a direct policy that I can advocate for now.

Based on this perspective, PBF should not focus on allowing historically underrepresented students to migrate to another campus in the process of “trimming,” but rather incentivizing institutions to recruit these students. Regardless, the viewpoint in his argument is that institutions need to be held accountable for their actions or inactions, like setting low expectations.

### **The Big Discussion: Consequences for Underrepresented Students and Institutions**

#### **Planning for Underlying Mismatches and Going Out of Business**

When asked about PBF’s potential consequences on institutions that serve underrepresented students, policymakers almost always said it was a discussion, even a “big” or “huge” discussion, in the respective states and committees. A Member of the House of Representatives in Hobbiton asserted,

And so we see that at like community colleges and minority serving institutions, they tend to suffer. Students tend to suffer under these policies, because what seems like a good intention may impact actually who they decide to accept into any sort of program if they're being funded based on enrollment, but also like retention or things like that. They're more cautious to enroll students that are going to take longer to graduate and things like that.

Interestingly, a Member of the House of Representatives in Doldrums felt that because PBF compelled community colleges to make more efforts to support their students it does not “disadvantage two years or, the president” because the “leadership of those schools just have to be onboard to figure out what they need to do to help their kids.” In contrast, a former educator turned policymaker in Terabithia argued, “it's hard to work a metric accountability system around their community college students because it may be that one student who is taking one

class a semester or it may be that single mother who can go for a semester, this time they skip a semester and they have to come back.” These comments offer a discrepancy on whether or not policymakers think community colleges have the capacity to address the needs of their students and whether or not PBF can adjust to these unique needs.

### **The Future of (In)equity**

Policymakers mentioned that they have adjusted metrics specifically to protect underrepresented students and target “additional recognition and funding opportunities” for institutions that serve underrepresented populations. In some cases, they mentioned that these institutions have indeed suffered and are “struggling” but that the institutions are working on it. While recognizing the need to set metrics by institutional type, Bob stated, “you never get for fair equity across the board, but I think [PBF] does as good a job as you can and that's what you strive for.” Bob saw rewards built into their state for these institutions. A member of the House of Representatives in Doldrums argued her state, which does not have many HBCUs or MSIs, will have to adjust their metrics to specifically target “minority students, African-American students, Asian students, et cetera” beyond graduation rates.

Counter to most, a member of the House of Representatives in Hobbiton argued that PBF cannot be adjusted to meet the needs of every institution and contended that she thinks we need to “put greater faith and trust into those institutions and professions, and treat them like that... because there is no other profession that we micromanage like this.” Fred offered that adjusting PBF to support these institutions is not enough to address societal inequities in higher education. He argued,

And I have nothing against that approach that we need to protect institutions that are serving a group of populations that historically hasn't done well and hasn't found enough pathways to economic prosperity then that some other populations may have. Having said that, that a single HBCU or even more than single, it's unrealistic to expect that that

institution alone can single handedly address the societal problem that exists in that space. It is much more, seems to me much likelier to have a good solution if you spread that problem and put it on every university's shoulders and say, "You guys agreed to deal with this, you're going to make an effort to attract, understand and graduate populations, which have not done well historically from an academic standpoint, from an economic prosperity standpoint." So that's where I am not... I don't have any evidence to back this up, but that's my general philosophical approach.

Similarly, Eric argued that some of these institutions may “go out of business” but defended that impacted students can and will still be educated somewhere else. Fred argued, “The issue is that there is underlying mismatch between what funding needs universities have and what the state is willing to do... we are no longer state funded. We are state supported is the way I've heard people talk about it.” In contrast, Carl argued,

The title of the policy, performance-based funding. The legislators didn't vote on equity-based funding and now everybody's surprised that it's not equitable? Of course, it's not equitable. It's not supposed to be equitable. Maybe I'm too much of an engineer on how the world is black and white? God, lady. I'm sorry.

Some policymakers viewed the potential policy problem of equitable resource distribution as concerning, while others did not.

### **Forecasting a Gameplay**

Policymakers described PBF as an ongoing process for institutions making changes and for themselves evaluating the data and adjusting metrics. Policymakers had received information regarding PBF from committee staff and colleagues, college presidents and campus leaders, neighboring states, community members, alumni, and data. Some policymakers felt they are not getting enough feedback about PBF in their state and promised to seek more opportunities to get it. For example, a policymaker in Terabithia explained, “In terms of the feedback, we do not hear a lot of that. That may not come to us.” Though not directly asked, policymakers did not mention reviewing any policy analyses, specific research, or scholarly work, though one referenced listening to a popular podcast on economics. In some instances, they stated concerns that

institutions were or would respond to PBF with less than scrupulous practices or “gaming the system.” Bob outlined,

I think everybody has a different lens based on their knowledge of the process and also their understanding of how it was established. I think you hear very different points of view, but I would say probably the most valid point of view is that it's too soon to tell.

While other policymakers felt their state had created a “tool” well enough to “paint the big picture” about what is happening at their institutions. A college administrator and policymaker in Hobbiton saw “trimming” as problematic but perhaps necessary, as they outlined,

I could see the need, but I can also see the winners and losers. And that's not what you're ... that's not what you want. But what we have to do, and I think is weed out some of these for-profit, non-accredited schools that, that prey on people, that ... community college shouldn't have the stigma it has because it's lower price for the first two years.

Based on negative impacts felt at smaller institutions within their state, Carl recommended that institutions do the work to “build their own model” and “forecast a gameplay, various scenarios and see what that effect of the policy's going to be for them.” In particular, he said both institutions and policymakers need to be wary of metrics that are based on volume, because of potential capacity issues in the long-term. Another educator and policymaker also in Terabithia argued that policymakers want PBF to meet taxpayers demanding return of investment and institutions that want to support their mission in the middle by at least proving they are making efforts and “trying to improve, to innovate, to graduate students.” The conversation, to be effective, should, according to an educator and policymaker, be inclusive of legislators, committees, community business, and especially educators and administrators. He argued,

I think all those players are the ones that ought to come together to figure out what a performance-based funding plan ought to be, because they're the ones that would know. Again, I'm a big believer in pulling people into policy who will be impacted by it and will be affected by it, so it can be good and comprehensive.

The policymakers provided that the higher education landscape is subject to change and that institutions should join in a strategic plan to strengthen their performances and scale back in size.

### Summary

In this chapter, policymakers and PBF policy-related documents portray higher education as a critical contributor to states and their future. In these policy discussions, policymakers expressed concern and urgency about their state revenue and resources. While higher education was not always the budget priority, the expectancy of institutions to adhere to specified priorities was stressed. The future for these states-at-large appeared to depend on these priorities. PBF was described as a tool to better ensure that institutions work toward and improve on the set priorities. Some policymakers felt that institutions need more oversight to ensure that they do not ignore the priorities or misrepresent their efforts.

Policymakers did not see PBF without challenges or consequences, though they overwhelmingly supported PBF as a good policy. Interestingly, no alternatives were suggested nor debated. When presented with PBF-related literature that highlighted equity-based concerns, policymakers responded with knowledge but mixed opinions. Ranging from it being too early to make a judgement to embracing institutions' closures, policymakers underscored that they agreed that higher education is critical to state performance but not the role and importance of equity (or not) in the process of setting and achieving priorities within their states. Policymakers with business backgrounds and those with educators tended to have different perspectives on policy solutions and policy problems, such as "trimming." Though States Terabithia, Wonderland, and Doldrums all had focus targets on minority students, equity was not a consistent concern. Interestingly, Allen, who had a business background and serves in a state with no focus on equity in its plans, viewed equity concerns as part of the larger economic

discussion. In Chapter 5, I will discuss key findings and implications, as well as limitations, for this study. Additionally, I will present recommendations for further study and a final summary.

## **CHAPTER FIVE**

### **DISCUSSION**

In this chapter, I will discuss key findings from this CPA of PBF. The chapter will critically examine the discussions with policymakers and analysis of the PBF related documents. This analysis will include a deeper examination of key findings in relation to the literature on PBF and the lenses used for understanding policymaking, neoliberalism, and equity in this study. Additionally, this chapter will acknowledge limitations of this study, consider implications of the study, and present recommendations for further research.

#### **Summary of Findings**

In this study, policymakers viewed themselves as liaisons between the state and higher education institutions largely on behalf of students and industry. They approached their decisions with humility about their states' budget (crises) and lingering impacts of the Great Recession. Policymakers often used their professional background as their lens for understanding how to manage the expectations set for higher education through PBF and establishing and viewing goals set for institutions. They often stated that their decisions regarding PBF were based on the larger goals set for higher education, such as supporting economic development for the state, driving the economy, and training a workforce. They expressed a sense of urgency and crisis about state budget and harbored perceptions that higher education has been slow-to-move. They may have dealt with this by designing a policy that focuses this tension on establishing and evaluating specific performance metrics that hold institutions accountable each year.

Performance metrics, according to policymakers, are critical support for their states' future that are often only described as just that - the "future" – and the states' economic development. In the meantime, policymakers also approached PBF as a helpful tool for holding

institutions accountable in reducing student loan debt and tackling college affordability issues for their students, who also will benefit by earning a degree to participate in the workforce. Their discussions on establishing goals for students – both earning and affording a degree— were insights to their worldviews. They placed significant value on institutions ensuring that students who want to participate in higher education can afford it and receive a degree with minimal debt in a reasonable timeline, hopefully to enter the workforce within their home state.

Predominantly, policymakers viewed PBF as a policy that creates necessary oversight for higher education’s use of state funds by setting goals or priorities, such as affordability. Their approaches to PBF decisions were heavily guided by established goals in strategic plans. Policymakers frequently explained that they used their state’s strategic plan as their guide for understanding higher education, PBF as a policy, and in some cases, equity. In fact, their language tended to reflect those strategic plans, which provided more insight to who is shaping those plans and how those plans are shaping policy. Beyond these plans, the committee staff were described as critical to their policy decision-making process. Some policymakers referred to their influence over policy as even greater than their own. While only six policymakers served in the House or Senate, only two policymakers felt they were not directly involved in setting policy by their service on the various committees and State Board. This study should open more perspective on who is establishing, evaluating, and reshaping higher education policy.

In this study, policymakers debated whether or not just setting priorities for higher education through PBF metrics was enough, as some policymakers called for more power over higher education. In their descriptions, the policymakers made it clear that they understood that PBF as a policy will eliminate faculty and staff, programs, and institutions. Of note, a policymaker made an argument that PBF could be a tool for making strategic decisions about the

inevitable downsizing of higher education based on forecasted population decline. The policymakers who desired for more control were countered with policymakers who wanted a clear balance of limited or no control in order to foster more buy-in and innovation on campus. The policymakers who wanted limited control felt this structure would support innovation around larger goals for higher education, such as completion, affordability, etc. While the desire for control may be concerning, policymakers were clearly under pressure of a budget crisis that needed their urgent attention.

By putting attention on policy feedback regarding community colleges, HBCUs, and MSIs, this study aimed to deepen an understanding of how policymakers may understand policy feedback on PBF, as well as the potential social stratification of PBF, which is useful in CPA studies (Diem et al, 2014). The policymakers almost always stated that equity for underrepresented students and the institutions that serve them was a discussion and concern within their states. The extent of their concern was sometimes expressed in terms of the number of institutions within their state that fit one of these institutional descriptors. For example, a policymaker referenced the limited number of HBCUs within their state as getting a “softer landing” by the policy metrics. Seldomly policymakers held that these institutions are critical to the overall aims for achieving the state goals for higher education, rather that underrepresented students are the focus. Given their discussions, higher education advocates could anticipate that their states’ metrics and plans may include specific provisions in the future, but can we afford to wait for the next policy window or strategic planning cycle?

Within this study, policymakers held different views on whether PBF can or should provide equitable distribution of resources. Overall, policymakers described PBF as flexible enough to address different institutions. Some policymakers argued that PBF was effectively

responding to different institutional mission types, while others said it has not nor should it. In this line of discussion, policymakers often placed emphasis on how institutions are responding to PBF. They acknowledged that establishing PBF metrics to fit each institution can be difficult and they sometimes expressed fear that metrics, like any system, would be abused. As policymakers argued that PBF can be “tweaked” to fit new objectives and goals, higher education advocates should talk more to policymakers about building institutional capacity to address shifting goals and flexible budgets.

Policymakers in this study varied on whether or not they felt institutions serving historically underserved populations should be specially protected. Some policymakers insisted that PBF does not threaten historically underserved populations, because all thriving institutions will be open and available to these students. Other policymakers saw a value in protecting institutions that serve historically underrepresented students. They provided that the higher education landscape as it currently exists will be “trimmed” and that historically underrepresented students may be forced to migrate in this process. Though policymakers compelled institutions to get involved and be strategic about the future, including as much as building a disruptive model, they offered little understanding on exactly how PBF-related efforts on campus actually address college affordability and student debt beyond “improving” institutions.

### **Discussion of Findings**

In the literature, policymakers do not operate in a vacuum (Dougherty, 1998; Letizia, 2015). The policymakers in this study were clearly influenced by economic and social factors in their state and have responded by demanding accountability from higher education (Alexander, 2000; Dunn, 2003; Dougherty et al., 2016; Letizia, 2015). Policymakers felt PBF can and does

focus institutions on improving their outcomes (Dougherty et al., 2016; Hillman, Hicklin Fryar & Crespín-Trujillo, 2017). They revealed a debate about the power they hold over institutions. Some policymakers felt institutions needed more accountability, as other policymakers expressed the need for institutions to have more flexibility to “innovate.” The desire of some policymakers for higher levels of control was unsurprising (Alexander, 2000; Dunn, 2003; Kelchen, 2018). Policymakers who offered that PBF is a catalyst for innovation may be oversimplifying PBF’s ability to have a true cause and effect (Stone, 2012), especially since PBF is an unfunded mandate by their own admission. The word “innovation” could be attempting to place a positive understanding on PBF, since HBCU college personnel, for example, have admonished its negative impacts and suspected racist underpinnings of its “limited resources” (Jones, 2016, p. 1024).

Policymakers description of PBF as a flexible policy, however, was interesting because scholars have argued that institutional leaders at community colleges, for example, have not shared this understanding (Bers & Head, 2014). Policymakers may feel that PBF is flexible simply because they have the power to adjust the policy and its metrics to drive institutions to change their behaviors (Kelchen, 2018; Stone, 2012). Institutional leaders, conversely, are primarily positioned to respond to PBF and its metrics. Therefore, they may not share or accept policymakers’ paradigm, because they do not have power over the policy itself (Horkheimer, 1968). Beyond the policy itself, policymakers also described PBF as flexible enough to effectively accommodate unique missions, including institutions that predominantly serve underrepresented students (Dougherty, 2013; Dougherty et al., 2016; Doyle & Zumeta, 2014).

The policymakers were primarily focused, however, on students who they felt are deserving of equity-based metrics and adaptations to PBF. Policymakers, unfortunately, did not

agree on whether institutions deserve special protections or not. Furthermore, in discussing the issue of equity, policymakers did not offer any concern on the funding disparities for HBCUs and MSIs happening in their states, which has been a finding in the literature (Gándara & Rutherford, 2018; Hillman & Corral, 2018; Li, Gándara, & Assalone, 2018; Rabovsky, 2012). Additionally, the issue of institutional capacity was not addressed in the discussion, even though capacity issues has been a key concern amongst scholars (Bailey, Jaggars, & Jenkins, 2015; Dougherty et al., 2016; Hillman & Corral, 2018; Jones, 2016; Li et al., 2018; Minor, 2008; Schudde & Goldrick-Rab, 2016). For example, the acknowledgement by a policymaker that some populations have “not found enough pathways to economic prosperity then that some other populations may have” does not adequately account for the historical exclusion and underfunding in higher education, particularly for African Americans and HBCUs (Jones, 2017; Minor, 2008; Sav, 2000; Sav, 2010). This policymaker who emphasized a focus on equity, holding perspectives akin to equity-mindedness (Bensimon, Dowd, & Witham, 2016) by this very acknowledgement, did not offer an alternative to PBF.

Policymakers were clear that PBF has rightfully evolved from enrollments to focusing on increasing degrees. The language they used regarding the state economic development, as well as state-based PBF documents, suggested that neoliberalism is still influencing their policy decisions for higher education (Letizia, 2014; Rabovsky, 2014). While the policymakers' approaches to higher education and related policy were often expressed in neoliberalist terms (Letizia, 2015), the policymakers rarely saw their views as incongruent with equitable practices for distributing funds or meeting the needs of diverse students (Bensimon et al., 2016). Mostly, policymakers felt providing flexible metrics can reduce harm, though it may take some time for institutions to adjust. Policymakers held that all institutions, regardless of their mission, can put

forward an honest effort to accomplish the priorities set for them and ultimately achieve them. However, it is the missions of community colleges, HBCUs, and MSIs that should be a key concern and policy focus for policymakers. While policymakers cannot be certain of institutional behavioral changes based on PBF's metrics (Kelchen, 2018), they can be certain that the demographic landscape of "all students", as policymakers and policy-related documents outlined, is going to look more and more like the very students already being served at these institutions (Smith, 2016). Policymakers are right to focus their attention on students when making any policy decisions, but they must also understand that while the demographic landscape is changing, the institutional landscape must also adapt – and PBF "trimming" is not the best solution if it removes the institutions that are already doing the work of serving these populations. Higher education advocates and scholars should continue their efforts to compel policymakers to understand that protecting community colleges, HBCUs, and MSIs is still focusing their attention on these students. Scholars have already pointed out the power of outlining specific targets for underrepresented students in PBF metrics (Jones, 2017).

While the "elephant in the room" may be the budget crisis of the day and the lack of funds for higher education for policymakers, higher education advocates and scholars should see the glaring "elephant" that there is no apparent reevaluation of PBF in the policy landscape. While we know a demographic change is coming, policymakers may not make equity for institutions a policy priority – although they may argue that equity is a concern when it comes to students. Who is planning the migration of historically underrepresented students after PBF "trims" the higher education landscape? Should a "tool" be left to make these tough decisions, or should higher education leaders, scholars, and policymakers come together to make these tough decisions? As policymakers invest in supporting industry for the economic future of their states,

what assurances do they have that all of the alignment changes on college campuses will result in equitable outcomes for “all students” holding various degrees? Higher education leaders should be concerned that an “all students” approach to educational policy will continue to leave behind historically underserved students and the institutions built to serve them at a time when they are in fact our future (Smith, 2016). While policymakers made it clear that the goal of PBF is to support the economic future, policymakers did not share whether or not PBF can hold together outcomes that are not neoliberalist. In other words, no policymaker mentioned whether or not PBF can hold institutions accountable for promoting inclusive learning environments, supporting lifelong learning practices, or engendering citizen leadership.

Undoubtedly, the higher education landscape has changed and will continue to change (Smith, 2016), though perhaps not at a pace fast enough to satisfy policymakers. If the policymakers in this study can highlight a national mood (Kingdon, 1984, 1995), then higher education leaders and scholars should expect that economic stability and growth and accountability are still omnipresent in higher education policy discussions, but that equity-based concerns are emergent. Their policy discussions could be the first signal that a policy window (Kingdon, 1984, 1995) for higher education leaders and scholars who are critics of PBF may open. Higher education leaders and scholars may need to articulate the value of institutional missions, such as supporting diverse student populations, promoting inclusive learning environments, supporting lifelong learning practices, or engendering citizen leadership, as in fact supporting a pipeline of diverse students adequately ready to support economic growth. This framing may be necessary because of how policymakers are approaching their decision-making (Stone, 2012). Regardless, higher education leaders and scholars need to think beyond ever-present existing budget crises and strategic plans, if they ever hope to redefine a future for higher

education outside of strengthening the state's economic development in a global economy. Equity may be a symbol that is purposely left to ambiguity (Stone, 2012), but it demands our specific actions (Jones, 2017). As the "tool" marches on regardless of our efforts and findings, this is perhaps our biggest challenge – being proactive on equity in policy discussions and policy.

### **Contributions to Theory**

This study provided an updated understanding on how PBF is being discussed in the policymaking space. Though policymakers acknowledged that PBF's intended and unintended consequences can occur, no policymaker shared that they felt PBF does not work to improve outcomes. This suggested that research related to consequences (Doyle & Zumeta, 2014; Jones, 2016; McKinney & Hagedorn, 2017; Umbricht, Fernandez, & Ortagus, 2017) has entered into policy conversations, while research on PBF's limited impact has perhaps not (Dougherty et al., 2016; Hillman, Tanberg & Gross, 2014; Rabovsky, 2012; Rutherford & Rabovsky, 2014). This finding also suggested that a communication gap still exists between policymakers, policymaking, and research (Hillman et al., 2015).

The impact of neoliberalism (Letizia, 2015) as a pervasive paradigm permeating education policy still deserves criticism, as policymakers' own description of PBF as flexible did not account for institutions that needed more stable funding to improve their institutional capacity even before PBF took over the landscape (Bers, Head, & Palmer, 2014; Doyle & Zumeta, 2014; Hagood, 2019; Hillman & Corral, 2018; Jones, 2016). Neoliberalism (Letizia, 2015) is still a key voice in PBF policies, but this study highlights that considerations of equity are also appearing in PBF policy discussions (Bensimon et al., 2016). These discussions also highlighted the role of policymakers. Jones (2017) found that the individuals "at the table" (p. 28) are critical to policy design that considers equity. For example, Jones (2017) argued that it is

critical for equity that PBF policy design takes into account specific demographic targets. This study suggested that some policymakers are seeing this as an important strategy, though in some cases the states' strategic plans and policies do not reflect it. This study addressed an understanding of those individuals who are currently shaping PBF, as these states are implementing PBF metrics that distinguish unique missions (Jones, 2016; McKinney & Hagedorn, 2017). Given the counter narrative of a business owner focusing his attention on equity in a state with equity as a focus, it is also worth expanding our understanding of when individuals "at the table" (Jones, 2017, p. 28) matter. For example, the already-developed strategic plans for higher education in his state were critical to his policy decisions. These findings suggest that the individuals involved in developing strategic plans, which were repeatedly cited as critically important to policy decisions, mattered even more than the profiles of the policymakers serving under those plans.

### **Implications for Further Research**

Although data collection for this study predated the COVID-19 global pandemic, scholars should be compelled to better understand the policy stream itself (Kingdon, 1984, 1995). Neoliberalism is a paradigm and a movement (Letizia, 2015), but the ever-growing polarization in our politics (Klein, 2020) may be changing what we have known about policymaking processes, such as consensus building (Kingdon, 1995). For example, while a "focusing event" (Kingdon, 1995, p. 90), such as COVID-19, demands "some sort of action so clearly that even inaction is a decision" (p. 96), the problem and its symbols (Kingdon, 1984, 1995) are subject to manipulation along with our "partisan political identities" (Klein, 2020, p. 258). Manipulation of information is not new to understanding policy decision-making (Stone, 2012). However, Klein (2020) argued that we are now so "locked into" (p. xiii) these identities that no matter what

information we have, we will “justify almost anything or anyone so long as it helps our side, and the results is a politics devoid of guardrails, standards, persuasion, or accountability” (p. xiv). Given this polarization (Klein, 2020), even policy feedback (Kingdon, 1994) may need to be reconsidered.

Regardless, policymakers will need to respond to a current event that undoubtedly will shape policy and policymakers’ understandings and general worldviews when making decisions (Kingdon, 1984, 1995; Stone, 2012). Future researchers should consider interviewing policymakers several times throughout the policy decision-making process to better capture how the policymakers experience information and policy discussions in the policy design phase, as well as a policy redesign process. Higher education leaders and scholars should work to situate these findings for further study. For example, the subsequent budget crises and further strains on existing budget crises, in addition to the stress of economic instability, may heighten policymakers’ concerns about accountability and strengthen their resolve for PBF as the policy solution necessary for institutions to reimagine themselves as businesses and close if they are not flexible enough to respond and not solvent enough for the future. However, the COVID-19 global pandemic may also offer the policy window (Kingdon, 1984, 1995) that PBF’s critics need to offer policy alternatives.

The interviews in this study happened post-PBF design, which restricted an opportunity to have policymakers reflect on the process with the provided feedback in the semi-structured interview protocol. Future researchers may want to conduct this study before PBF metrics would be established or redesigned in the state, as well as following up three to five years after the implementation to see how they view PBF’s ability to achieve established goals and any potential negative impacts. Additionally, the staff of the various state-based committees should

be interviewed as a “hidden cluster” (Kingdon, 1995, p. 68) to provide a more comprehensive view of policy decision-making processes. Researchers should also strive to better understand the decision-making and planning processes behind strategic plans, as strategic plans were cited by policymakers in this study as shaping policies and policy decision-making. These plans may transcend political appointments in shaping policy goals and strategies on college campuses.

### **Implications for Further Practice**

Policymakers in this study offered some advice for those who want to shape their opinions on PBF and any higher education policy. They provided that they often get high volumes of correspondence while in session so e-mails with personal messages, i.e. “not cookie cutter,” get their attention the most. To higher education leaders, they proposed that institutions can and should gain better understanding of their own data and PBF implications for their institutions over time. With this knowledge, institutions will be better positioned to tell their own stories about their institutions and reshape policy metrics around what they do well. Many policymakers held that they want to meet institutions where they are at – and only see them get better in their already established high-performance areas. These steps may be critical to prepare ourselves for a policy window (Kingdon, 1984).

Higher education advocates should consider helping to define the “future” with policymakers. For example, advocates should connect equity goals to economic goals to better ensure adoption into policies, metrics, and plans. Educators should be encouraged to enter the policymaking pipeline. If “trimming” is inevitable, then educators may be more allied to viewing equity as a critical lens for the decision-making process. Additionally, educators may help reshape policy problems on affordability and student loan debt and propose policy alternatives that include state investment into higher education.

### **Limitations**

In this study, policymakers rarely discussed their direct role in voting on adjusting PBF metrics within their state. Therefore, policymaker or policymaking findings should be understood in the context of this study alone. However, the policymakers in this study all served in official capacities, including state Houses and Senate seats, and presented a good mix of individuals with direct lines on communication on addressing and reshaping PBF in their states. Additionally, six policymakers also had the opportunity to write legislation and vote on legislation on PBF in their states at the time of the study.

### **Conclusion**

In this study, policymakers shared their concerns for their states, college students and institutions. The desire to align higher education to state goals under PBF was viewed as critical to the future of the state and a benefit to students. While economic development is at the forefront, policymakers shared that they are discussing equity-based concerns when making their policy decisions. The statements on the trimming of higher education and moving underrepresented students from institutions designed to support them are certainly concerning.

Conversely, the policymakers offered that a strategy is needed to address limited state budgets and birthrate decline. With that, these policymakers did not seem to view a policy solution beyond PBF. If PBF is as harmful as many scholars suggest, are we ready for a policy window (Kingdon, 1984)? Policymakers may be open to a suggestion if advocates for higher education prepare for a conversation that focuses on the economy, students' role in that economy, and goal setting. Given the policy landscape, how can institutions maintain outcomes that are not solely focused on economic development and employment-based? If higher

education advocates want to maintain equity as a goal, then they should continue to insert themselves into policy discussions, including strategic planning at the state-level, and define it.

## REFERENCES

- Alexander, F. K. (2000). The changing face of accountability: Monitoring and assessing institutional performance in higher education. *The Journal of Higher Education*, 71(4), 411. <https://doi.org/10.2307/2649146>
- Banta, T. W., Rudolph, L. B., & Fisher, H. S. (1996). Performance funding comes of age in Tennessee. *The Journal of Higher Education*, 67(1), 23-45.
- Bensimon, E.M, Dowd, A., & Witham, K. (2016). Five principles for enacting equity by design. Retrieved from <https://www.aacu.org/diversitydemocracy/2016/winter/bensimon>
- Bers, T., & Head, R. B. (2014). Assessing financial health in community colleges. In Bers, T., Head, R. B., & Palmer, J. (Eds.). *Budget and finance in the American community college* (pp. 103-114). San Francisco, CA: Jossey-Bass.
- Blankenberger, B., & Phillips, A. (2016). Performance funding in Illinois higher education: The roles of politics, budget environment, and individual actors in the process. *Educational Policy*, 30(6), 884-915. doi:10.1177/0895904814556748
- Bonner, S. E. (2002). Sketching the lineage: The critical method and the idealist tradiion. *New Political Science*, 24(2), 265-292. doi: 10.1080/0739314022014524 3
- Chen, R., & St. John, E. P. (2012). State financial policies and college student persistence: A national study. *The Journal of Higher Education*, 82(5), 629–660. <https://doi.org/10.1353/jhe.2011.0032>
- Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry & research design: Choosing among five approaches* (4<sup>th</sup> ed.). California: SAGE Publications, Inc.
- Diem, S., Young, M.D., Welton, A.D., Mansfield, K.C., & Lee, P. (2014). The intellectual landscape of critical policy analysis. *International Journal of Qualitative Studies in*

*Education*, 27(9), 1068-1090. doi: 10.1080/09518398.2014.916007

Diem, S., Young, M.D., & Sampson, C. (2019). Where critical policy meets the politics of education: An introduction. *Educational Policy*, 33(1), 3-15. doi: 10.1177/0895904818807317

Doyle, W., & Zumeta, W. (2014). State-level responses to the access and completion challenge in the new era of austerity. *Annals of the American Academy of Political and Social Science*, 655(1), 79–98. <https://doi.org/10.1177/0002716214534606>

Dougherty, K. J. (1998). Educational policy-making and the relative autonomy of the state: The case of occupational education in the community college. *Sociological Forum*, 3(3), 400-432.

Dougherty, K. J., Jones, S. M., Lahr, H., Natow, R. S., Pheatt, L., & Reddy, V. (2014). Performance funding for higher education: Forms, origins, impacts, and futures. *Annals of the American Academy of Political and Social Science*, 655(1), 163–184. <https://doi.org/10.1177/0002716214541042>

Dougherty, K.J., Jones, S. M., Lahr, H., Natow, R.S., Pheatt, L., & Reddy, V. (2016a). Looking inside the black box of performance funding for higher education: Policy instruments, organizational obstacles and intended and unintended impacts. *RSF: The Russell Sage Foundation Journal of the Social Sciences*, 2(1), 147. <https://doi.org/10.7758/rsf.2016.2.1.07>

Dougherty, K.J., Jones, S. M., Lahr, H., Natow, R.S., Pheatt, L., & Reddy, V. (2016b). *Performance funding for higher education*. Baltimore, MD: Johns Hopkins University Press.

- Dougherty, K. J., Natow, R. S., & Vega, B. E. (2012). Popular but unstable: Explaining why state performance funding systems in the united states often do not persist. *Teachers College Record*, 114(3), 1-41.
- Dougherty, K. J., & Reddy, V. (2011). The impacts of state performance funding systems on higher education Institutions: Research literature review and policy recommendations. *Community College Research Center Working Papers*, (December), 1–64.
- Dowd, A. C. & Shieh, L. T. (2014). The implications for state fiscal policies for community colleges. Bers et al. (Eds.) *Budget and finance in the American community college* (pp 53-64). San Francisco, CA: Jossey-Bass.
- Dunn, D. D. (2003). Accountability, democratic theory, and higher education. *Educational Policy*, 17(1), 60–79. <https://doi.org/10.1177/0895904802239286>
- Favero, N., & Rutherford, A. (2018). Will the tide life all boats? Examining the equity effects of performance funding policies in U.S higher education. *Research in Higher Education*. Retrieved from <https://doi.org/10.1007/s11162-019-09551-1>
- Fischer, F. (2003). *Reframing public policy*. New York, NY: Oxford University Press.
- Fulton, M. (2019). *An analysis of state postsecondary governance structures*. Education Commission of the States. <https://www.ecs.org/wp-content/uploads/An-Analysis-of-State-Postsecondary-Governance-Structures.pdf>
- Gándara, D. (2019b). Does evidence matter? An analysis of evidence use in performance-funding policy design. *The Review of Higher Education*, 42(3), 991-1022. Retrieved from <https://doi.org/10.1353/rhe.2019.0027>
- Gándara, D. (2019a). How the sausage is made: An examination of a state funding model design process. *The Journal of Higher Education*. doi: 10.1080/00221546.2019.1618782

- Gándara, D., Rippner, J. A., & Ness, E. C. (2017). Exploring the ‘how’ in policy diffusion: National intermediary organizations’ roles in facilitating the spread of performance-based funding policies in the states. *The Journal of Higher Education*, 88(5), 701-725. <https://doi.org/10.1080/00221546.2016.1272089>
- Gándara, D., & Rutherford, A. (2018). Mitigating unintended impacts? The effects of premiums for underserved populations in performance-funding policies for higher education. *Research in Higher Education*, 59, 681-703. Retrieved from <https://doi.org/10.1007/s11162-017-9483-x>
- Hagood, L. (2019). The financial benefits and burdens of performance funding in higher education. *Educational Evaluation and Policy Analysis*, 41(2), 189-213. doi: 10.3102/0162373719837318
- Hays, D.G. & Singh, A.A. (2012). *Qualitative inquiry in clinical and educational settings*. New York, New York: Guilford.
- Hearn, J.C., & Holdsworth, J.M. (2004). Influences of state-level policies and practices on college students’ learning. *Peabody Journal of Education*, 77(3), 6-39. Retrieved from <https://www.jstor.org/stable/1493274>
- Hillman, N., & Corral, D. (2017). The equity implications of paying for performance in higher education. *American Behavioral Scientist*, 61(14), 1757–1772. <https://doi.org/10.1177/0002764217744834>
- Hillman, N.W., Tanberg, D.A., & Gross, J.P.K. (2014). Performance funding in higher education: Do financial incentives impact college completions. *The Journal of Higher Education*, 85(6). doi: 10.1353/jhe.2014.0031
- Hillman, N.W., Tanberg, D.A., & Sponsler, B. (2015). *Public policy and higher education:*

- Strategies for framing a research agenda. ASHE Higher Education Report, 41(2), 1-98.*  
doi: 10.1002/aehc.20020
- Horkheimer, M. (1968). *Critical theory: Selected essays*. New York, NY: Continuum.
- Jones, D. P. (2013). Outcomes-based funding: The wave of implementation. *Complete College America, 1-32*. Retrieved from <http://completecollege.org/pdfs/Outcomes-Based-Funding-Report-Final.pdf>
- Jones, T. (2016). A historical mission in the accountability era: A public HBCU and state performance funding. *Educational Policy, 30(7), 999–1041*. <https://doi.org/10.1177/0895904815586852>
- Jones, T. (2017). Double or nothing, states betting it all on performance and outcomes-based funding and the implications for equity. Jones et al. (Eds.) *Outcomes based funding and race in higher education* (pp 13-30). Cham, Switzerland: Palgrave Macmillan.
- Kant, I. (1790). Critique of judgment. In C. Kaplan & W. Anderson (Eds.), *Criticism: Major Statements* (4<sup>th</sup> ed.), pp. 232-240. New York: NY: Bedford/St. Martin's
- Kelchen, R. (2014). Federal college ratings: A primer and potential implications. *Journal of College Admission, 225, 12-15*.
- Kelchen, R. (2018). *Higher education accountability*. Baltimore, MD: Johns Hopkins University Press.
- Kelchen, R. (2019). Exploring the relationship between performance-based funding design and underrepresented student enrollment at community colleges. *Community College Review, 47(4), 382-405*. Retrieved from <https://journals.sagepub.com/doi/abs/10.1177/0091552119865611>
- Kelchen, R., & Stedrak, L. (2016). Does performance-based funding affect colleges' financial

- priorities. *Journal of Education Finance*, 41(3), 302-321. Retrieved from <https://muse.jhu.edu/article/613777>
- Kellner, D. (1990). Critical theory and the crisis of social theory. *Sociological Perspectives*, 33(1), 11-33. Retrieved from <https://www.jstor.org/stable/1388975>
- Kingdon, J. W. (1984). *Agendas, alternatives, and public policies* (1<sup>st</sup> ed). New York, NY: HarperCollins, Inc.
- Kingdon, J.W. (1995). *Agendas, alternatives, and public policies* (2<sup>nd</sup> ed.). New York, NY: Longman.
- Klein, E. (2020). *Why we're polarized*. New York, NY: Avid Reader Press.
- Letizia, A. J. (2015). *Performance-based funding in higher education: The state of truth in the information age*. Lanham, MD: Lexington Books
- Letizia, A. J. (2016). Dissection of a truth regime: the narrowing effects on the public good of neoliberal discourse in the Virginia performance-based funding policy. *Discourse: Studies in the Cultural Politics of Education*, 37(2), 282–297.
- Li, A. Y. (2017). Covet thy neighbor or “reverse policy diffusion”? State adoption of performance funding 2.0. *Research in Higher Education*, 58(7), 746–771. <https://doi.org/10.1007/s11162-016-9444-9>
- Li, A. Y., Gándara, D., & Assalone, A. (2018). Equity or disparity: Do performance funding policies disadvantage 2-year Minority-Serving Institutions? *Community College Review*, 46(3), 288–315. <https://doi.org/10.1177/0091552118778776>
- Li, A. Y., & Kennedy, A. I. (2018). Performance funding policy effects on community college outcomes: Are short-term certificates on the rise? *Community College Review*, 46(1), 3-39. <https://doi.org/10.1177/0091552117743790>

- Marx, K. (1846). The German ideology. In C. Kaplan & W. Anderson (Eds.), *Criticism: Major Statements* (4<sup>th</sup> ed.), pp. 310-319. New York: NY: Bedford/St. Martin's
- Marginson, S. (2016b). High participation systems of higher education. *The Journal of Higher Education, Vol. 87*(2), 243-271.
- Marginson, S. (2016a). Systems and stratification. *The Dream Is Over*. California: University of California Press. Retrieved from <https://www.jstor.org/stable/10.1525/j.ctt1kc6k1p.16>
- Marginson, S. (2016c). The worldwide trend to high participation higher education: Dynamics of social stratification in inclusive systems. *Higher Education, 72*(4), 413–434.  
<https://doi.org/10.1007/s10734-016-0016-x>
- Marginson, S. (2018). Global trends in higher education financing: The United Kingdom. *International Journal of Educational Development, 58*(March 2017), 26–36.  
<https://doi.org/10.1016/j.ijedudev.2017.03.008>
- McLendon, M. K., Deaton, S. B., & Hearn, J. C. (2007). The enactment of reforms in state governance of higher education: Testing the political instability hypothesis. *The Journal of Higher Education, 78*(6), 645–675. <https://doi.org/10.1353/jhe.2007.0041>
- McLendon, M. K., Hearn, J. C., & Deaton, R. (2006). Called to account: Analyzing the origins and spread of state performance-accountability policies for higher education. *Educational Evaluation and Policy Analysis, 28*(1), 1–24. <https://doi.org/10.3102/01623737028001001>
- McLendon, M. K., Heller, D. E., & Young, S. P. (2016). State postsecondary policy innovation: Politics, competition, and the interstate migration of policy ideas. *The Journal of Higher Education, 76*(4), 363-400. Retrieved from <https://www.jstor.org/stable/3838845>
- McKeown-Moak, M. P. (2017). The “new” performance funding in higher education. *Educational Considerations, 40*(2). <https://doi.org/10.4148/0146-9282.1082>

- Mettler, S. (2014). *Degrees of inequality: How the politics of higher education sabotaged the American dream*. New York, NY: Basic Books.
- Merriam, S. (1988). *Case study research in education*. San Francisco, CA: Jossey Bass Inc.
- Merriam, S. (2009). *Qualitative research: A guide to design and implementation*. San Francisco, CA: Jossey-Bass Inc.
- Miller, G. N., & Morpew, C.C. (2017). Merchants of optimism: Agenda-setting organizations and the framing of performance-based funding for higher education. *Journal of Higher Education*, 88(5), 754-784. doi: 10.1080/00221546.2017.1313084
- Minor, J.T. (2008). *Contemporary HBCUs: Considering institutional capacity and state priorities. A research report*. Michigan State University, College of Education, Department of Educational Administration. East Lansing, MI.
- Montgomery, R., & Montgomery, B.L. (2012). Graduation rates at Historically Black Colleges and Universities: An underperforming performance measure for determining institutional funding policies. *The Journal of Continuing Higher Education*, 60, 93–109. doi: 10.1080/07377363.2012.690623
- Rabovsky, T. M. (2012). Accountability in higher education: Exploring impacts on state budgets. *Journal of Public Administration Research and Theory* 22(4), 675–700. <https://doi.org/10.1093/jopart/mur069>
- Rabovsky, T. (2014). Support for performance-based funding: The role of political ideology, performance, and dysfunctional information environments. *Public Administration Review*, 74(6), 761–774. <https://doi.org/10.1111/puar.12274>
- Romano, R. M., & Palmer, J. C. (2016). *Financing community colleges*. Lanham, MD: Rowman & Littlefield.

- Rutherford, A. & Rabovsky, T. (2014). Evaluating impacts of performance funding policies on student outcomes in higher education. *Annals of the American Academy of Political and Social Science*, 655(1), 185-208. doi: 10.1177/0002716214541048
- Sav, T. (2000). Tests of fiscal discrimination in higher education finances: Funding Historically Black Colleges and Universities. *Journal of Education Finance*, 26(2), 157-172.  
Retrieved from <https://www.jstor.org/stable/40704120>
- Sav, T. (2010). Funding Historically Black Colleges and Universities: Progress toward Equality? *Journal of Education Finance*, 35(3), 295-307. doi: 10.1353/jef.0.0017
- Schudde, L. & Goldrick-Rab, S. (2016). Extending opportunity, perpetuating privilege: Institutional stratification amid educational expansion. In M. Bastedo, P. Altbach & P. Gumport (Eds.), *American Higher Education in the 21st Century* (pp. 345-374). Baltimore, MD: Johns Hopkins University Press.
- Seidman, I. (2006). *Interviewing as qualitative researcher: A guide for researchers in education and the social sciences* (3<sup>rd</sup> ed.). New York, NY: Teachers College Press
- Shin, J. (2010). Impacts of performance-based accountability of institutional performance in the U.S. *Higher Education*, 60(1), 47-68. doi: 10.1007/s10734-009-9285-y
- Smith, D. (2016). The diversity imperative: Moving to the next generation. In M. Bastedo, P. Altbach & P. Gumport (Eds.), *American Higher Education in the 21st Century* (pp. 375 - 400). Baltimore, MD: Johns Hopkins University Press.
- Stake, R. (1995). *The art of the case study research*. Thousand Oaks, CA: SAGE Publications, Inc.
- Stone, D. (2012). *Policy paradox: The art of political decision making* (3<sup>rd</sup> ed.). New York, NY: W. W. Norton & Company, Inc.

- Squire, P. (2017). A Squire index update. *State Politics & Policy Quarterly*, 17(4), 361-371.  
doi.org/10.1177/1532440017713314
- Tandberg, D. A. (2016). Politics, interest groups and state funding of public higher education. *Research in Higher Education*, 51(5), 416-450. Retrieved from <http://www.jstor.org/stable/40785167>
- Tandberg D. A. & Hillman, N.W. (2014). State higher education performance funding: Data, outcomes, and policy implications. *Journal of Education Finance*, 39(3), 222-243.  
Retrieved from <https://www.jstor.org/stable/23597610>
- Taylor, S. (1997). Critical policy analysis: Exploring contexts, texts and consequences. *Discourse Studies in the Cultural Politics of Education*, 18(1), 23-35.doi:  
10.1080/0159630970180102
- Thornton, Z.M., & Friedel, J.N. (2016). Performance-based funding: State policy influences on small rural community colleges. *Community College Journal of Research and Practice*, 40(3), 188-203, DOI: 10.1080/10668926.2015.1112321
- Trow, M. (1974). Problems in the transition to mass higher education. In *Policies for Higher Education*, from the General Report on the Conference on Future Structures of Post-Secondary Education (pp. 55-101). Paris: OECD.
- Trow, M. (2010). From mass higher education to universal access: The American advantage. *Minerva*, 37(4), 303-328. Retrieved from <https://www.jstor.org/stable/41827257>
- Umbricht, M.R., Fernandez, F., & Ortagus, J.C. (2017). An examination of the (un)intended consequences of performance funding in higher education. *Educational Policy*, 31(5), 643-673. doi: 10.1177/0895904815614398

- Wayt, L.K., & LaCost, B. Y. (2017). Transitioning to performance-based state funding: Concerns, commitment, and cautious optimism. *Educational Considerations*, 43(2), 1-7. doi: 10.4148/0146-9282.1024
- White, R. S. (2017). *Donut devourers, fish fanatics, politicians, and educators: Faces and voices of state education policymaking* (Doctoral dissertation). (Order No. 10278276). Available from ProQuest Dissertations & Theses Global. (1899590215).
- White, R. S. (2019). Exploring gendered and racial differences in state policymakers' approaches to the education policymaking process. Unpublished proposal, Summer Research Fellowship Program, Old Dominion University, Virginia, United States.
- Young, M., & Diem, S. (2014). Putting critical theoretical perspectives to work in educational policy. *International Journal of Qualitative Studies in Education*, 27(9). 1063-1067. doi: 10.1080/09518398.2014.916015
- Young, M., & Diem, S. (2017). *Critical approaches to education policy analysis: Moving beyond tradition*. New York, NY: Springer Publishing Company.
- Zumeta, W. Breneman, D.W., Callan, P.M., & Finney, J.E. (2012). *Financing American higher education in the era of globalization*. Cambridge, MA: Harvard Education Press.
- Zumeta, W. & Li, A. Y. (2016). Assessing the underpinnings of performance funding 2.0: Will this dog hunt? New York, NY: TIAA Institute. <https://www.tiaainstitute.org/publication/assessing-underpinnings-performance-funding>

## Appendix A

### *State Sites and State Board of Education*

State	SBE Structure	Legislative Structure	
		Legislative professionalism	Term limits
Hogwarts	Mix of region-based governor appointments and at- large legislature appointments	Low	No
Wonderland	Region-based governor appointments within demographic equality requirements, approved by legislature	Medium	No
Hennepin	Region-based governor appointments, approved by legislature	Low	No
Terabithia	Mix of region-based and at-large governor appointments, approved by legislature	Medium	No
Hobbiton	Statewide, partisan election	High	Yes
Doldrums	Mix of region-based, non-partisan election and at- large governor appointments, approved by legislature	High	Yes

\*Note: To protect the anonymity of interviewees, all state names are presented as pseudonyms

†Note: Legislative professionalism levels based on The Squire Index (Squire, 2017)

## Appendix B

### *Semi-Structured Interview Protocol*

*Before we begin, I want to know if you mind if record our conversation today, so I will be better able to listen rather than typing in your ear. So, you know that once the interview is transcribed, I will destroy the audio-file. The written document will also be de-identified – so names, states, and any identifying information will all be removed. We do our best to make sure everything is protected.*

*Thank you for taking time out of your busy schedule to meet with me today. The main reason I reached out to you about participating in this interview is because I am simply interested in coming to understand your world – I have read documents and watched [committee/board] meetings, but I know there is much more that goes on in the rigorous policymaking process. Thus, I really just would like to know how these processes unfold, particularly in the state education policymaking arena.*

#### **Background Information (for policymakers that have not been previously interviewed)**

- Tell me a little bit about yourself. How did you come to be a public official?
  - What were your goals in becoming an [elected/appointed] official?
  - For SBE members: Why the SBE? Were you considering other political offices? What drew you to this policymaking body?
  - For legislators on education committees: How did you come to serve on the education committee? Was it a committee you sought out or did you come to serve on this committee because of a different reason?
- What were some of your **goals upon being** [elected/appointed] to this position?
  - Can you tell me a little bit about some of the challenges that you have faced or anticipate facing in attaining those goals?
- Can you talk to me about the **policy areas** that are your top priorities?
  - *For state legislators: [If education is not mentioned]* Do you see education as one of your main policy priorities?
- When you are trying to understand an education policy issue or make a decision about which way you will vote on an education issue, **who do you typically talk to** (e.g., family/friends, lobbyists, staff, bureaucrats)?

#### **State Government Involvement in Education Policymaking**

*I am particularly interested in [insert state name] [insert policymaking body name] involvement in the making of education policy.*

- Tell me a little bit about how the [insert state] [legislature's/board of education's] involvement in education policymaking?
- Explain to me the role you think that the [insert state] [legislature/board of education] should have in the education policymaking process.
- I am aware that both the state legislature, the state board of education, and other bureaucratic arms of the state government have the ability to enact laws, rules and regulations related to education. Could you talk to me a bit about the role you see [the opposite institution] has in the policymaking process?
  - Has this role changed over time?

*Let's take a deeper dive into a couple of specific policies. Let's start with K-12 student discipline policy. I know that over the past couple of years, your state, as well as many others on a national level, has considered various policy reforms related to this policy.*

- Could you just describe to me the role that the state legislature played in any recent student discipline policy discussions?
- What about the state board of education?
- Did *[interviewee's policymaking body]* collaborate or communicate with *[other policymaking body]* in the making of this policy?
- Can you talk to me about a bit your interactions with others around student discipline policy discussion?
  - What actual interactions and collaborations occur?
  - Ideally, what type of interactions and collaborations would you like to have?

*I am also interested in the **K-12 pipeline to postsecondary education**, particularly community colleges. I would now like to shift to an education policy that is impacting institutions of higher education. Performance-based funding is a policy reform that many states have considered related to connecting state and local funding for institutions of higher education based on their enrollment, such as full-time equivalent students and demographics, and their performance, such as student graduation and retention rates.” Since you've been in office, do you recall the *[interviewee's policymaking body]* discussing performance-based funding for postsecondary institutions?*

- **If yes:**
  - Could you just describe to me the role that the state legislature played in any recent higher education performance-based funding policy discussions?
  - What about the state board of education?
  - Did *[interviewee's policymaking body]* collaborate or communicate with *[other policymaking body]* in the discussion or making of this policy?
  - Can you talk to me about a bit your interactions with others around higher education performance-based funding policy discussion?
    - What actual interactions and collaborations occur?
    - Ideally, what type of interactions and collaborations would you like to have?
  - Can you describe to me what you see as the goal or goals for PBF?
  - Do you anticipate that PBF will promote equity amongst postsecondary institutions?
    - OR In my research, scholars have argued that PBF has equity concerns. In short, that community colleges and minority serving institutions suffer under these policies, which may be well intentioned but may have unintended consequences. In your conversations about PBF, have you discussed any potential consequences – intended or unintended- of PBF?
- **If no:**
  - *Okay, no problem. Then, let's think about how you may approach this policy issue if it were to be presented to you. So, if the issue of performance-based funding for colleges and universities were to be presented to state policymakers, what role do you think the state legislature would play in these discussions?*

- Would you anticipate any formal policymaking activity from any other state actors or organizations?
- Would you anticipate that the *[interviewee's policymaking body]* would collaborate or communicate with *[other policymaking body, if mentioned in previous question]* in the discussion or making of this policy?
- Can you talk to me about a bit your interactions with others around higher education performance-based funding policy discussion?
  - What actual interactions and collaborations do you anticipate would occur?
  - Ideally, what type of interactions and collaborations would you like to have?
- From your perspective, what do you think the goal or goals of PBF should be?
- What, if any, challenges do you perceive could arise in your state with PBF policies?
- In my research, scholars have argued that PBF has equity concerns. In short, that community colleges and minority serving institutions suffer under these policies, which may be well intentioned but may have unintended consequences. Do you think PBF will promote equity or further create disparities between postsecondary institutions in your state?
- OR What do you anticipate the impact of PBF will be on community colleges and minority serving institutions in your state?