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# Near Adoption of Performance Based Funding: The Case of Connecticut

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Near Adoption of Performance Based Funding: The Case of Connecticut

by

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Submitted in partial fulfillment of the requirements for the degree

Doctor of Philosophy

Department of Education Leadership, Management and Policy

Seton Hall University

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SETON HALL UNIVERSITY  
COLLEGE OF EDUCATION AND HUMAN SERVICES  
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APPROVAL FOR SUCCESSFUL DEFENSE

Oyewole A. Ogunkoya has successfully defended and made the required modifications to the text of the doctoral dissertation for the Ph.D. during this Spring Semester 2019.

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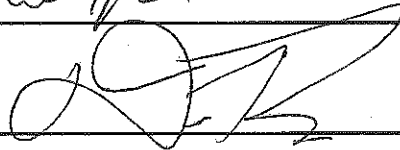
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**Abstract** In July of 2015 the General Assembly of Connecticut enacted House Bill 6919, which effectively established a task force concerning outcomes based financing for higher education. This task force would convene meetings discussing performance based funding (PBF) with the end goal of adopting this policy, which nationally had already been done by over thirty states. Using document analysis and interviews with members of this task force and other key figures in higher education in Connecticut, this dissertation looks to examine the political, economic, and social factors that led Connecticut to contemplate adopting PBF in 2015. Are the factors seen in Connecticut similar or different from the factors identified in other studies that looked at causes of PBF adoption?

Even though Connecticut contemplated adopting PBF in 2015, the policy was never adopted. In addition to understanding what factors led Connecticut to contemplate adopting PBF in 2015, this dissertation will examine what political, economic, and social factors contributed to PBF never being adopted in state. The results show that the 2008 economic recession played a key role in changing the economic landscape of Connecticut thus setting the stage for the events of 2015. The results also show the influence that legislators have on adoption and demise of policy, the role agenda setting organizations play in possible policy adoption, and the importance of diffusion as both a factor to spur policy adoption but to also lead to its demise. The implications of this study point to the conclusion that PBF adoption in Connecticut will not occur in the near future unless there is significant improvement with the state's economy. Implications also point to the importance of securing the support from those in the academic world for the adoption of policy ideas such as PBF.

**Keywords** Performance based funding, policy diffusion, advocacy coalitions theory, multiple streams theory, policy adoption, higher education, agenda setting organizations, 2008 economic recession

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I also have to thank my parents for instilling within me at a young age the importance of an education and also setting and achieving goals. They never let me feel complacent with where I was in life and were constant motivators to achieve this degree. I hope to successfully pass on these life lessons to my son and other future children.

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subject, this paper would be greatly lacking. Having his approval provides tremendous confidence in me that this paper is adding to the existing knowledge regarding PBF adoption. Finally I would like to thank Dr. David Reid who provided the knowledge regarding qualitative analysis. This was an area of study that I had not done a lot of work prior to writing this paper. His advise on this aspect but also on coding and transcription of results was extremely crucial in the results and conclusions section of this study. I truly believe that I chose the perfect committee because their talents were perfect for helping me successfully complete my dissertation.

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## **Chapter 1 – Introduction**

Over the last sixty years, both federal and state governments have emphasized increasing the number of college graduates (Hearn, 2015). Additionally, the current administration has strongly emphasized measures to achieve this goal such as improving options for school choice at the K-12 level. In March 2019, the Trump administration unveiled the Education Freedom Scholarship with the intent of expanding educational opportunity in the United States (Schilling, 2019). The current administration hopes that this can provide K-12 students with access to a high quality by properly preparing them for postsecondary education. Since the Great Recession of 2008, the majority of jobs have required a postsecondary degree (Gandal, 2016). Those not achieving at the secondary level might not progress beyond that level or will have a more difficult time finding success at the postsecondary level, which we have seen is even more important today for job acquisition.

Having well-prepared postsecondary students goes hand in hand with efforts to improve the numbers of college graduates. Increasing the difficulty of raising the level of college graduates are the severe reductions towards higher education financing seen throughout the country over the last ten years. Prior to the economic recession of 2009, the majority of states did not experience dramatic reductions in their allocation of revenue towards higher education (Mitchell et al., 2016). The 2017 report from the State Higher Education Executive Officers Association (SHEEO) reported that there has been a tremendous shift in how higher education institutions are financed. Over the last twenty-five years, tuition has become an

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even larger source of revenue for institutions due to the drop in state appropriations. Taking into account per-student rates and adjusting for inflation, educational appropriations are 17 percent lower than in 2008 (State Higher Education Executive Officers Association, 2017). Overall, the national trend finds that that state support for higher education is still far below pre-recession levels. As of 2016, funding for higher education remains below its pre-recession numbers in forty-six states. States such as Arizona decreased their funding by as much as 55%. Connecticut has decreased its funding by 10.9% (Mitchell et al., 2016).

The national fiscal situation for educational appropriations towards higher education since the Great Recession of 2008 is dire. In fiscal year 2016, the number of states that incurred reductions in educational appropriations was 17. In fiscal year 2015, the number was ten and in 2014, the number was thirteen (State Higher Education Executive Officers Association, 2017). According to the Center on Budget and Policy Priorities, states have increased per student funding but the level of funding still remains far below pre-2008 recession levels (Mitchell et al., 2017). This is important to understand because a careful look at state spending would indicate that it is improving due to incremental increases, but closer inspection shows that this increase is due to the historic lows that occurred after 2008.

In addition to declining educational appropriations nationwide, the United States is facing a historic change in student demographics. The students who are attending institutions of higher education are increasingly students of color. By the year 2060, America will have a non-white majority (Cielinski, 2017). Enrollment of White students is projected to decline by 14% by the year 2030 and enrollment of

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Hispanic and African-American students is expected to increase by 25% and 28% respectively (Cielinski, 2017). Historically, African-American and Hispanic students tend to come from lower income households, which will make not only attending college difficult (due to rising tuition rates) but completion will also be difficult due to monetary issues that may affect eventual graduation. With the rising number of African-American and Hispanic students, colleges will now have to better respond to the needs to these groups in order for them to be successful.

Finally, in order to achieve these goals, states will need to address the declining postsecondary enrollment numbers. Public college enrollment since 2011 has been steadily declining. In 2016, enrollment declined 0.8% since 2015 and 5.2% since 2011. The majority of states (43) experienced declines in postsecondary enrollment ranging from 0.3% to 17.5% (State Higher Education Executive Officers Association, 2017). Across the country, different states have their own ways of determining the amount of money allocated to states. Some states create a formula that includes certain metrics that determine state funding. Other states use non-formula based methods, while other states are a hybrid of the two methods. Regardless of what methods are used, these formulas are usually driven by student enrollment (Stanford Research Institute, 2012). Enrollment figures do not determine the full extent of funding but they do play a role. If postsecondary enrollment numbers continue to follow the trend seen since 2011 and state educational appropriations decline, institutions will find themselves in precarious financial situations. When faced with a reduction in overall funding, rising numbers of students of color, and a decline in enrollment numbers, which historically have

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helped offset decreased state allocation in resources, what are possible strategies that postsecondary institutions can turn to in order to address these issues? One strategy that many states have employed is called performance based funding (PBF).

According to Miao (2015), PBF occurs when a state decides to allocate a portion of its higher education budget to institutions in order to achieve certain performance measures such as: course completion, credit attainment, and degree attainment, in addition to inputs like enrollment, which were the model in states such as Connecticut. Other outputs of PBF models are transfer rates and the number of low income and underrepresented student graduates. The amount of money allocated usually varies by the state. When PBF initially began, the allocation from states was usually a bonus in addition to base funding. The funding bonus was usually between 1 to 6 percent of the base-funding amount. More recent iterations of PBF have not followed this model. Instead of providing a bonus on top of base funding, the money allocated towards PBF has been embedded in the base-funding model, which adds a level of accountability to higher educational institutions (Dougherty et al., 2014). This is important because if states don't achieve certain metrics, then their funding could be decreased. Each state has its own performance indicators that are based on their respective higher education institutional goals.

How did PBF come about?

### **Historical Context of State funding of Higher Education**

#### **Base funding.**

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Performance-based funding has been in existence since 1979. In the past, states allocated a given amount to their postsecondary institutions. This is known as base plus funding. The amount of money allocated to institutions would depend on factors such as infrastructure costs, faculty costs such as salaries, costs towards facilities, and many other factors (Hearn, 2015). The amount of money given to a state depended on that state's revenues for a specific year. Certain year-to-year factors could alter the amount of money that was allocated. An example of such a factor could be different stakeholders' ideas relative to spending. Other variables include the power of particular interest groups that could influence spending or the launch of a new degree program (Hearn, 2015).

Postsecondary institutions could expect a base amount of funding plus or minus allocations based on other factors. This was the case from the inception of higher education funding to the 1970s. Policymakers often advocated for increased funding in response to major societal events. This was evident during the 1950s, when more money was requested to be allocated to postsecondary institutions for increased spending in math and science due to the Cold War and wanting to keep pace with the Space Race with the Soviet Union. These requests were often short-term as opposed to present-day funding requests which tend to be long-term (Hearn, 2015).

### **Enrollment-based Formula Funding.**

During the second half of the 20<sup>th</sup> century, states became more seasoned with the administration of higher education. Due to the return of many soldiers to the U.S. after WWII and the emergence of the baby boom generation, post-1945 society

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saw a huge increase in the amount of college-going students. This, coupled with societal shifts in the importance of a college education, led to rising numbers of postsecondary students in the second half of the 20<sup>th</sup> century. The result of this became known as formula funding. According to Hearn (2015):

In essence, formula funding imposed a more transparent and publicly defensible form of base funding. Although formulas can be extraordinarily complex, the major driver in allocations is the operational cost of serving students. (p. 5)

Enrollment-based funding didn't replace base funding; it just became a vital aspect in how funding was now calculated. Formula funding took the idea of base funding and instead of a blanket amount given to an institution, the amount given to an institution was now based on a created formula. This added more purpose to state funding. State funding could now be tied to a given cause. In the early days of formula funding, that cause was institutional enrollment. It was during this period that college access expanded and enrollment numbers increased. States incentivized institutions to increase their numbers (Hearn, 2015). There are other factors that played a role in the increase of postsecondary enrollment but enrollment-based funding played the most important role.

### **Early Performance based funding.**

One thing that both base funding and formula funding have in common is that they both are driven by input measures such as instructional costs, size of institutional plant, and most notably, student enrollment numbers (Dougherty, Jones, Lahr, Natow, Pheatt, & Reddy, 2014). During the 1960s and 70s, state

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policymakers wanted to tie state funding to specific performance measurements instead of inputs (Hearn, 2015). This marked the birth of the accountability movement in public education. Funding would now be tied to indicators such as job placement rates, graduation numbers, student retention, completion of developmental education, measurements of institutional efficiency, and faculty productivity (Dougherty, Jones, Lahr, Natow, Pheatt, & Reddy, 2014; Hearn, 2015). This form of funding was seen as representing a higher level of accountability.

Performance based funding has occurred in different stages. The first stage of PBF is known as PBF 1.0. This period lasted from 1979 to 2007. The first state to implement PBF was Tennessee in 1979. PBF 1.0 is defined as a type of funding in which, in addition to the regular state appropriations given to institutions, a bonus amount is also allocated based on achieving certain outcomes relating to graduation rates, completion of introductory courses, job placement, and completing a certain number of credit hours (Alshehri, 2016). In 1985, the Connecticut Board of Governors proposed the idea that state colleges and universities that enrolled and graduated more minority students and hired minority administrators were eligible for cash incentives (Weaver, 1985). This was in response to Connecticut's decline in the graduation rates of Black, Hispanic, and other minority groups. This would indicate that Connecticut previously adopted PBF ,but this program never actually implemented and talks of this possibility ended in 1986. For the purposes of this study, this will not count as a prior iteration of PBF for Connecticut. Following Tennessee, Missouri and Kentucky each adopted PBF (in 1991 and 1992 respectively). According to Hearn (2015), by 2000, as many as 30 states adopted



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PBF in some fashion. Some states had PBF programs in which outcomes were rewarded whereas other states based their allocation on inputs such as student enrollment. In the most recent version of PBF, inputs such as enrollments would not be considered part of the funding model.

During the early 2000s, PBF programs began to decline nationally. There are many reasons for this decline. Poor implementation by many states of PBF and economic recession were among the reasons for the decline in the early 2000s (Dougherty, Jones, Lahr, Natow, Pheatt, & Reddy, 2014). Many factors were instrumental in the poor implementation of PBF. One factor was the behavior of state governments. Many states were inflexible relative to the differences between institutions. Instead of creating funding models that catered to the strengths and goals of each institution, states created overall models that did not take institutional differences into account. Many state models also focused more on completion rather than progress through college, and many states did not provide adequate funds to properly incentivize institutions (Miao, 2012). By the early 2000s, states began to abandon PBF because the money being used to implement PBF could not (in many cases) be linked to evidence supporting the effectiveness of PBF models (Hearn, 2015). Ironically, as will be explained in subsequent chapters, there is still a lack of evidence pointing to the effectiveness of current PBF programs. It's easy to now understand why PBF would be eliminated from many states. Many states saw it as an extra cost that failed to have the expected impact.

### **Performance based funding 2.0.**

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In 2007, a new version of PBF emerged - labeled PBF 2.0. The difference between this version and its predecessor was a stronger emphasis on campus outcomes instead of state inputs and, instead of the funding being a bonus on top of the base appropriations given to institutions, PBF 2.0 is an essential part of the state funding formula (Alshehri, 2016; Harnisch, 2011). The re-emergence of PBF was due to organizations such as Complete College America, the Bill and Melinda Gates Foundation, and the Lumina Foundation's research into PBF. In 2017, Graham Miller and Christopher Morpew conducted a study in which they investigated the effect that agenda setting organizations (ASOs) had on states deciding to adopt PBF. They concluded that organizations such as the Gates Foundation and the Lumina Foundation in fact did play vital roles in the adoption of PBF in specific states (Miller and Morpew, 2017). Further analysis of this study will take place in chapter 2. These organizations promoted the adoption of PBF policies and also advised states on best practices (Cielinski, 2017; Dougherty, Jones, Lahr, Natow, Pheatt, & Reddy, 2014; Gandara & Rutherford, 2017; Hearn, 2015; Kelchen & Stedrak, 2016; Rutherford & Rabovsky, 2014). The funding model for PBF 2.0 was also different from its predecessor. Unlike 1.0, which added a bonus on top of base funding, 2.0 funding relies on funding formulas that are specific for each state. For example, Ohio has shifted to a model in which all money given to both two and four-year institutions are allocated through a PBF formula. Michigan's model includes increases to the previous year's funding towards both two- and four-year institutions. States like Hawaii allocate a set amount of dollars towards PBF instead of a percentage of overall funding (Oberfell, 2018). PBF 2.0 shifted from

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inputs such as enrollments and student access to outputs such as graduation rates, degree production, course completion rates, program retention rates and numbers, and timely program progression (Hearn, 2015; Rutherford & Rabovsky, 2014). PBF 2.0 looks to closely align state goals with specific outcome indicators from state institutions. PBF is still in the midst of stage 2.0. In the literature review, I will address whether or not PBF funding programs have been effective in achieving some of their specific outcomes.

### **Connecticut and PBF.**

One particular state grappling with decreased enrollment, growing numbers of students of color, and reduced educational appropriations from the state is Connecticut. During periods of reduced state financial support for higher education, Connecticut in the past has employed different strategies to compensate for the decreased amount of support. Connecticut institutions of higher education have historically either raised tuition to increase revenues or increased enrollment numbers so tuition would come from more students. According to the National Center for Educational Statistics, Connecticut can expect a decline in high school students. The NCES projects that by the 2020-2021 school year, Connecticut will have only 33,100 high school graduates, which is well below its peak number of 38,450 during the 2010-2011 school year (Gargano, 2015). In addition to Connecticut, states and districts such as Maine, Vermont, New Hampshire, Washington D.C., Rhode Island, Ohio, and Michigan can all expect to have lower numbers of high school graduates in the 2020-2021 school year compared to their numbers in the 2010-2011 school year (U.S. Department of Education, 2014).

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Declining enrollment figures will have to force institutions to think about other ways of generating revenue.

Connecticut is part of the national trends involving increased number of students of color in postsecondary institutions. The 2015 Strategic Master Plan for Higher Education in Connecticut conducted by the Connecticut Business & Industry Association (CBIA) projected that not only would the number of graduating students in the state decrease over the next decade, but there will also be an increase in the population of students of color (CBIA, 2015). Connecticut has not met this changing demographic with success in the past. Of the 50 states in the country, Connecticut ranks 3<sup>rd</sup> to last in the difference in postsecondary degree attainment between White and minority students. The percentage difference in college attainment between White and minority students is 29.3%. Only Colorado (32.0) and California (31.9) were worse.

The financial issues affecting states throughout the country are not going away; Connecticut is no exception. In October 2017, Connecticut Democrats and Republicans agreed to a state budget that reduced the share of funding for public colleges and universities by \$79 million (Thomas, 2017). Connecticut is not alone in terms of declining state budgets. In 2017 states such as Iowa, Louisiana, Oklahoma, and Wyoming all faced declining state budgets (Harnisch, 2017). According to the National Association of State Budget Officers, in 2018, 24 states in the U.S. were forecasted to have state budgets below their previous fiscal years (National Association of State Budget Officers, 2016). Decreased state spending in higher education is a serious issue heading into the next decade.

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According to HCM strategists, in fiscal year 2018, thirty-six states were either implementing, developing, or both implementing and developing PBF policies (Synder & Boelscher, 2018). As of [year], Connecticut was not one of these 36 states. In 2015, Connecticut seriously contemplated adopting PBF. On July 2, 2015 Governor Dan Malloy signed HB 6919 which established a “task force to study and plan for the implementation of performance-based funding of higher education” (Substitute for Raised H.B. No. 6919). Why then in 2015 after this policy had been present for thirty-six years did Connecticut now contemplate this policy? What specifically finally drove Connecticut to contemplate adopting PBF?

### **Problem Statement and Rationale for Study**

As stated earlier, as many as thirty-six states either currently implement PBF or are in the process of transitioning to it. Many studies have been conducted to look at the effects of performance-based funding. Many of these studies have explored the effects on PBF legislation on institutional performance (Hillman, 2017; Rutherford, 2014; Sanford, 2011; Shin 2010; Tandberg, 2014). Many studies have sought to investigate if the incentives created by state governments actually improved the performance of institutions. These studies have analyzed whether performance based funding is an effective tool that states can use to improve student outcomes given current financial constraints. The specifics of what many of these studies concluded in terms of the effectiveness of PBF will be covered in more detail in the next chapter.

Other studies have focused on performance based funding in specific states such as Tennessee, Ohio, Indiana, and Pennsylvania because these states are seen as

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the most successful in implementation of this policy. Some of the literature has attempted to understand what factors played a role in the adoption of PBF in specific states. Some examples include a 2017 Graham Miller and Chris Morpew study that sought to understand the effect that philanthropic organizations had on PBF adoption in 3 states: Florida, Massachusetts, and Montana. Another study conducted by McLendon and Hearn observed that states such as Ohio, Colorado, Arkansas, and Texas applied and emulated similar approaches to performance funding implementation as Tennessee when they adopted this policy (McLendon & Hearn, 2013). Some studies have identified the factors that have led to performance-based funding in certain states (Burke & Associates, 2002). In one particular study, the process of policy adoption and demise in six states (Tennessee, Missouri, Washington, South Carolina, Florida, and Illinois) was analyzed but this study was conducted in states that either adopted PBF during PBF 1.0 or initially adopted PBF during PBF 1.0, eliminated the policy, and due to certain factors re-adopted the policy later on.

Focusing on Connecticut will allow for the analysis of a state that for the first time, contemplated adopting this policy (2015) in the hopes of future implementation and also had no history with PBF. States that adopted PBF during PBF 1.0 are older examples so the factors seen in these states will not be as relevant for 2018. States that adopted PBF, eliminated it, and then re-adopted have a history with PBF, which will undoubtedly play a role in the re-adoption of PBF in these states. Connecticut does not suffer from either of these ailments. As explained earlier, Connecticut did explore a type of PBF program in the 1980s that revolved

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around minority enrollment levels, but ultimately this program never came to fruition so for the basis of this paper Connecticut has never had a PBF program.

This study is unique because it addresses a state that in 2015, seriously contemplated adopting PBF. Connecticut was not included in any of the studies that focused on the factors that led to PBF adoption. Connecticut matters because it is one of the more recent cases of near-PBF adoption in the country. Connecticut is an ideal state for study because it suffers from many of the economic issues that are currently plaguing other states. It currently has a reduced state budget in comparison to its most recent fiscal year. The governor has recently agreed on heavy cuts towards higher education and finally as projected by NCES, the number of high school graduates is expected to decline by the 2020-2021 school year. Connecticut is a standard bearer for many of the issues that face public higher education in our country.

This analysis of Connecticut will add to the existing literature about PBF adoption. This study will provide context to the policy adoption process in a state that has recently contemplated adopting PBF and it will also address the causes for why Connecticut never officially adopted the policy. Connecticut will be used to understand the political, social, and economic factors that play a role in a state when the idea of adopting PBF is contemplated. These three areas (political, social, and economic) provide a comprehensive look into every angle of the adoption process. The possible economic conditions affecting PBF adoption were highlighted earlier, but the other factors important to Connecticut's adoption are unknown. This paper will also highlight what factors ultimately led Connecticut to not adopt PBF.

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Not every state implements PBF but if there are stakeholders in other states interested in possibly implementing PBF, they will be able to look at this study to understand the political, social, and economic context that can bring about the adoption of this idea and also the factors that can lead to its demise. This paper will help highlight the ingredients necessary within a state to consider PBF adoption but it will also help elucidate what potential issues can deter the path of adoption.

Another piece of added relevance revolves around the enactment of policy in the first place. When policymakers decide to adopt new policy, where do they get their information? Do they look for advantageous times to adopt policy? Do they gauge the social and political climate for political or social windows of opportunity? Do they gauge how their constituents feel about an issue? Do they base their decisions on their own personal beliefs or is there another source for their information? Some of these issues have been researched in prior literature, but there are extenuating circumstances with some of the prior literature surrounding PBF adoption. These answers will be addressed in more detail within the literature review. Because Connecticut began discussing the possible adoption and eventual implementation of this policy as of 2015, this dissertation analyzes Connecticut as a way to understand what circumstances lead states to contemplate PBF adoption.

### **Research Questions**

The purpose of this study is to understand the factors that led Connecticut to contemplate adopting PBF in 2015. By examining the factors that played a role in this process, I will gain a deeper understanding of what factors generally need to be present in order for a new policy like PBF to be adopted. Although there was heavy



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discussion about eventual adoption and implementation of PBF involving the state legislature and stakeholders from the government, the University of Connecticut system and the Connecticut State University system, it was never adopted.

According to Gorbunov, this has happened in the past. There have been adopting states that for reasons such as “failing to provide funding, suspending or removing funding, or failing to meet all requirements of an operational policy” didn’t implement PBF (Gorbunov, 2013, p. 137). Some states that fell into this category were: California, Idaho, Connecticut, Illinois, and New Jersey. Within the last couple of years, California, Idaho, and Illinois adopted PBF programs to some degree. This dissertation will not only detail the factors that led to Connecticut’s consideration of PBF adoption, but it will also detail what issues led to the failure of adopting this policy. This project sought to answer the following questions: (1) What political, social, and economic factors played a role in Connecticut contemplating adopting PBF in 2015?, (2) What were the higher educational goals of Connecticut and how did these goals affect the near adoption of PBF in 2015?, (3) How did policy makers utilize information to make their decision and what sources of information were most influential during this process in 2015?, and (4) What were the political, social, and economic factors that led to Connecticut not approving PBF? I gathered data to address these questions by using qualitative methods of research including: reviewing and analyzing newspapers and other archival materials, and conducting interviews in order to gather information from various stakeholders inside of Connecticut.

## **Conclusion**

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There is still substantial debate over the effectiveness of PBF in higher education. This is in part due to the research surrounding PBF, which will be discussed in the next chapter. Regardless of the debate, stakeholders in Connecticut showed support in contemplating PBF as an effective tool for aligning state goals with institutional performance. This dissertation sought to understand the issues within Connecticut that led various stakeholders to believe that adopting PBF would improve higher education in the state. I sought to find out how such a policy came to be seriously contemplated in a state that had no real prior history with PBF (discounting the events of 1985 stated earlier) almost 40 years after it had first been implemented in the US. I also sought to understand what circumstances derailed the adoption of PBF. This topic is important because for three reasons. First, PBF is a policy that has gained popularity over the last twenty years as seen by the number of states that have adopted it. If the trend of less state revenues being allocated to public institutions continues, states will look to increase fiscal accountability due to diminishing funds and many states might continue to turn to PBF as a solution. In addition to economic accountability, PBF measures have been driven by states wanting to put more emphasis on graduating more STEM majors and also servicing students who are historically disenfranchised such as low-income and minority students (Obergefell, 2018).

Secondly, this topic is important is because there was a lot of work and meetings that took place in 2015-2016 around the adoption and eventual implementation of PBF but the policy was never adopted. It is important to

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understand not only what factors in a state can spur the idea of adopting PBF but also which issues in a state can derail the adoption of PBF.

Third and finally, there is often the complaint about the divisions between theory and practice. Policymakers create policy but how exactly do they do this? What information goes into the creation of policy? There are different theories explaining policy adoption. Some theories suggest that policy adoption is due to seeing policy enacted in nearby states. Other theories suggest that policy is adopted when constituents in a state feel a strong need for a specific area of society to be changed coupled with an event that helps spur this change (Sabatier & Weible, 2014). This study will help shed light on which theories played a role in Connecticut attempting to adopt PBF.

Studying Connecticut will further reveal if the factors historically present in other states that adopted PBF were similar to the factors that spurred Connecticut to contemplate adopting PBF. The fact that Connecticut is one of the most recent states to seriously consider adopting PBF is important because it will help make meaning of current issues affecting policy development. Stakeholders in other states that are possibly looking to adopt PBF in their own states can use Connecticut as a guide to understand not only what drove Connecticut to almost adopt PBF but also what issues led to it ultimately not being adopted.

In this chapter, I provided the context of the problem, rationale for this study, importance of the study, research questions, a historical perspective of PBF, and implications for the future. In the next chapters of this dissertation, I will continue to delve into this topic. Chapter 2 will consist of the literature review. The review

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will focus on studies that have looked at policy adoption in general, policy adoption of PBF, and prior studies on the effectiveness of PBF. The review will also go into theories that explain the policy adoption process. These theories will comprise the theoretical framework. In Chapter 3, I will describe the qualitative methods used in the research. In Chapter 4, I will analyze the documents and interviews conducted on stakeholders inside of Connecticut. In the final chapter 5, I will analyze the results in order to answer the study's research questions. I will end with a conclusion based on all the information gained along with the possible impact this study can have on PBF policy adoption.

## **Chapter Two - Literature Review**

The following literature review derives from years of research conducted on performance based funding. The review is meant to give context to the research that follows in the accompanying chapters. Performance based funding is a relatively new phenomena but in its brief existence in American higher education, numerous articles have been written about it from multiple angles and perspectives. To achieve a better understanding of performance based funding, this literature review contains a discussion of the following concepts: (1) the history and recent financial trends of Connecticut's higher educational system; (2) theories that explain the adoption of public policy; (3) research on the causes of performance based funding policy adoption; (4) research on the causes of policy adoption pertaining to non performance based funding legislation; and (5) studies that analyzed the results of performance based funding. The issue of mixed results in prior literature analyzing the effectiveness of PBF will be a topic during my interviews with various stakeholders. For this reason, I decided to review literature that focused on the influence of PBF programs on student outcomes. I have also included prior literature on policy adoption in general because some of the factors leading to policy adoption in general are relevant towards PBF adoption. I will analyze policy adoption that is not specific to PBF to see if the causes for adoption in non-PBF policy are similar to the causes for PBF.

### **History and Recent Financial Trends of Connecticut's Higher Educational System**

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In order to make sense of the motives that inspired Connecticut to contemplate PBF, it is imperative to understand the history of higher educational financing in Connecticut but also to understand how higher education is financed and the recent financial trends seen in Connecticut. This section will cover three topics: (1) A brief history of higher education financing in Connecticut; (2) How Connecticut funds higher education; and (3) Higher education trends in Connecticut over the last ten years.

### **A Brief History of Higher Education Financing in Connecticut.**

In Connecticut, higher education constituents are provided funds through a block grant, which is the monetary allocation awarded by the General Assembly (GA) to institutions of higher education. Most states within the country follow a similar method in terms higher education funding. Like Connecticut, most institutions receive a block grant from the state that will generally be the largest sources of income for the institutions (Wolanin, 2015). The GA is the legislative body of Connecticut, which consists of members of the State House of Representatives and State Senators. Block grants have been awarded to higher education constituents such as the University of Connecticut and the Connecticut State University since 1991. A commission known as the Thomas Commission was conducted in 1990, which sought to analyze every state agency and its function. When this commission studied the higher education budgeting process, it recommended that the state should no longer award money to higher education entities by way of line item appropriations and instead finance through block grants (Pinho, 2009). In the words of the commission, line item appropriations were an

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“ineffective and the direct result of overly restrictive expenditure controls by the state agencies” (Pinho, 2009, p. 1). The results of document analysis of the report conducted by the Office of Legislative Research show that moving to a block grant would save the state money. Due to the Thomas commission in 1991, the state passed PA 91-256, which would establish a single monetary fund in the form of a block grant for higher education.

In the wake of the Thomas Commission, House Bill 6997, also known as the flexibility bill, was passed in both the House and State Senate (Pinho, 2009). Many believed that this bill would “decentralize operational decision making to the constituent unit and instructional level”, “make our dollar go further” and delegate responsibility and decision making away from the state and to the governing boards of the states higher education constituents. (Pinho, 2009, p. 2). This method of financing public institutions in Connecticut has been the norm for almost the last 30 years. In conclusion, the basis for how Connecticut funds higher education was put in place in 1991. For the most part, the system of awarding a block grant to state institutions was a smooth process until the recession of 2008 occurred. The effects of the recession will be discussed in further detail.

### **How Connecticut Funds Higher Education.**

State support for higher education occurs a few ways in Connecticut. The largest portion of state funding towards higher education comes in the form of direct appropriations to the public institutions. The majority of the direct appropriations comes in the form of block grants but these appropriations also include money for student financial aid for those students attending both public and

private institutions. In addition to direct appropriations, the state also provides indirect appropriations to public institutions. This is for fringe benefit support. In fiscal year 2016, direct appropriations provided by the state were roughly 4.3% of the state budget. When factoring in the indirect appropriations, roughly 7% of the states' budget is directed towards higher education (Office of Policy and Management, 2015, slide 5). In Connecticut, state support for higher education is block grants plus fringe benefits.

State support of higher education primarily goes to the Connecticut State University System (CSU) and the University of Connecticut system (UConn). In fiscal year 2016, 40% of the CSU system's revenues (\$727.3 million) were from the state (Office of Policy and Management, 2015, slide 6). The majority (45%) was from tuition. Of UConn's \$1.294.6 billion revenue, 30% consisted of state support while tuition made up 36% (Office of Policy and Management, 2015, slide 7). As seen with these numbers, state support for higher education in Connecticut is very important for the two main public university systems. Decreasing the percentage of state support can have some dire effects such as leading institutions to increase tuition, which is always an unpopular idea.

### **Higher Education Trends in Connecticut over the last Ten Years.**

Over the last ten years, Connecticut has seen a precipitous drop in the level of state funding towards higher education. During the 2007-2008 school year, the percentage of state dollars that went towards higher education was 40.3%. Appropriations were roughly \$328 million and total revenue was \$898 million. During the 2016-2017 school year, this number dropped to 30.3%. In this year,



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appropriations were \$652 million and revenues were \$2.6 billion (Office of Higher Education, 2017). This trend is largely a by-product of the economic recession that occurred in the United States in 2008. Almost every state in the country was affected in the same fashion as Connecticut. UConn has seen its state appropriations as a percent of its total revenue drop from 36.5% in 2007-2008 to 24.9% in 2016-2017. The CSU system also experienced the same situation as UConn. In the 2007-2008 school year, the CSU system's percentage of its total revenue due to state appropriations was 36.4%. In the 2016-2017 school year it dropped to 34.7% (Office of Higher Education, 2017).

In addition to lower state appropriations, Connecticut has also experienced rising tuition rates that have offset the reduced state appropriations. During the 2006-2007 school year, average tuition at UConn, the Connecticut State University system, and Connecticut Community Colleges was \$8852, \$6736, and \$2828 respectively (Office of Higher Education, 2017). During the 2016-2017 school year, tuition at UConn increased to \$14,066, which was a 58.9% increase. Tuition with the Connecticut State University system rose to \$10,078, which was a 49.6% increase. Tuition at Connecticut's community colleges rose to \$4191, which was a 48.2% increase (Office of Higher Education, 2017). Room and board are not included in these figures and the figures apply to full-time students.

To conclude, this information allows us to understand two major facts about the state of public postsecondary education in Connecticut. The first conclusion is state public institutions are increasing their tuition rates at very high percentages. Increasing tuition will make Connecticut institutions less accessible, therefore

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preventing students from earning a postsecondary degree, which will be detrimental based on the trends in Connecticut around the percentage of jobs that will require postsecondary education. The second conclusion is that state appropriations have been steadily decreasing over the last two years. These two trends are highlighted because they play a crucial role in understanding the motives that instigated discussions in 2015 over the idea of PBF.

### **Theories on Policy Adoption**

Performance based funding has been in practice since 1979. In addition to PBF, other trends in higher education such as merit-based funding, need-based funding, and the implementation of state lottery to fund scholarship programs have started from scratch in a specific state or have started in one state and have eventually been enacted in other states. What contributes to these phenomena? This dissertation will rely on three theories that explain the factors that determine the adoption of public policy: advocacy coalition theory, multiple streams theory, and diffusion of policy innovations theory. What follows is a detailed explanation of each theory.

#### **Advocacy Coalition Theory.**

According to Dougherty et al. (2014), the advocacy coalition theory (ACF) states that “policy change is driven by coalitions involving actors both inside and outside of government who are drawn together by shared ‘deep core’ beliefs about important social values, the proper role of government, and the significance of different social groups, as well as ‘policy core beliefs’ about the seriousness of a particular social problem” (p. 166). Examples of said coalitions are public higher

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education institutions, state higher education coordinating boards, governors, legislators, and state business leaders. These coalitions share common beliefs about a particular aspect of society or about a particular policy. They tend to coordinate their actions to help develop policy. This theory shows that certain actors within a government such as state legislators and elements outside of government such as higher education institutions can advocate for the adoption of a particular policy. Graham Miller and Chris Morpew (2017) concluded that PBF adoption in Florida, Massachusetts, and Montana was influenced by agenda setting organizations such as Complete College America and Jobs for the Future (Miller, 2017). In this dissertation, I seek to find out if similar types of political coalitions drove adoption of PBF in Connecticut interested in adopting the policy. If they were, how strong of a role did they play in the adoption process?

### **Multiple Streams Theory.**

In the mid-1980s, John Kingdon created the multiple-streams theory (MST). His inspiration for the creation of this theory was to better understand why certain policies are adopted and not others (Ridde, 2009). According to Ridde (2009), Kingdon believed in three streams of thought relating to policy: problems stream, policies stream, and politics streams. Policy entrepreneurs find policy windows of opportunity to combine two or more of these streams, which increases the likelihood of the adoption of a particular policy (Sabatier & Weible, 2014).

The MST explains the adoption of most policies at the local, state, and federal levels, according to Sabatier and Weible (2014). The problem stream includes specific problems that people in a town, state, or country want addressed. Examples

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of problems might be high employment, high achievement gap between minority and non-minority students, or low standardized test scores. Policymakers gauge their localities to find out people's concerns. The policy stream consists of ideas created to address the problems that exist. Researchers in think tanks, those from the academic world, politicians, bureaucrats, and congressional staff members, generate these ideas. What each of these groups have in common is that they share a common concern for a specific policy issue (Sabatier & Weible, 2014). Finally, there is the politics stream, which tries to capture the mood (in a town, state, or nation) towards the implementation of a particular idea. Is there a feeling that people will gravitate towards this idea? Looking at whether there is support or opposition from interest groups is part of understanding the mood (Sabatier & Weible, 2014). The politics stream also looks at political turnover. If a previous governor seemed to be in favor of a particular piece of legislation, then will their successor feel the same way? What happens if their successor is from the opposite political party? Is there a sudden influx of legislators representing one political party that has just entered into the government that might be inclined to believe in the adoption of this policy?

In 2006, Michael McLendon, Russ Deaton, and James Hearn conducted a study in which they sought to understand the origins of governance change in public higher education. They concluded that governance reform of higher education is highly affected by changes in the state legislature. When political party control of a state legislature is divided, change to higher education policy is more difficult.

When one of the two main parties achieves control of the legislature, this creates a

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window of opportunity that allows for changes in higher education policy

(McLendon, Deaton, & Hearn, 2007). I examined if this played a role in

Connecticut's adoption of PBF.

In order for a policy to emerge, policy entrepreneurs have to gauge policy windows of opportunity to join two or more of the above mentioned streams.

Windows are opened when a crucial event occurs that sets the stage. An example would be the 9/11 attacks. In the early 2000s, there might have been a feeling that increased security was needed to keep our country safe. Lack of security would be considered the problem. The policy idea would be legislation to increase government power to better monitor our country. The 9/11 attacks provided the policy window that would eventually lead to the passing of the Patriot Act. Events do not have to be as dramatic as 9/11 but maybe a state or a country releases information that shows poor performance from higher education institutions in terms of indicators such as retention rates or graduation rates. This might provide the policy window for the adoption of specific policies. This dissertation examined whether there was a policy window of opportunity that inspired stakeholders to contemplate adopting PBF in 2015 in Connecticut. Did multiple streams join together to cause individuals to believe that PBF was a potential solution to problems within Connecticut?

### **Diffusion of Policy Innovations Theory.**

Diffusion is defined as “the process by which an innovation is communicated through certain channels over time among the members of a social system”

(Sabatier & Weible, 2014, p. 310). In order for this communication to occur, there

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has to be a set of government jurisdictions such as the countries within the European Union or the fifty states in the United States. Within this government jurisdiction, diffusion would occur when one state or country copies the policy of another state or country.

In 2010, Todd Makse and Craig Volden conducted a study in order to understand how the characteristics of specific policies play a role in the speed of policy diffusion (2010). Certain characteristics of a policy have to be present in order for it to diffuse to another jurisdiction. One characteristic is compatibility. This is defined as “the degree to which an innovation is perceived as consistent with the existing values, past experiences, and needs of potential adopter” (Makse et al., 2010, p. 7). An example of this would be the death penalty. The death penalty might be used as capital punishment in one state due to the values present in that state but not might be easily diffused to another because of different values (Makse et al., 2010).

Three other characteristics of policy diffusion are complexity, observability, and trialability. Complexity is defined as “the degree to which an innovation is perceived as relatively difficult to understand and use” (Makse et al., 2010, p. 7). Other states are less likely to adopt a particular policy if they aren’t able to understand it completely. This component must be present for policy diffusion to occur. Observability is “the degree to which results of an innovation are visible to others” (Makse et al., 2010, p. 8). Finally, trialability is defined as “the degree to which an innovation may be experimented with on a limited basis” (Makse et al., 2010, p. 8) Based on trialability, policymakers are likely to adopt a specific policy if

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they believe that they can implement it on a trial basis in order to test it out and also if they believe that if they eventually decided to abandon the policy after it has been implemented due to it being perceived as ineffective if it would cause minimal to no problems. (Makse et al., 2010)

In 1993, Georgia established the HOPE scholarship program. This program used funds generated from Georgia's lottery to fund merit scholarships for Georgia students. The purpose of this program was to help the state avoid brain drain and entice Georgia students to stay in state and attend Georgia higher education institutions. One cause of policy diffusion is one area views a policy done in another area to be effective or successful. Many states after Georgia also adopted similar programs to the HOPE scholarship possibly because they perceived Georgia's program (regardless of whether or not the research indicated it was successful or not) to be successful. It was also imitated because it was a politically popular idea. Policy diffusion can also occur because a state notices that other states are adopting this particular policy. One government may decide to imitate another government because "it observes that the policy is being widely adopted by other governments, and because of shared norms" (Sabatier & Weible, 2014, p. 310). This cause of policy diffusion is what Sabatier and Weible called normative pressure (2014).

Policy diffusion is very critical as a possible theory for PBF adoption because when looking at studies done on the effectiveness of PBF, many of these studies often have mixed to negative reviews on the effect of PBF for states. In a 2017 study done by Amy Li, she pondered why PBF policies continue to spread to different states even though for the most part studies done on the effectiveness of PBF

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haven't been favorable. She ultimately concluded that states with a higher number of neighboring states that adopted PBF have a smaller chance of adopting PBF themselves. She believed this to be the case because states waited and observed the results of PBF in neighboring states before adopting it themselves.

Ultimately, this dissertation determines if PBF in Connecticut was influenced by policy diffusion. Were legislators and other key stakeholders in Connecticut influenced by PBF policy in other states? Did they view the PBF model in a particular state to be exemplary and therefore were influenced by it? Did officials in Connecticut see the growing number of states adopting PBF (in 2015 more than ½ of all states had implemented it) and become influenced by that?

The findings and conclusions of my research are grounded in these three theories. I believe that the advocacy coalition theory, multiple streams theory, and diffusion of policy theory will help clarify how and why Connecticut adopted PBF in 2015.

### **Recent Research on Policy Adoption of Performance Based Funding**

Performance based funding began in 1979 in Tennessee. Since then, more than half of the states within our country have adopted and implemented their own PBF policies. What has led these states to not only contemplate PBF but also to eventually adopt and implement it? When analyzing prior research on factors influencing adoption of PBF, three factors stood out in the literature: the number of Republicans in a state's legislatures, the emergence of higher education coordinating boards, and intermediaries such as think tanks and philanthropic organizations.



**Large number of Republicans in state legislature.**

In 2006, Michael McLendon, James Hearn, and Russ Deaton observed that an increasing number of states began adopting performance policies. Their study sought to discover what factors led to the spread of performance policies during this period. One result of their study is that states that had a large number of Republicans in the state legislature were more likely to adopt PBF. They theorized that Republicans tend to favor PBF policies because historically (at least recently), Republicans favor less bureaucracy within government but if policies are tied to accountability measures, then there is a greater likelihood of Republicans supporting the policy (2006).

In 2014, Kevin Dougherty, Rebecca Natow, Rachel Bork, Sosanya Jones, and Blanca Vega sought to find out which forces drove the adoption and development of PBF policies in six states (Florida, Illinois, Missouri, South Carolina, Tennessee, and Washington) and what led two states (Nevada and California) to not adopt PBF. In these two states, the prevailing factors that led to non-adoption were the lack of support from legislators and the governor. Other entities that did not support PBF in these states were higher education institutions and also state higher education coordinating boards. The states that adopted PBF showed that “state legislators (especially Republicans), and business people pursuing PBF in the name of greater effectiveness and efficiency for higher education” played the biggest roles in PBF policy adoption (Dougherty et al., 2014, p.38). Amy Li (2016) also concluded that state legislatures with a Republican majority played a significant role in adopting PBF policies. Having a Republican governor didn’t increase or decrease the

likelihood of adopting PBF policies; political affiliations of state legislatures were more important.

**Emergence of higher education coordinating/governing boards.**

In addition to the importance of a Republican majority state legislature, another factor seen as playing a role in the adoption of PBF was the presence of higher education coordinating boards. McLendon et al. (2006) concluded that the less centralized higher education campus governance bodies were, PBF policy adoption would increase. The more autonomy they have, the greater the chances for the adoption of PBF. According to Dougherty et al. (2014), key advocates of PBF policy are higher education coordinating boards and individual higher education institutions, particularly community colleges. They can potentially play a crucial role in the design of the policy, which would facilitate getting their support since they now have stake in the policy. In one of the states that didn't adopt PBF policy, higher education officials were opponents of the proposed policy. Dougherty et al. (2014) concluded that if states want to get PBF policies adopted, then they must get the support of higher education officials.

***Intermediaries.***

One aspect the previous literature hasn't delved as much into was the impact of nonprofit organizations on PBF adoption. In 2017, Graham Miller and Christopher Morphew referred to these groups as agenda-setting organizations or ASOs. "They include several foundations and policy organizations that disseminate policy advocacy information to policymakers" (p. 755). They wanted to know how these organizations use political narratives to advocate for PBF. The Gates Foundation

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and Lumina Foundation provide funding to specific policy organizations that advocate for PBF. These organizations are Complete College America, HCM Strategists, and Jobs for the Future. They focused their attention on three states: Florida, Massachusetts, and Montana.

Miller and Morpew concluded that policymakers in these three states heavily leaned on the rhetoric of ASOs when framing their arguments for PBF adoption. ASOs framed their arguments for PBF to policymakers by associating this policy with increased calls for accountability especially when state allocation to higher education is decreasing (2017). These ASOs also argued that PBF is forward thinking in terms of thinking outside the box when it came to new strategies towards higher education policy. States that practice PBF are “on the cutting edge of higher education policy” (Miller & Morpew, 2017, 777). If you’re not adopting PBF policies according to these ASOs, then you are “out of touch” and are only interesting in adhering to a traditional approach towards higher education policy (Miller & Morpew, 2017). Policymakers in these three states were persuaded by these ASOs. ASOs are doing a good job of articulating their findings to policymakers such as legislators and higher education leaders. In addition to Republican legislatures, reverse policy diffusion, higher education coordinating boards, and individual higher education institutions, nonprofit organizations (at least in three states) are influencing PBF policy adoption with more strength as before.

The previous study focused on intermediaries: groups that play a role in translating data and results to key stakeholders. In 2017, Denisa Gandara, Jennifer Rippner, and Eric Ness continued down this path and focused the role that

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intermediaries such as think tanks, philanthropic foundations, the news media, and advocacy groups play in PBF policy adoption. They focused their study on three states: Tennessee, Texas, and Georgia. They concluded that intermediaries “employ rewards and, less commonly, punishments to encourage the adoption of PBF and other college completion policies” (p. 713).

Organization like Complete College America (CCA) or even the news media do not have direct control over state policy but they were seen as being able to persuade states and higher education institutions into compliance. The biggest way that they did this was through financial incentives. Organizations like Lumina and Gates have billions of dollars at their disposal to give to institutions and states for adopting policies that they think are beneficial. The incentive of the money from these organizations promotes diffusion of the policy they are advocating. This was directly the case in Tennessee. Tennessee was awarded grant money towards the facilitation in their first version of PBF (2017). Intermediaries also shamed institutions for having subpar numbers regarding outcomes like graduation numbers or student retention. All three states found that organizations like CCA were able to present low graduation or completion rates from their state institutions in an “easily digestible format” (Gandara et al., 2017, p. 714).

### ***Miscellaneous factors.***

In addition to believing that the number of Republicans in a state’s legislature factors into PBF adoption, Li investigated other factors as well. She noticed that even though many studies had mixed results in terms of the effectiveness of PBF, many states were still adopting the policy. She looked at the

latest wave of states that adopted PBF and concluded that a “reverse policy diffusion” effect took place meaning that the higher number of bordering states that adopted PBF decreased the chances of a state itself of adopting the policy. States were influenced by their neighbors but in the opposite of what was expected (2016). What’s interesting about Li’s study is that she found that diffusion didn’t play a role in PBF policy adoption. Previous literature on policy adoption in general points to diffusion as being a key factor.

### **Recent Research on Policy Adoption**

The articles mentioned in the previous section all pertained to studies about why performance based funding policies have been adopted or not adopted in specific states over the last fifteen years. However, it is also important to understand what factors play a role in the adoption of non-PBF policy because further insight can be gained by understanding multiple factors that play a role in policy adoption. Some factors that contribute to policy adoption in general possibly won’t be seen in the previous articles on PBF adoption but they might be seen in the results of my study.

Research analyzing why and how states adopt specific policy is not new by any means. When analyzing prior research on policy adoption, three factors often appear in the research: (1) traditional sources such as legislators and their staffs; (2) diffusion due to competition and affiliations with professional associations; and (3) a state’s current political and economic situation. The following is a breakdown of prior studies done on policy adoption in general under these three categories.

#### **Traditional sources.**

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An important part for policy adoption is the use of traditional sources of information. In Gray and Lowery's (2000) article, "Where Do Policy Ideas Come From? A Study of Minnesota Legislators and Staffers," they were interested in understanding where policy ideas in Minnesota came from. They compared new forms of information such as editorial opinions, foundations, think tanks to more traditional forms on information such as legislators themselves, legislative staff members, constituent's experiences, lobbyists, and other bureaucrats. They focused on Minnesota for numerous reasons. They noted that Minnesota is often ranked as one of the most innovative states in the country. They cited specific examples such as being "the first state to ban smoking in restaurants; the first to allow school children to choose among public schools; the first to allow charter schools; the first to enact pay equity based on comparable worth. Thus, it is a good place to study where ideas come from. Many innovations, such as those listed above, have not diffused to other states" (Gray & Lowery, 2000, p. 578).

They made several conclusions from this study. They concluded that the idea of legislation often derives from the experiences of the legislator or their constituents. One response on a survey they administered said, "The public underestimates what a difference one person can make in coming to their lawmaker with a problem. *A lot* of laws enacted begin with a constituent phone call or letter to a legislator" (p. 592). When it came to formulating policy, lawmakers often relied on their staff. Their staff often relied on external sources such as what's happening in other states, legislative study commissions, and executive agency officials (2000). In addition to these sources, lobbyists also ranked high as a source of information.

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Think tanks, foundations, and newspaper editorials ranked low as sources of information. Many of the survey respondents stated that they relied more on traditional sources of information over these so-called new idea factories (2000).

Eric Ness (2010) focused on what sources of information policymakers prefer when they decide to adopt policy. Ness categorized sources of information into five categories: (1) insider versus outsider sources, (2) constituents, (3) legislative research agencies, (4) state agencies, and (5) think tanks.

Like Gray and Lowery, Ness (2010) found that policymakers prefer to rely on insider information such as their fellow legislators and their legislative staffs. They prefer this source of information vs. outsider sources, which consists of academics and the media. Policymakers tend to rely on fellow legislators who have shown expertise in a certain area because they are able to “speak the same language” (Ness, 2010, p. 12). They also trust fellow legislators.

According to Ness, legislative research agencies played a big role in the information used by policymakers. Legislators preferred non-partisan research agencies because they didn’t have any direct affiliation with a political party. Ness (2010) highlighted a study that found these agencies to be the second most vital source of information behind constituents (14). Ness found state agencies, particularly when it came to higher education policy adoption, were important for policy adoption. State agencies acted “as mediators in the implementation of federal U.S. policy by reframing policies to reflect local mores” (Ness, 2010, p. 14). Legislators relied on data from state agencies such as the governing boards of the

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State University of New York and the City University of New York when deciding to what to do in regards to New York's Tuition Assistance Program (Ness, 2010).

In both studies, traditional sources of information were the most important factor for helping policymakers adopt policy. Even though Ness concluded that legislators, their peers, and their staffs were important in terms of policy adoption, he also noted that think tanks were gaining more prominence among legislators. Policymakers often aligned themselves with think tanks that represented their ideological stance because the information from these think tanks often aligned with their own thinking as well. Of the four most crucial think tanks that legislators remarked were the most important to them for decision-making, only one of the four had a centrist ideology – the Brookings Institute. The other three (American Enterprise Institute, Heritage Foundation, and the Cato Institute) are all conservative think tanks. This detail is something that Gray and Lowery failed to mention, which could be due to the fact that their study was done in 2000.

### **Diffusion.**

A second aspect that influences policy adoption is the diffusion of ideas between neighboring states. Steven Balla investigated policy adoption specifically through diffusion in the medical field. He was looking at policy adoption of Health Maintenance Organization (HMO) Model Act (2001). His study set out to understand the significance of neighboring states when it came to policy adoption. Balla (2001) said, "When confronted with a policy problem, they take cues from innovative states that have successfully addressed the problem" (p. 222). He believed that a significant determinant of policy adoption is diffusion through



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professional associations. In this study the association was the National Association of Insurance Commissioners (NAIC). He believed professional associations provide state officials with information that they are able to bring back home with them. His research would support his hypothesis.

His results showed that professional associations impact policy diffusion. When state officials are part of associations like the NAIC, Balla discovered that state officials have an increased probability of the adoption of innovations, especially innovations from other states. One aspect that interested Balla (2001) was in some of the prior literature he analyzed hypothesized that policies most likely to spread across state borders were ones in “stimulate ‘border wars’ for revenue among neighboring states” (p. 238). He pointed this out because HMO regulations generally do not stimulate border wars yet he found that regionalism did in fact affect policy adoption of this policy which suggests “that neighboring states provide important cues in numerous types of policy areas” (p. 238).

Ingle, Cohen-Vogel, and Hughes were interested by how and why, within fifteen years of the enactment of Georgia’s HOPE program, some southeastern states decided to adopt a similar policy and others did not. Within the states that adopted the HOPE scholarship, they observed that merit aid policy emerged due to feeling of competition that states had with each other. Respondents from Florida, Kentucky, Louisiana, Mississippi, and Tennessee, and West Virginia “said that merit aid was adopted to address ‘brain drain’ to neighboring states and to keep the ‘best and brightest’ in state (Ingle et al., 2007, p. 614). In contrast, neither North Carolina nor

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Virginia mentioned brain drain being an issue. These two states were two of the three that did not adopt the policy.

They also discovered that another factor that contributed to states adopting merit aid policy was professional associations. Some of the governors involved in the study highlighted the National and Southern Governors Association in which they would often discuss legislation ideas (2007). Two other organizations that were mentioned were the Southern Regional Education Board and the National Association of State Student Grants and Aids Programs. Both organizations provided policymakers with an arena to discuss policy ideas.

In both studies (Balla, 2001 & Ingle et al., 2007), policy ideas spread due to states feeling competition with their neighboring and the influence of professional associations. Legislators in neighboring states are often part of the same professional associations. They use these associations to learn ideas for their peers and this influences what they do in their own states. They also are spurred by competition. They possibly seem a policy that is successful in a neighboring state and therefore decide to implement or in some cases states don't want to lose their citizens to another state that might have favorable legislation so they decide to adopt this legislation as a way to keep people in their states. This mostly applies to decreasing brain drain.

### **Current political and economic factors.**

In addition to traditional forms of information and diffusion, the third and final explanation for the adoption of policy is the current political and economic climate of a state. Ingle et al. (2007) concluded that states that adopted merit aid

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had “favorable economic and political environments to explain the time of merit aid’s passage” (p. 624). Many of the states that adopted did so during the 1990s during the Clinton administration when states found themselves in good economic situations. These favorable conditions allowed states to put money into programs like merit aid. There was also a lack of political opposition towards this policy. It was very popular at the time (2007).

Eric Ness and Molly Mistretta were interested in understanding how North Carolina and Tennessee adopted a state merit aid program similar to Georgia’s program. In 2003, Tennessee voters overwhelming voted to implement their state lottery as a mechanism to fund merit scholarships. In 2005 North Carolina voters decided not to use lottery proceeds to fund merit-based scholarships (2009). The differences between Tennessee (and a handful of other southeastern states) vs. North Carolina prompted Ness and Mistretta to investigate the process by which state merit aid programs emerge.

Overall, the factors that played a role in Tennessee’s adoption and North Carolina’s non-adoption were a combination of state political characteristics, leadership within the state, the timing of leadership within the state, and the influence of state contexts. Ness and Mistretta found that Tennessee was concerned with rising costs for tuition and sought remedies for TN students. They were also concerned about college access being addressed. Their final concern was stakeholders wanted to enhance the development of the workforce and they believed this program would aide in that goal (2009). North Carolina on the other hand did not adopt the lottery as a means of funding merit-aid programs because of

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the three concerns Tennessee had, North Carolina only shared one of them, the concern about workforce development (2009).

The third and final factor affecting policy adoption is the specific conditions happening in a state at the time of policy adoption. As seen in these two studies, state specific economic concerns, social concerns, and political concerns are important for understanding the adopting of policy. This was especially the case in a few southeastern states in terms of state merit aid programs.

### **Studies that analyzed the results of performance based funding**

In 2017, thirty-two states had funding policies in place to allocate some portion of their state expenditure towards higher education towards PBF. Five other states were transitioning to some type of PBF program (National Conference of State Legislatures). This means that 74% of American states had or would have had PBF. If the majority of states adopted PBF, the legislatures in these states must have believed that PBF was the right direction to go in order to improve student performance. What does the literature say in terms of the effectiveness of PBF? Do institutions that implement PBF perform better than institutions that do not implement it? Four trends were noticeable in the literature regarding the effect of PBF on institutional performance: (1) a lack of fiscal support by the state was a reason for a lack of effectiveness for PBF, (2) changes in institutional performance were not due to PBF but rather the characteristics of the institution itself, (3) PBF led to negative unintended consequences, and (4) PBF did not boost completion rates.

#### **Lack of Funding.**

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PBF is a relatively new educational policy idea. Because of this, states have been hesitant to allocate large portions of their higher education budget towards PBF. Institutions have also been hesitant to embrace PBF policies because they believe they will be unfairly penalized for not attaining specific outputs. Many researchers have theorized that this lack of financial support in PBF programs has directly led to its ineffectiveness. In 2009, Jung Cheol Shin concluded that many states do not allocate a significant portion of fiscal support towards PBF. “In most of states, the budget tied to institutional performance was less than 6% of the total state budget” (p. 64). This small amount of money allocated towards institutions does not incentivize institutions to follow through with the outcomes associated with PBF. Shin came to this conclusion because he believed that universities would incorporate new accountability measures if the financial incentives were attractive and appealing. In an age of already decreasing state support towards higher education, 6% of a total state budget would not be considered attractive.

In 2011, Thomas Sanford and James Hunter concluded that the money allocated to institutions does not provide enough incentive to change. They were able to do this by analyzing the retention rates and six-year graduation rates before the performance funding policy was adopted versus these two outputs after the policy was adopted. They concluded that allocated percentages as low as 5% of a state’s higher education expenditure are not enough to provide the financial motivation for institutions to change. The fact that funding levels in Tennessee at the time of the study were low was the key reason that caused retention and graduation rates to not be associated with a significant rate of change when

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compared to other likewise institutions. This study is important because it highlighted that if states fail to provide adequate levels of financial support to institutions, then they will not achieve their desired goals. Sanford and Hunter believe that their study did not indict PBF programs; rather, they believe that if PBF programs are going to be successful, the level of financial incentive provided to institutions by their respective states need to be examined. What we can conclude from these two studies is that a possible reason for the mixed results of PBF programs is due to the lack to financial support states have been willing to give towards funding these programs. This lack of financial support seems to have been the case with many states that implemented PBF 1.0.

### **Institutional Characteristics.**

There have been some studies conducted on the effectiveness of PBF that report positive changes for specific outcomes. These changes that occurred in institutions were explained as byproducts of institutional characteristics instead of by products of state funding practices. According to Shin (2009), policymakers should focus their ideas on “facilitating the capability of universities” (p. 63) instead of policy tools. An example of this was highlighted in a study done by Ann Gansemer-Topf and John Schuh. In their 2006 study, they sought to understand the correlation between specific institutional capabilities and retention rates. They observed that there are specific ways in which colleges allocate their resources that can improve retention and graduation rates. They observed that when institutions focus their resources on instruction, academic and social engagement, and academic support, there is a positive effect on retention and graduation rates (Gansemer-Topf,

2006). This harkens back to Shin's (2010) conclusion that instead of PBF policies, institutions need should their resources on specific areas of the university in order to improve retention and graduation rates.

A similar conclusion was reached in Amanda Rutherford and Thomas Rabovsky's 2014 study where they focused on PFB 1.0 and not 2.0. Even though they found slightly positive results yielded from analysis of PBF 2.0 (not enough for true significance), they concluded that student outcomes are related "to student profiles, institutional characteristics, and state environments but are not enhanced by performance funding policies" (p. 203). Overall, they concluded that PBF funding programs that made up version 1.0 largely do not appear to have impacted student outcomes in a positive fashion but this doesn't mean that PBF 2.0 should be eliminated. Rutherford and Rabovsky ultimately believe that a deeper analysis of 2.0 policies needs to be done in order to see the effects of this variation of the program over time. Their analysis was focused mostly on stations that implemented 1.0 policies, which were either eliminated or not implemented well by a large number of states.

### **Unintended Consequences.**

In 2017, Mark Umbricht, Frank Fernandez, and Justin Ortagus not only discovered that PBF didn't increase the number of graduates but it also led to what they called unintended consequences such as declining admission rates and increased selectivity in public universities (p. 643). Their study focused solely on Indiana which was different from all of the previous studies mentioned.

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The number of graduates in Indiana didn't increase due to PBF in Indiana's public institutions. Admission rates decreased due to PBF and fewer racial and ethnic minority students were admitted to Indiana public institutions due to PBF programs. The same was also observed for low-income students. The percentage of these groups admitted was compared to public institutions in neighboring states to Indiana and Indiana was found to be behind these states when it came to this statistic.

In 2016, Kevin Dougherty et. al observed a similar unintended consequences of PBF policies. Two of the more prominent things they observed were admission restriction and a weakening of academic standards. In their study, many people they interviewed admitted that because of the pressures of PBF policies, they were more likely to not admit weaker students because these weaker students could affect their graduation rates, which would result in less funding from the state. This was a common occurrence in many of the subjects that were interviewed in this study (Dougherty et al., 2016). These universities achieve this by increasing their admission requirements and by focusing more on merit-based aid vs. need-based aid. These practices most likely will affect low-income and minority candidates.

Another unintended consequence from this study was the lowering of academic standards. In order to not be penalized due to not achieving specific outputs of PBF policies, respondents in this study admitted to lowering standards in order to keep retention and graduation rates high. Examples of weakening academic standards are reducing degree requirements and also lessening class demands (Dougherty et al., 2016).



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In 2018, Nicholas Hillman and Daniel Corral researched the effect of PBF policies on Minority Serving Institutions (MSIs). They compared MSIs in states with PBF policies vs. MSIs in states without PBF policies. They concluded that when PBF policies are introduced in a state, MSIs lose roughly \$750 per FTE in comparison to MSIs in states without PBF. The effect that this has is that because MSIs tend to lose more money because they were not able to achieve specific indicators, they have to cut areas of their institutions such as decreasing their faculty-to-student ratio, cutting student and academic support services, or increasing tuition (Hillman & Corral, 2018). As indicated earlier in the literature review, these services play a role in increasing student retention and graduation rates and by not having these services, it will make it harder for MSIs to achieve specific numbers dictated by their respective states. This study points out that MSIs are sometimes hurt by PBF measures because the policies put forward aren't consistent with their missions. This points to the idea that in order for PBF policies to be truly effective, they should not be broad and should align specifically with the mission of institutions.

One last unintended consequence of PBF policies are the type of credentials that are produced. In a 2015 study done by Nicholas Hillman, David Tandberg, and Alisa Fryar, they concluded that Washington state's PBF program, which is known as Student Achievement Initiative (SAI) encouraged institutions to produce more short-term certificates. This is an issue because these short-term certificates often "yield poor labor market outcomes where the wage increase for certificate holders is typically lower than an associate's degree and often have returns that are indistinguishable from workers with only a high school diploma" (p. 516). This

would seem that the SAI program in Washington is producing degrees that might satisfy specific indicators but do not actually benefit students in the long run.

Overall, it seems that when states implement PBF policies, they have good intentions in terms of what goals they are trying to achieve. Unfortunately, what many of these studies have shown is that PBF policies tend to result in undesired consequences that need to be remedied in order to see better outcomes.

**No effect on graduation rates and bachelor degree obtainment.**

One of the goals that states have for adopting PBF is to increase institutional graduation rates. Shin's study also sought to look at institutional performance following the adoption of PBF policy. Shin concluded that PBF didn't improve institutional performance. The graduation rates of institutions that practiced PBF didn't differ from institutions that didn't practice PBF (2009). Other studies that theorized why PBF was ineffective believed that one possible reason that explains its ineffectiveness has to do with the duration of the program. Shin's (2009) research concluded that institutional performance didn't improve under these accountability measures regardless of how long the program was in place.

In 2014, David Tandberg and Nicholas Hillman were driven to answer the following question: "Does the introduction of performance funding programs affect degree completion among participating states" (p. 222)? Their results showed that overall there is limited evidence that PBF increases four-year college degree completions.

Their conclusion is a bit more nuanced than simply stating that there is limited evidence that PBF increases 4-year degree completion. They observed that

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PBF programs “do not have a statistically significant effect on total number of baccalaureate degrees produced. However, in the seventh year, performance funding has a positive and significant impact on the number of degree produced” (p. 239). This detail implies that states need to exhibit patience when implementing PBF programs because they do show to have positive effects over the long run. Many studies have concluded that there is no significant evidence that PBF has a significant impact on student outcomes. The results from Tandberg and Hillman corroborate literature that supposes that the results of these previous studies are due to states giving up on their PBF programs too soon. The implications for this study are important because it convinces states that ending PBF programs too quickly after its implementation isn't a good strategy to see positive results.

Rutherford and Rabovsky (2014) also found that PBF policies were unrelated to graduation rates (p. 197). In fact, through their research, they noticed that graduation rates declined over time in states that implemented the policy. “For each year that a performance funding policy is in place, graduation rates drop, on average, 0.16 percentage points” (p. 197).

In 2017, Nicholas Hillman, Alisa Hicklin Fryar, and Valerie Crespín-Trujillo focused on the change in certificate, associate, and bachelor degree obtainment when PBF policies have been set in place. They wanted to see if new performance criteria increased or decreased certificate and degree completion rates in both states.

They concluded that neither state (Tennessee nor Ohio) increased their bachelor degree completion rates since 2009. According to Hillman et al. (2017),

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community colleges did produce more certificates but they also produced fewer associates. When comparing both states to national averages in terms of producing certificates spanning from 2005 to 2014, both states were behind the nation on average. Ohio was behind the national average for associate completion rates while Tennessee was above. Even though neither state increased their for-year bachelor degree completion rates, they both were above the national average for this degree. This study is important because not only does it provide recent insight into PBF but it also provides information about 2-year institutions. The study concludes that PBF programs causes institutions to produce more certificates but not bachelor degrees. This leads to the conclusion that states with no existing PBF program or even one smaller in scale than Ohio and Tennessee perform just as well when it comes to bachelor degree completion rates.

Hillman et al. (2017) believe that not only are fewer resources needed to implement certificate completion but also it is far simpler than degree completion programs. The process is not as complex as associate and bachelor programs. Certificate completion is a more attainable goal and institutions are more likely to gravitate towards more attainable goals. This might explain the results of their study.

Overall, the benefits of PBF programs remain inconclusive. Many studies believe that it is inconclusive because numerous states have abandoned these programs soon after implementation. Advocacy groups like HCM strategists are strong advocates for PBF (Snyder, 2015). They believe that Outcomes Based Funding (OBF) is a more evolved version of PBF. It is better than previous models of

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PBF because it takes the state's needs more into account and there is a heightened focus on student completion. Other researchers point to more studies needing to be done that look at PBF 2.0 implementation and not the older 1.0 version. Even with all the inconclusiveness of PBF, the majority of states either have a PBF program or are transitioning towards one. My essential question is why did Connecticut in 2015 contemplate adopting PBF? Were they aware of the previous research and if so, how did they interpret it? Why did they decide to move forward in the face of many studies showing the lack of association between PBF and positive institutional outcomes? I hope to discover the answer to these questions through my research.

### **Conclusion of Literature Review**

The above literature review presents some of the most recent and prominent studies that have been done related to policy adoption and PBF. Studies analyzing the effects of PBF on student outcomes have been outlined. Causes for policy adoption in general and for PBF have been analyzed and discussed as well. All of the presented literature has contributed to moving towards the goal of providing a complete picture of PBF and its subsequent adoption in many states throughout the United States. Yet, more research is needed to more fully describe the process in which PBF policy is contemplated for state policy.

Within the literature review, multiple studies were highlighted that discussed reasons for why and how PBF policy was adopted. Within these studies three analyzed specific states as opposed to the overall country. The specific states and their respective years in terms of when PBF policy was adopted covered were South Carolina (1996, ended in 2003 and has not been re-adopted), Missouri (1993,

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ended in 2002 but re-adopted in 2014), Florida (1994, ended in 2008 but re-adopted in 2015), Tennessee (1979), Washington (1997 – Washington did create a new PBF program in 2007), and Illinois (1998, ended in 2002 but re-adopted in 2015) (Dougherty et al., 2013). In each of these six states, PBF went through a few iterations meaning that its original version was replaced with a newer version or in the case of South Carolina the program currently doesn't exist. These six states, in addition to California and Nevada (Nevada as of 2015 has a PBF program), were covered in Dougherty et al. (2013). Recent developments in states such as Nevada (the 2015 adoption of PBF), Florida, and Illinois point to the conclusion that more *recent* research on policy adoption needs to be conducted. Other states covered and their respective years for PBF adoption in the literature review were Massachusetts (2011), Montana (2013), and Georgia (2011) (Gandara et al., 2017; Miller & Morpew, 2017).

Based on extant research, we know certain factors influence the adoption of PBF. Those factors are a large number of Republicans in a state legislature, the presence of intermediaries, to a smaller extent reverse diffusion, and finally a strong presence by higher education governing boards. What we do not know are all the possible factors that would cause a state to now contemplate adopting PBF in 2015 and beyond. The two most recent studies (Gandara et al., 2017 & Miller & Morpew, 2017) only show one aspect of PBF policy adoption: the role of intermediaries. The previous studies that highlighted the other factors are not recent studies. Will analysis of Connecticut yield different results than previous studies? Republicans in the state legislature and higher education governing boards were key factors in

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previous studies but we don't know if these factors are still relevant in the most recent cases of PBF adoption. An analysis of Connecticut will help to discover this.

Connecticut fills the knowledge gap by analyzing a state that within the last 3 years started the process of trying to adopt and implement PBF. Connecticut will help reveal what factors need to be present for a state to seriously contemplate adopting this policy. This study will also help elucidate why PBF was contemplated but not ultimately adopted. None of the other states covered or in existing literature provide as recent a case of PBF adoption as Connecticut does. The majority of the states that adopted PBF had an initial version and then either eliminated the program completely only to be revitalized again at a later time or overhauled it with major changes to align to some of the characteristics of PBF 2.0 (Dougherty et al., 2014). Connecticut had a funding program that started in 1985 but it wasn't true performance funding in the way we view it today. Its funding was based on enrollment numbers. For all intents and purposes, Connecticut started to contemplate true PBF in 2015 for the first time. This adds uniqueness to the analysis of Connecticut because unlike the adoption process that has been well documented in other states in previous studies, Connecticut has never had a true PBF program. The analysis of Connecticut will help understand the factors that contribute to why states contemplate adopting PBF in the first place. The following analysis of Connecticut contemplating PBF will determine which of the policy theories mentioned earlier best explains why a state would contemplate adopting this policy. Most importantly, determining the political, social, and economic factors that played a role in Connecticut contemplating PBF will allow for the most recent

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explanation of the factors that help understand what specific circumstances would lead a state to think about adopting PBF.



## **Chapter Three – Methods**

### **Introduction**

The process of adopting educational policy often involves many factors. Specific policies are adopted at specific times based on the climate on a particular jurisdiction. A specific event, newly created goals, new data, or some other phenomena can contribute to the climate at the local, state, or federal level that will now influence contemplating the adoption of a particular policy. The goals of this dissertation are to find out what series of factors contributed to Connecticut contemplating adopting PBF in 2015 and ultimately what factors led to the state not eventually adopting PBF. The previous chapter discussed the theories and prior literature that explain policy adoption; this chapter will discuss the research design that will be used in order to answer my research questions. This chapter will discuss the rationale for using qualitative research methods specifically a phenomenological approach. I believe that this approach aligns the most with my research questions. This chapter will also focus on the methods of data collection to be used for this study, the rationale for choosing the participants, my methods of data analysis, and finally the strengths and limitations of this study.

### **Qualitative Research**

According to Bogdan and Biklen (2007), qualitative research is often “rich in description of people, places, and conversations, and not easily handled by statistical procedures” (p. 2). I wanted to understand the thought process of each of the participants. According to Moriarty (2011), the aim of conducting qualitative research should be directed towards the goal of “providing an in-depth and

interpreted understanding of the social world of research participants by learning about their social and material circumstances, their experiences, perspectives, and histories...” (p. 2). Qualitative research allowed for the exploration of the process in which PBF became a potential policy idea for adoption in Connecticut because I had direct contact with the people involved and through interviews I gained a more in-depth understanding of the phenomenon (Creswell, 2014).

There were many advantages to implementing qualitative research. One aspect of qualitative research that appealed to this topic is the data itself. The data tends to be in the form of words rather than numbers (Bogdan, 2007). The data is highly descriptive often coming in the form of actual quotes from the participants or information from documents and other archival data pertaining to the topic at hand. The advantage of this is that it allows the research to reach parts that quantitative research cannot reach.

Using a qualitative approach allowed for the implementation of inductive analysis of my research results. The inductive approach refers to the process of using themes collected from the data to arrive at a theory. The results from the analysis of documents and archival data related to my topic and interviews conducted allowed for the emergence of a theory from the data collected. The inductive approach requires that the researcher not start with a theory, which he/she will attempt to corroborate with the research of their study. This approach allows for the emergence of themes from collected data. The previous chapter highlighted previous studies done on PBF adoption. Implementing the inductive approach into my qualitative research allowed for the creation of new themes

pertaining to PBF adoption and similar themes seen in previous research. There are qualitative methods of inquiry that use theory to guide the design but this type of approach is not the focus of this study. The theory that is developed will develop from the bottom up. Qualitative researchers “are not putting together a puzzle whose picture you already know” (Bogdan, 2007, p. 6). As I began to analyze all the results, an image began to take shape. The important thing is that I allowed the research to dictate what those themes were as opposed to having pre-conceived notions that my research might have corroborated. The insight gained from the various perspectives of those interviewed coupled with the documents and hearings that were analyzed, served to provide a full picture of the emergence of this phenomenon in Connecticut.

### **Phenomenological Approach**

There are many possible methods to use when conducting qualitative analysis. Examples of qualitative research designs are narrative research and ethnography. Narrative research focuses on studying “the lives of individuals and asks one or more individuals to provide stories about their lives” (Creswell, 2017, p. 13). The lives of the participants might play a role in the research results for my study but it ultimately is not what I looked at. I did not seek to understand the life of the participant rather I tried to understand a specific concept. For the purposes and goals of my study, the phenomenological approach was most suitable.

Another method of design is an ethnographical study. This method is used when a researcher “studies the shared patterns of behaviors, language, and actions of an intact cultural group in a natural setting over a prolonged period of time”

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(Creswell, 2017, p. 14). This type of design takes place over the course of a long period of time. Both the Task Force Concerning Outcomes-Based Funding and the Strategic Plan for Higher Education were created in 2015. The people I interviewed were select members of the task force and the Commission that created the Strategic Plan. I interviewed these individuals during the summer of 2018, which was after the creation of the Strategic Plan and the collapse of the Task Force. Because my research did not happen when these events occurred, an ethnography was not the ideal method to use for my study.

The third type of design is the phenomenological approach, which is defined as a “design of inquiry coming from philosophy and psychology in which the researcher describes the lived experiences of individuals about a phenomenon as described by participants” (Creswell, 2017, p. 14). Compared to the other two methods, the phenomenological approach fit the purpose of my study, since the specific phenomenon that I explored was Connecticut contemplating adopting PBF. In order to understand this phenomenon, I analyzed the event from the perspective of several individuals. These individuals were either members of the Task Force Concerning Outcomes Based Funding or the planning commission for Higher Education that created the Strategic Master Plan. The planning commission concluded the Strategic Plan in February 2015 and the task force was officially created with the passing of House Bill 6919 in July 2015. This house bill was passed due to the recommendations made in the Strategic Master Plan for Higher Education, which was written in February 2015.

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Members of both the Task Force and the planning commission were ideal participants for this study. According to Creswell (2007), a researcher “collects data from persons who have experienced the phenomenon, and develops a composite description of the essence of the experience for all of the individuals. This description consists of ‘what’ they experienced and ‘how’ they experienced it” (p.58). The phenomenological approach worked best for a project where it was important to understand the experiences of several individuals regarding a specific phenomenon. All of these concepts related directly to the goals and interests of my study.

My analysis of multiple methods of qualitative analysis led me to the conclusion that in order to explore the process in which Connecticut contemplated adopting PBF in 2015, the phenomenological approach was the ideal method for answering my research questions. The phenomenon of PBF has been present since 1979 but studies on why it was adopted are relatively new and require further research. The process in which PBF was contemplated in Connecticut has never been studied and using qualitative analysis with a focus on a phenomenological approach provided the best way to understand this phenomenon. Performance based funding is a topic that already has been one of deep interest for policymakers throughout the country and will continue to be of deep interest for other states that are looking for strategies to maximize money spent on higher education.

### **State Selection**

Connecticut is located in the southern part of New England. According to the United States Census Bureau, in 2017, Connecticut had a population of 3,588,164

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people. The majority of the people in the state are White only (not Hispanic or Latino) consisting of about 80.6% of the population. African-Americans make up 11.8%, Asian alone consist of 4.7% of the population, and 15.7% of the population identify as Hispanic or Latino (U.S. Census Bureau).

As with many states in the Northeast, Connecticut was controlled by the Democratic Party at the time of this study. Connecticut is seen as one of the most politically progressive states when it comes to legislation such as abortion rights, gun control, gay marriage, and an assortment of other issues. Historically, Connecticut was not always this way. In the past, Connecticut was known nationally as a swing state in federal elections. The 1960 Presidential elections marked the last time in Connecticut that there were more registered Republicans than Democrats. In fact, before the current governor Dannel Malloy, a Democrat, was elected, there had not been a Democratic governor in over 20 years ("True Blue Connecticut," 2014). The 1960s began the phase of the Democratic Party dominating Connecticut politics. Previous studies on PBF adoption have indicated that political ideology in a specific state played a role in adoption, particularly a large number of Republicans (Dougherty et al, 2013; Li, 2017). How, if any, will the political make-up of the state in 2015 play a role in the adoption of PBF?

Ultimately, Connecticut was chosen as the basis for understanding PBF adoption for several reasons. One reason for why Connecticut was chosen was because the state had recently contemplated adopting the policy. As of 2015, thirty-two states had a funding model in place for PBF. In addition to Connecticut, four other states were transitioning to PBF: Georgia in 2016, Iowa in 2014, South Dakota

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in 2016, and Vermont in 2014 (National Conference of State Legislatures, 2015). In July of 2015, Governor Malloy of Connecticut signed House Bill 6919, which created the Task Force Concerning Outcomes-Based Funding. According to the House Bill, the goal of the task force is to create an outcomes-based plan for funding higher education that aligns with the goals set by the Planning Commission for Higher Education. The objective of the task force was to create a plan that increased the number of degrees awarded to Connecticut residents particularly to underrepresented population and in areas where there are workforce shortages (Substitute for Raised H.B. 6919). Even though the policy was not adopted, the house bill showed that serious thought went into the adoption process. The fact that this occurred within the last five years of the time of the study allowed me to gain a contemporary perspective on PBF adoption as opposed to previous studies that were more outdated.

Another reason why Connecticut was chosen was because in all of the previous studies done on PBF adoption, none of those studies focused on Connecticut. This was mostly due to the fact that Connecticut's near adoption was very recent. Analyzing this issue in Connecticut will add information to this topic that is fresh and new.

The last reason why Connecticut was chosen is because not only did Connecticut discuss adopting PBF in 2015 but also it has no substantial history with adoption in the past. Connecticut never had a PBF program in place for at least a year or longer and then decided to eliminate it all together. There are many states that adopted PBF, eliminated the program for various reasons, and then re-adopted

the program later on. I wanted to look at a state that contemplated adopting it for the first time because the motivations affecting a state that is re-adopting the policy versus a state that is contemplating adopting for the first time are different. Many states that recently have re-adopted PBF experienced limited impact in its initial implementation of PBF due to reasons such as inadequate funding, change in political leadership, or lack of patience (Lederman, 2008). When these states decided to re-adopt PBF, they usually addressed these issues and begin the process again. These states are of no interest for this particular study. This study focused on a state that was discussing and contemplating PBF for the first time. PBF was first implemented in 1979 in Tennessee so the decision to seriously look into adopting this policy after 36 years of existence was a decision that warranted analysis.

### **The Participants**

The participants for this study were chosen by a purposive rather than a random sample. The participants were taken from two sources: the committee responsible for the creation of Connecticut's Strategic Master Plan for Higher Education from February 2015 and the members of the Task Force Concerning Outcomes-Based Funding that was created in July 2, 2015 by House Bill 6919. Purposeful sampling is when the research chooses specific subjects "to include because they are believe to facilitate the expansion of the developing theory" (Bogdan, 2007, p. 73). For this study, purposeful sampling was preferable because I was not concerned with getting a sample that represented the population. The participants for this study were the best equipped individuals to help answer my



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research questions. Because the focus of this study was on the process in which PBF was contemplated in Connecticut, the members of both committees either brought forward the idea of possibly adopting PBF in Connecticut or were tasked with researching the issues relating to PBF. These individuals had the most insight into how this phenomenon occurred in 2015.

There were nineteen members of the Strategic Planning Committee, twenty members on the Task Force and five individuals that were in both groups. For my study, I chose to interview twelve individuals. I first targeted those individuals that were on both committees because I believed they had the deepest insight into this issue. They had the deepest insight because they participated in both the creation of the strategic plan and the task force that was created. I chose twelve for a few reasons. One reason I chose twelve instead of all forty-four was because there were many people on both committees with similar positions and therefore interviewing too many people of similar stature would produce repeated results. By doing this, I avoided data saturation. Data saturation can be defined as that point in one's research when accumulating more data through methods such as more interviews does not lead to more information regarding their research questions (Fusch, 2015). For example, on the task force, were eight professors from various higher education institutions in Connecticut. I didn't want to include all eight professors because I wanted to get a better representation of state stakeholders for this study. Instead of interviewing all eight professors, I interviewed four professors that are from different universities and also from different types of universities such as four-year public universities and community colleges. I chose the four professors by

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determining first which schools they represented. After this was accomplished, I chose two professors from the UConn (University of Connecticut) system, one professor from the community college system, and one professor from the CSU (Connecticut State University) system. These different professors from differing institutions provided a diverse set of facts regarding PBF adoption in Connecticut.

Another reason why I ultimately decided to interview 12 people was due to the participation response that I received from those I contacted. Luckily, of those that responded to my inquiry and allowed me to interview them, they represented a diverse group of stakeholders that allowed me to see this issue from multiple perspectives. If all individuals that were part of the task force and master plan had responded, I would have not have interviewed everyone because I would most likely have heard similar responses. The 12 people that I interviewed helped me reach a comfortable level of data saturation.

The twelve people interviewed can be broken down into three different groups. The three groups were faculty members from various Connecticut institutions, those outside the academic world, which consisted of current and former Connecticut legislators and members of the Office of Policy and Management, and finally university administration. Each group brought a unique perspective and viewpoint when beginning to understand what led to Connecticut to contemplate adopting PBF. The professors provided the viewpoint of the academic world. Ultimately, these were the individuals who would be tasked with achieving the performance metrics. The university administration was able to see how this policy might not only affect those in the classroom but also affect the

university in general. The final participants were individuals outside of the academic world: members of Connecticut's government. The input of these individuals allowed me to get various perspectives of this topic, which aided in fully understanding all angles of this issue.

### **Data Collection**

I collected data using the following methods: interviews, document analysis, and observation of committee hearings. The major form of data collection was interviews. The interviews were the most important component of the data collection. The interviews were be semi-structured in the sense that there were questions that were created prior to the interviews but the responses of the participants allowed the conversation to go in a direction that was not planned. The purpose for this was to get the views and opinions as a way to understand the phenomenon in more detail (Creswell, 2017). Each interview ranged from 35 minutes to an hour and 20 minutes. The order of the questions that I asked depended on the direction of the conversation . I generally started with the same question but did not go in the same order for each interview because sometimes it made more sense to ask another question that was not directly next in order due to the response of the participant. Because of this, none of the interviews were identical. (See appendix for interview protocol)

I also relied on document analysis and observation of the Task Force Concerning Outcomes-Based Funding hearings, which took place following the formation of the committee. The documents provided the actual wording of the participants involved, the legislation responsible for creating the task force,

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newspaper articles from that period of time, and Connecticut higher education documents pertaining to PBF. Because I did not research these ideas in 2015, these documents allowed me to determine what actually happened around the period when Connecticut contemplated adopting PBF.

In addition to the interviews and documents, I relied on the six televised hearings that were done after the task force was created. These hearings took place from September 2015 to April 2016. These videos show all the conversations that happened after HB 6919. Each hearing was roughly 2 hours in length. As I watched the hearings, I took detailed notes. This allowed me to have further background knowledge on PBF in Connecticut prior to the interviews. The hearings provided the best context for understanding the National Center for Higher Education Management System (NCHEMS), which was the non-profit organization that former State Representative Roberta Willis (one of the participants) brought in to answer questions about PBF to the task force and also present information about PBF to the task force. These hearings provided a rare opportunity to further understand this phenomenon because it allows me to go back in time and actually see firsthand the conversations that the members of the task force had regarding PBF adoption in Connecticut. Based on the questions and comments of the members of the task force that were addressed during the hearings, I was able to make certain conclusions about their thoughts regarding PBF and it also helped me begin to formulate some of the questions that I would eventually ask during my interviews.

### **Data Analysis and Coding**

After the interviews were conducted, I began the process of analyzing my data in order to begin coding it. According to Creswell, coding is the process of taking the data that has been collected and organizing it into chunks and creating a word or phrase that represents a common theme seen repeatedly within the data (2017). The word or phrase were based on the specific language of those interviewed.

Coding is a challenging process that requires a lot of time and patience. In order to code effectively, I used the following process. After each of the interviews was conducted, they were transcribed by uploading the audio to Temi.com. In order to protect the identity of each participant, each person was given a letter in which they would be simply referred to in this paper. For instance, one participant was known as Participant A and another as Participant D. Once the transcriptions were completed, I re-listened to the audio while reading the transcriptions to make sure that it was transcribed correctly. Once this was complete, I then uploaded the transcriptions to Atlas.ti. For each transcribed interview, I highlighted important passages that related to my research questions. Each highlighted segment was given a code such as “economic motive” or “failure” or “diffusion.” These codes were meant to be broad (See appendix for codes). After coding each interview, I created sub codes in order to have categories within my larger codes. For example, for my economic motives, I created sub codes such as 2008 recession or budget issues. Once this was completed, the final step occurred in which I outlined which codes aligned to which of my research questions. This process, even though time

consuming, allowed me to synthesize the data in the most coherent fashion in order to complete the analysis of my findings.

### **Ensuring Validity and Credibility**

Qualitative methods of research offer potential problems not seen or rarely seen in quantitative methods. Quantitative analysis sometimes consist of working with a dataset that the researcher may not have a personal relationship with. Sometimes the researcher using quantitative methods may have interest in the topic they are studying, which can shape how they conduct their study or choose variables. This could have an effect on the results. This is a possibility for quantitative research. This is often the exception and not the norm. Because qualitative data collection consists of intimate methods such as interviews and participant observation, the researcher is vulnerable of infusing a level of personal bias into the study, which would contaminate the results of the study. The following section will detail the steps that were taken to ensure validity and credibility in the study.

#### **Role of the Researcher.**

My role in this study was the sole data collector. I conducted the interviews, researched data connected to this study, and watched the televised hearings from 2015 and 2016 consisting of the members of the Outcomes-Based Funding task force. I did not play any role in Connecticut contemplating adopting PBF, nor do I have any type of relationship with the participants of the study. My role for this study was to investigate the reasons why this policy was contemplated in

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Connecticut in 2015 by analyzing documents and interviewing key participants who played a role in investigating PBF.

I started working on my Ph.D. at Seton Hall University in September of 2014. Throughout my tenure at Seton Hall, my focus has been on issues relating to higher education. My interests while in the program have been on issues related to the economics of higher educational policy such as PBF, merit and need based aid, Pell grants, and other topics. I understand what PBF is, its history within the United States, the different iterations of the policy nationally since 1979, and why it has ebbed and flowed in popularity over the last two decades. I prepared for this dissertation by reading previous studies conducted on PBF adoption in other states, theories that explain policy adoption, and articles relating to the adoption of non-PBF policy. My prior research and knowledge of the topic guided me in the formulation of my interview questions. Beyond the skills that I picked up while working towards my doctorate, I also developed the necessary skills to carry out the requirements needed for this research project. In the past, I have done numerous projects and assignments that have required document analysis and projects in which interviews were necessary. Because of the skills that I gained while at Seton Hall and the skills I acquired through life and my tenure as a student at other higher education institutions, I was able to perform all the duties needed to successfully conduct this study. I did not bring any bias into this study because I had no prior experience with PBF in higher education. My only experience with PBF was from the literature that I read so I entered this study indifferent about the merits of this idea.

**Validity.**

There were many steps done in order to ensure a level of accuracy and authenticity of this study. Validity in qualitative research “refers to whether one can draw meaningful and useful inferences from sources on particular instruments” (Creswell, 2017, p. 201). Many steps were taken throughout the process to ensure trustworthiness and credibility in the research. One strategy used was triangulation. Triangulation refers to the process of using “different data sources of information by examining evidence from the sources and using it to build a coherent justification for themes” (Creswell, 2017, p. 201). I made it a point to not rely solely on one type of source for evidence. In order to ensure authenticity, participants reviewed the audio of their interview. Creswell referred to this as member checking (Creswell, 2017). This was done so participants could determine whether or not the themes that were extracted from their responses were accurate. During the analysis of data, one step that was completed in order to ensure credibility was pattern matching (Yin, 1994). This consisted of looking at the interviews of all the participants and going through their responses to see common themes that appeared in the responses. Overall, tactics were utilized during the design of the research and collection and analysis of the data to ensure credibility of the study.

**Reliability.**

According to Yin, reliability is the idea that if another researcher followed the exact same steps as the original researcher who conducted the study, the new researcher should arrive at the same findings and conclusions as the original researcher (Yin, 2017, p. 36). Documenting every step of the research so that other



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researchers have a clear idea of what was done by the original researcher does this. Every component of this study was documented. This includes the selection of the participants, the selection of the state, the rationale behind the creation of the interview questions, and the reasoning for choosing a phenomenological study. Transcripts of the interviews were checked thoroughly for transcription mistakes. These procedures ensured that this study was both valid and reliable.

Using a qualitative method of research helped me to develop a deeper understanding of PBF based on the interviews conducted with the participants. The phenomenological approach requires that the researcher understand the phenomenon from the viewpoint of the participant. It is imperative to understand the participants on their own terms (Groenewald, 2004). This prevented me from creating theory and conclusions based on pre-conceived notions and instead it allowed the findings to simply emerge. By using the findings to create conclusions, I limited the amount of bias that might subconsciously become a part of the study.

In addition to allowing the development of theory based on the present themes, another strength of interviews is that they provided firsthand knowledge of PBF. Because I solicited answers to PBF adoption from the individuals who were tasked by the governor to analyze this issue, the level of authenticity for this study was high. The participants all had a high level of credibility due to the fact that they were either professors, higher education administrators, state politicians, or members of government organizations. Because of their positions, their responses were trustworthy. All of these conclusions are the reason why conducting interviews is one of the strengths of this study.

Another reason why interviews are a strength of this study is because the participants could add details that would not have been available through other methods. Participants were able to provide some historical information and context with their answers that enhanced their responses. The fact that I was in control of the questions also brought out the best results for this study since I guided where the conversation would lead. This added more authenticity and credibility to this study.

**Limitations of the study.**

One of the limitations of the phenomenological approach is that it is only as strong as the participants. In order to maintain the utmost integrity of this project, I made sure to choose only participants who played a direct role in this process occurring in Connecticut in 2015. Even with choosing these participants, my study was held hostage by the level of their perspective and insight that they provided in their responses. I have to hope that they were articulate because my conclusions depended on their responses. The individual stories of the participants of this study enhanced my project because they provided a level of insight and perspective to this issue that cannot be gleaned from other sources. They provided context to this issue that helped me understand why and how it arose in the first place. Not only did I have to hope that they produced viable responses but I had to hope that the recollection of the events revolving this process in 2015 was still vivid in their memories. By the time the participants were interviewed, it was three years since HB 6919 was passed and the Strategic Master Plan for Higher Education for Connecticut was written. There is a chance that the participants did not remember

the vivid details of the events surrounding the factors that led to Connecticut contemplating adopting PBF in 2015.

Another potential limitation of this study is whether or not the results are generalizable. The intent of qualitative research usually is not to generalize one's findings (Creswell, 2007). The strength of this study is that it provides an in-depth look at a specific state. In order to understand PBF adoption, I looked at Connecticut's path that started in 2015. Will I be able to definitively say that because I saw certain specific factors in Connecticut that those same factors must be present or were present in states that either look to adopt PBF or will adopt in the future? As of 2018, New Jersey was one of the remaining states that had not adopted a PBF program even though they had one in the past. If New Jersey decides to adopt PBF in 5 years and a researcher looks to understand how this happened, the results of my study possibly will not be generalizable to New Jersey's case. Connecticut could end up having very unique circumstances that lead to its adoption. Because qualitative methods of inquiry yield very personal and specific responses, one has to be aware that these responses might be highly specific towards a particular state or scenario, therefore making it impossible or very difficult to generalize the results to another state.

## **Conclusion**

The goal of this chapter was to outline not only how I obtained data for this study, but also the rationale for why I would obtain data in this particular fashion. I sought to accomplish four things in this chapter: to explain why I used qualitative methods and not quantitative methods, to explain why using a phenomenological

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approach made the most sense for my study, to explain who the participants of the study were and why and how they were chosen, and finally to identify the strengths and potential limitations of this study.

It cannot be said enough that this required the use of qualitative methods. Answering my research questions could only be done through information gained by qualitative methods of inquiry. Because I sought to understand a phenomenon and the people directly involved with this phenomenon, the most logical approach for this study was the phenomenological approach. The interviews, document analysis, and Task Force committee hearings provided the data to answer my research questions. Every qualitative study has natural limitations. No study is perfect. There are always going to be limitations when conducting interviews due to the unpredictability of the participants. Even with its weaknesses, the qualitative methods of research that I used were the most effective tools for answering my research questions.

## **Chapter 4 – Findings**

The previous chapters of this study introduced and analyzed key ideas relating to PBF, presented relevant theories and research pertaining to PBF, and explained how the data for this study would be collected. The purpose of this chapter is to now present the findings for this study. The factors that led Connecticut to contemplate adopting PBF in 2015 will be presented in addition to factors that prevented Connecticut from adopting PBF. In addition to the presentation of these factors, the four research questions are answered from the findings. Among the twelve people interviewed, there were vast differences when it came to their occupations, level of interest in PBF, and knowledge of PBF prior to 2015. Nevertheless, multiple similarities of the near adoption process from 2015 were consistent among many of the individuals who were interviewed.

When this study began, the purpose was to understand what factors often lead to policy in general to be contemplated and eventually adopted. Looking at the near adoption of PBF in Connecticut in 2015 would help shed light on these factors. As the study evolved, it became clear that it was important to understand both what the factors that led to near adoption and why adoption ultimately failed. This latter point is just as important as understanding how policy is adopted in general. Due to the research conducted, I was able to uncover the answer to both of these issues. What follows in this chapter is a discussion of the common themes seen among the participants of the interviews that were conducted. The themes will be organized based on how they pertain to each of the four research questions. The presentation

of these findings will help build an understanding of what led Connecticut to nearly adopt PBF and why it ultimately wasn't adopted.

## **Findings**

As I interviewed each of the participants, it became very clear why in 2015 Connecticut contemplated adopting PBF as policy for higher education in the state and it also became clear why it was never adopted. To begin the analysis of the findings, I will start by answering each research question individually using the data gained from the interviews. Research questions number 1 and 4 will be broken down into subcategories. For question number 1, the subcategories will be: two of the economic factors which were workforce development and political accountability; two of the political motives which were the influence of state legislators and nonprofit organizations; and finally one social factor which is geographic diffusion. Questions two and three will not require the same treatment as questions one and four. Because questions 1 and 4 are looking for multiple factors, there were a multitude of responses, which is why both questions need subcategories. Finally, I will tie in the multiple streams theory to address arguably the event that played the biggest role in Connecticut contemplating adopting PBF: the 2008 economic recession. For research question 4, the subcategories will be the following: one economic factor which is Connecticut's deficit and state budget; one political factor which is the retirement of a key legislator, and finally two social factors which are no buy-in from educational stakeholders and reverse diffusion.

**Research Question 1: What political, economic, and social factors played a role in Connecticut contemplating adopting PBF in 2015?**

### **The Influence of State Legislators.**

Many of the respondents believed that the major proponents of PBF were state legislators. An overwhelming number of respondents remarked on how PBF was not proposed from those within Connecticut's higher education institutions but rather from members of Connecticut's General Assembly. Participant D, a current state legislator, said the following:

The idea itself is attractive to legislators. We block grant our institutions in Connecticut, I think that that's probably the way it's done in most states and there's frustration when you block grant an institution about having a little less influence than you would over other state agencies over how they spend their money. (Participant D)

Participant D went as far to say that they knew of a university President in Connecticut that said if the state were to do performance based budgeting that they would leave. The idea of PBF being proposed by legislators falls in line with previous analysis that showed that many legislators were motivated by increasing the economic accountability within the state (Li, 2017).

All of these sort of questions come to the General Assembly and the usual leverage that we might use to really influence what goes on in the institutions aren't there because we block grant the institution and they get to spend the money the way they want and they have independent governing boards since the influence has diminished. So I think when you're talking to a legislator, legislators, performance based budgeting gets to be a sort of an attractive concept because now you're saying we're going to give you more or less in your hands. (Participant D)

Every single participant for this study said that the idea for possibly adopting PBF was the brainchild of one influential state legislator, Roberta Willis. Willis served as a Democratic member of the Connecticut House representing the 64<sup>th</sup> district from 2001 to her retirement in 2017. During her tenure she was a highly respected and

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influential member of Connecticut's General Assembly. Participant E, a member of the Office of Policy and Management said the following:

Yeah, it was interesting. The Republicans were not great leaders on this. In fact it was um, you know, a Democrat representative, Roberta Willis, who probably did the heaviest lift on this. (Participant E)

Many of the respondents talked about how respected Willis was in the General Assembly, how she was the main proponent, and how her tenure as a politician and level of respect were key reasons for why PBF was seriously contemplated.

In previous studies on factors leading to PBF adoption, legislators were often cited as a factor but usually the legislators were Republicans (Li, 2017). Connecticut happens to be a state that at the time (currently as well) has a Democratic governor and a General Assembly that is dominated by the Democratic Party. This surprised many of the respondents, particularly those coming from academia. This is usually not the case even though recently California, which has a similar political make-up as Connecticut in terms of being dominated by the Democratic Party, has adopted PBF.

And I was floored. I thought how, how could a democratic majority in our state legislature approve something like this because it looked to me like no child left behind, applied to higher education. (Participant B)

In addition to the influence of Roberta Willis, others felt that the Governor had an interest in updating the state's higher education system. Participant J, another member of the Office of Policy and Management said the following:

Okay, I don't want to suggest that this is partisan because I don't think it's a partisan issue, although I think that in the case of Connecticut Governor Malloy, I think he had a sense that there were some parts of state government including higher ed that were a little moribund, that were just kind of coasting along and we're like, I think there was, he was reacting, I



think, uh, to sort of a somewhat casual approach to governance that had been going on before. (Participant J)

### **Workforce Development.**

One of the economic motives articulated in several of the interviews was improving Connecticut's economy. Many subjects believed that PBF was being contemplated as a means to connect the universities within the state closer to businesses. Comments such as "vibrancy of industry" and "connecting what universities do with industry" were common ideas expressed in the interviews.

Participant G, a faculty member at one of Connecticut's public institutions, said the following:

Do what the universities could do in order to improve the economy and the vibrancy, vibrancy of the industry and businesses within the state of Connecticut to be a strong economy kind of thing. So again, the notion was the connection....was that what can the universities or what do we need from the universities in order to do that and how can we help the universities to be able to increase things in order to do that. (Participant G)

PBF was seen as a possible solution to help the state grow various industries and overall improve Connecticut's workforce. Participant B, a faculty member at one of Connecticut's public institutions, said the following:

And I had been, you know, howling at the moon about this problem for over a decade myself. And I think Roberta Willis was trying to address that, you know, like how can we get our universities and colleges to educate a workforce that's prepared for global industries so that Connecticut can prosper. (Participant B)

These individuals believed that many people were concerned with how educated the workforce was, aligning the needs to industry in Connecticut with outcomes from universities, and properly investing in the state's workforce.

...there's a lot of industry that really left Connecticut. So the bottom line was that, that the thought was well, shoot, we have places like the various parts of

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United Technologies and general dynamics and a number of these other businesses, uh and the pharmaceutical industry, and etc. (Participant G)

The above passages highlight the belief that industries were leaving Connecticut in large number due to the lack of skilled workers in the state. Some participants believed that PBF was an attempt to align the needs of the state with university curriculum.

### **Economic Accountability.**

Many of the respondents believed that another motivation for contemplating PBF was to increase economic accountability in the state. Participant A, a member of the Office of Policy and Management, said the following:

...because of the existing policy was no good either. Yeah. I mean, so if, if you say, look, we're spending a billion dollars on higher education and we're not happy with the results we're getting, well let's find a new way to, you know, let's figure something different to do. (Participant A)

Other participants similarly echoed these thoughts. Participant B related this notion of economic accountability to the problem of brain drain from Connecticut.

Now I understood where she (Roberta Willis) was coming from in the sense that she wanted accountability because Connecticut has a big problem with out migration of young people, so we have no trouble getting tons of young people here for college and keeping them here for college. But the moment they get their degree, they split, they go up to Boston, they go across the country to go to Texas. They go all over the world. (Participant B)

Not only should schools show that the money allocated is being used towards tangible outcomes but it should also result in keeping students in state and improving industry in Connecticut. Some individuals believed that PBF would make sure that Connecticut is getting the most out of its public institutions especially in a time where we see decreasing allocations to the institutions. A common phrase

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echoed in many of the respondents was “more with less.” Participant I, an administrator at one of the public institutions in Connecticut, said the following:

Um, you know, we all know we have to do more with less and we all know we have shrinking resources within the state. (Participant I)

Many believed that PBF was contemplated as a way to save money in a time when money was scarce and it would equate in money being spent in a more efficient manner.

### **Nonprofit organizations.**

The advocacy coalitions theory states that:

policy change is driven by coalitions involving actors both inside and outside of government who are drawn together by shared ‘deep core’ beliefs about important social values, the proper role of government, and the significance of different social groups, as well as ‘policy core beliefs’ about the seriousness of a particular social problem (Dougherty, 2014, p. 166).

This was the case in Connecticut. Roberta Willis was a significant driving force behind Connecticut contemplating PBF. A key higher educational nonprofit policy organization also played a prominent role in contemplation.

So I think the other thing that helped was the two consultants from NCHEMS...they have done strategic planning for, for many states and countries, and they were big proponents of outcomes based funding. (Participant C)

This organization and Representative Willis shared common beliefs about higher education and as the theory states, they coordinated their efforts to help develop policy. Representative Willis and this organization played a vital role in educating people on the task force about PBF. Within the literature on PBF policy adoption, including organizations such as the one used in this scenario, often play a role in eventual adoption.

### **Geographic Diffusion.**

Previous studies on factors that contributed to the adoption of PBF and policy in general often cite diffusion as having a prominent role. According to the diffusions of policy innovations theory, diffusion is defined as “the process by which an innovation is communicated through certain channels over time among the members of a social system” (Sabatier & Weible, 2014, p. 310). Many of the participants expressed that they heard about PBF from colleagues at various professional conferences.

One of the consultants gave a presentation at the New England Board of Higher Education and, and a woman from Ohio State University, which I think out in Ohio they really, you know, they jumped in feet first to the performance based funding think and so she was giving a presentation about it from her perspective to the administrator from Ohio. (Participant D)

One participant talked about first hearing about PBF at a NACUBO (National Association of College and University Business Officers) conference and talking about it with colleagues at other conferences. Participant H, a higher education administrator in the state, said the following:

So I had heard of it several years ago from just going to conferences. I am part of, I’m a member of NACUBO, which is the National Association of College and University Business Officers... And we had talked about it a number of times at conferences I had attended. (Participant H)

A Lumina sponsored conference and the National Governor’s Association conference was also referenced as a conference in which PBF was discussed.

Some of us have hear from colleagues at NEASC, you know, I remember the provost at Maine in a meeting saying, you know, look, outcome based funding was simply a redistribution plan. (Participant I)

So there were four of us that went down to Oklahoma to hear what they’re doing...we were able to talk to other people and see how it’s working for them. (Participant H)

Other participants believed that Connecticut was just following what other states had done in terms of adopting PBF. Throughout the interviews, many states were raised as example states that Connecticut should look towards. Some of these states were Ohio, Oregon, Oklahoma, Texas, and Washington.

We talked to, um, Oklahoma, Tennessee. Um, I talked to people from Washington state, from Texas. (Participant H)

The one state that was mentioned in almost all the interviews was Tennessee.

And um, but really Tennessee was the one that had the most gears in motion. They were also doing well...they did the Tennessee promise. Oregon I believe was moving to outcomes based funding. (Participant C)

Policy diffusion states that a policy can spread to an area like a state if stakeholders in that state see a particular policy being practiced in another state. This happened in Connecticut due to the presentation of information from Representative Willis and NCHEMS mentioned earlier. Diffusion can also lead to policy not being adopted, which will be explored late in the dissertation.

### **Policy Window of Opportunity.**

One of the theories guiding this paper that was mentioned in chapter 2 is the multiple streams theory. This theory states that there are three streams of thought relating to policy: problems stream, policy stream, and politics stream.

Policymakers find policy windows of opportunity to combine at least two of these streams in order to increase chances of policy adoption. This was the case in Connecticut. It seems as if the economic issues in the state provided the policy window of opportunity. One of these issues was the fact that there was a wealth disparity in the state.

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So the wealth divide, the polarization in, in the state of Connecticut, you know, it's basically forecasting that if we don't turn around our educational system, make it possible for people of all backgrounds to succeed, then we're going to have a bunch of unemployable people entering the workforce in 20 years from now. (Participant B)

PBF was seen as a possible solution to this wealth disparity. Another related issue is a belief in an uneducated workforce or rather a workforce that does not have the skills needed to succeed within the state. In addition to the wealth disparity and workforce issues, individuals within the state felt that there was a lack of financial accountability amongst the higher education institutions. Some legislators looked at PBF as an attractive way to have more influence and control over how money is spent in the institutions. Overall, these are opinions felt by educators, constituents, and legislators.

According to the multiple streams theory, there needs to be an event, a policy window of opportunity, that enables serious thought to adopting a new policy idea such as PBF. In 2008, that event occurred. Almost all the respondents mentioned in some type of capacity the impact of the 2008 economic recession.

The Great Recession was a real watershed moment. (Participant E)

Um, well I would tell you that in 2007 to 2009, you know, after the aftermath of the Great Recession that there was less money to spend on higher education and how do we ensure that it's invested properly. (Participant C)

Many respondents remarked about how the recession caused less money to be allocated to higher education and it led people to really think about how money allocated was now being invested.

And I would that really, you know, when you have surpluses and you know you can spend whatever they come in and ask, whenever they come in and ask you for, you can pretty much give it to them. By 2008, 2009, we didn't,

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we had to figure out how to make, do with less and um, the higher education institutions weren't quite getting that. (Participant C)

Due to the recession, the state had to figure out how to make do with less money. By 2015, many believed that the economy was still reeling from the recession and different ideas on how to better allocate resources were in demand.

### **Research Question #2: What were the higher educational goals of Connecticut and how did these goals affect the near adoption of PBF in 2015?**

Many of the goals for higher education were stated in the Strategic Master Plan for Higher Education in Connecticut that was created in February 2015. Some of these goals included to: educate the workforce to meet the needs of the future; make college more affordable for students; fix the significant mismatches between the workforce needs and degree production; address the declining enrollment numbers; and decrease education attainment gaps between whites and minorities (CBIA, 2015).

You know, of course the economic challenges in the state have made it difficult for everybody in higher education because of the cut. And by that I mean, you know, the entire board of regents system, UCONN, private colleges, private universities...I mean obviously the state's publics were hurt the most because we count on the state for more support. But that coupled with declining enrollment coupled with concerns about the state of Connecticut really led Roberta wanting to bring in some consultants related to, you know, a number of challenges that we were experiencing. (Participant I)

And how are we going to achieve, you know, an educated workforce in the state of Connecticut that would meet the employment opportunities that we know employers are faced with. (Participant D)

Participants acknowledged that many of the reasons that led to contemplation of PBF revolved around these goals. Decreasing brain drain of Connecticut's students

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was mentioned as a goal that inspired contemplating this policy. Multiple participants mentioned the problem of decreasing enrollment levels and lower completion rates of students. Participant F, a faculty member at one of the state's institutions said the following:

Yeah. Well I would say it was the economic landscape, um, combined with a declining enrollment. (Participant F)

And one of the outcomes we're seeing is declining enrollments. We're also seeing decreased amounts of completions. (Participant J)

Participants acknowledged that they believed PBF was contemplated because there was a feeling that the policy could help create a workforce able to meet the employment opportunities in Connecticut and make higher education finance more efficient. In regards to the latter point, one participant acknowledged many people believed that higher education in Connecticut was not sustainable.

Well, I think the reason is because I think people feel that, you know, higher education is unsustainable... I don't think I disagree with people who would feel that way when you have higher education institutions charging \$75,000 a year. Right? And people just don't make that much money and it's far outpacing inflation. So financially it's just not sustainable. Um, and so you have the state. So there's a lot of complaints that state funding is not keeping up and they're cutting funding... And I think the states are saying that's not true. I mean in terms of absolute amounts of money, most states are keeping pace with higher education funding, but in terms of absolute proportion of budgets they're not, right? Because the budgets of higher education institutions are going up so fast, the states can't keep pace with it. So it appears that some states are definitely decreasing revenue... So I think for a lot of states, they think well how do we become more efficient? So I think non-academic people who are in higher ed see this as a way to get there, like this can make us more efficient, more efficient use of resources and sort of weed out inefficiencies... (Participant F)

In conclusion, Connecticut contemplated adopting PBF mostly in reaction to fallout from the 2008 economic recession, a highly effective legislator, educational



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trends such as declining enrollment and lack of cohesion between higher education and industry in the state. Many of these factors were meant to directly address the goals that were laid out in the Strategic Plan for Higher Education and the issues that were highlighted at the start of the paragraph. These goals were seen in the responses of the participants such as increasing college affordability, increasing completions, addressing declining enrollment, and making institutions more financially accountable.

Some of these factors that led to the state contemplating adopting PBF aligned with previous literature such as the role that intermediaries play in the adoption process. Other factors went against factors seen in previous literature such as the number of Republicans in a state legislature and the level of autonomy that universities have in the policy process. Previous literature cited in Chapter 2 state that the presence of a Republican dominated legislature increase the likelihood of adopting PBF. Connecticut is a state that not only was dominated by a Democratic legislature but also Representative Willis, who is a Democrat, brought the idea to the forefront. Even though the idea of PBF was brought forward by a Democrat, the fact that Connecticut was dominated by a Democratic majority in the General Assembly might explain why the idea was never adopted. Because PBF was the brainchild of Willis, the idea of university autonomy was inconsequential for this study because the academic world did not play a significant part in initiating this policy as a potential idea.

**Research Question #3: Did knowledge of studies conducted on the effectiveness of PBF programs affect the decision making of stakeholders?**

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Within the literature review, there are a series of studies analyzing the effects of PBF programs in various states. The majority of these studies conclude that PBF leads to negative consequences or is inconclusive in its results. During the task force hearings that took place in 2015 and 2016, the representatives of NCHEMS made it a point to tout states such as Tennessee as examples of PBF that were successful. I was curious to know if participants of this study were aware of the literature revolving around the effectiveness of PBF. Many of the participants who were from the academic world knew about these studies and it gave them trepidation about the policy.

...we have virtual meetings, we had in person meetings, so everyone had jobs and some jobs included investigating how effective is this where it has been tried...the consulting agency was touting Tennessee in their meetings. They talked about how great PBF was there. They hadn't even released results yet! They just were saying, well, um it seems like things are going well, but they had nothing to really give us so we couldn't find anywhere that it had been successful. And that's sort of what we try to impress upon them privately and publicly is that, you know, you're sort of treating this like a, like casino and that's just not something we wanted to be a part of. (Participant F)

The negative press on PBF made not only those in the academic world weary but also key members of government that were interviewed.

...I mean, I was really stunned by how many states were adopting performance based budgeting...without seeing any evidence that adopting those systems...and here we were, everybody adopting this approach without checking to see those places that we're doing it were achieving better. (Participant D)

Many participants acknowledged that even though the information regarding PBF was mostly negative, out of respect for Representative Willis, they continued to listen and have an open mind towards the policy.

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I think it was respect for her, I think it was tenure. I think all the legislators, you know, they named the scholarship program for her. All the legislators could...were incredibly impressed by the amount of time and effort and energy...well look...after she left to my knowledge the planning commission didn't meet again. (Participant I)

Even with an open mind, it was hard for many of the participants to believe in the policy due to the negative press and a lack of positive evidence presented to them during the discussion on PBF. This did not stop other states from going forward and adopting PBF but it played a vital role in Connecticut. Why this was the case with Connecticut will be explained in research question #4.

### **Research Question #4: What were the political, social, and economic factors that led to Connecticut not approving PBF?**

When I originally started this study, this final research question did not exist. As the research evolved, it became evident that the factors that played a role in Connecticut contemplating PBF were just as important and interesting as the factors that ultimately led the state to not adopt it. There is literature on factors that lead to PBF adoption but there is less on factors that both led to near adoption and eventual non-adoption in the same state. The following are the reasons for why Connecticut never adopted PBF.

#### **Connecticut's deficit and state budget.**

Over the last few years in Connecticut, the state has been experiencing economic deficits and terrible budget issues (Rojas, 2017). Many of the participants felt that these economic problems that have been plaguing the state in the aftermath of the Great Recession would be a key hurdle preventing the adoption of PBF.

Um, Connecticut has been in such a dire strait for so many years. We've been running deficits that we're constantly being defunded. So there, there isn't

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really a mechanism for this performance based funding to be a reward system. (Participant H)

Many participants believed that since the block grant has been constantly reduced over the last few years, there was no room to add a PBF formula on top of the shrinking pot of money allocated to universities.

And for the further, they have been reducing that block grant year after year to try, you know, and not just in higher education but all throughout our agency. We've been receiving budget cuts year after year after year...so to try to overlay a performance based funding formula on top of that... just, it's a little bit nonsensical. (Participant H)

A popular idea expressed by respondents was the conclusion that until the economic problems within the state are fixed, there was no way to implement PBF. None of the participants believed that taking a portion of the base budget and allocating that amount towards PBF was a good idea due to the economic problems in the state. One participant believed that legislators would prioritize the deficit issues of the state prior to adopting a PBF model.

My belief is that is that the reason it's not been implemented is because we, we just all have bigger fish to fry, you know, the, with billions of dollars of deficit. I think our legislators are more worried about that than implementing, um, a performance based funding model in the state. I think that's why for me it's fortuitous because I don't think that my system could survive that kind of additional cut because we're not meeting metrics that we set. So I think it's really just the state of the state that's prohibiting it from getting implemented. (Participant H)

### **No buy-in from academics.**

Extending off of the economic problems in the state that prevent the adoption of PBF, another reason why it was not adopted, according to many participants, particularly those from the academic world, was the lack of buy-in from academics. This refers to the fact that many stakeholders in academia were not interested in PBF and in fact felt that it was a punitive measure.

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It was not a lot of buy in from the educational part of this from teachers, maybe administration because it seemed to be a policy that really was, there wasn't, there was maybe a lack of input from the educational side and too much on the, on the political legislative side. Um, I would say those seem to me the two major reason for why it's not adopted. (Participant B)

As the above passage states, those on the educational side felt that the policy lacked input from them and there was too much emphasis from the legislative side.

Participant K, another member of the Office of Policy and Management, said the following:

...at Southern you don't really want a bureaucrat in Hartford telling you how to run your department. I get that. (Participant K)

Another reason for why there was a lack of buy-in is because many professors and administrators felt PBF would be a punitive measure. Professors viewed it as punitive to their classrooms and administrators viewed it as punitive to their budgets.

...the only way they could get buy in, the only way the consulting agency could get buy in, the only way the legislature could get buy in and they needed buy in from the institutions of higher education and the only way we could agree to get buy in was to not make it punitive. Right. So everyone immediately sees this as punitive. Yeah, because you know from a faculty perspective of course you see it as punitive in your classroom... from college administrators' perspective it's punitive on your budget. And so that was the perception across the board, like why are you punishing us? Right? What, what did we do to you? You don't want to punish us like this. (Participant F)

Participant I, who was a high ranking administrator at the time, believed that in an environment where there was already going to be less money, universities did not want to be in a position where they would compete with other institutions for funds.

Nobody wanted the competition. You know, we, we're a small state, we have a lot of college and universities in a small state. Everyone I think is trying to do their best with less. And we all were wary about having a public forum in which the outcomes

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that we felt a lot of community college and a lot of other programs would not be able to achieve. So we had discussion with numbers of advisors, you know, so in a certain sense if you're going to be held to outcomes, you know, that rely on personnel you don't have, that's not really fair. (Participant I)

In conclusion, many respondents said that they would not have as much of a problem with PBF if money was added to existing funding but based on the trends within Connecticut over the last ten years, this scenario was highly unlikely.

So unless you're going to add money, no institution is going to want to see its existing funding, um, based on achieving some outcome... as it means that they could fall short and then you know... (Participant G)

To have money taken away was not what any professor and administrator wanted to deal with.

### **Reverse diffusion.**

As stated earlier, geographic diffusion can lead to the adoption of policy because states look at how a policy is being implemented in another state and therefore want to emulate this for their own state. The same way that this could lead to policy ideas spreading, it can also have the opposite effect. Reverse diffusion for this study occurred when stakeholders in Connecticut viewed PBF in another state and realized that the environment in their state completely differed from the environment in another state.

Yeah. But what we kept saying was that Tennessee and Connecticut aren't, you know, not the same thing. (Participant B)

For example, a state that respondents highlighted was Ohio. Ohio presents a different environment than what is seen in Connecticut.

So whereas it seems totally appropriate for the way they're running higher education in Ohio, I personally feel that is completely inappropriate to implement something like that in Connecticut. (Participant H)

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What characteristics are present in Ohio that made respondents believe that copying Ohio's structure simply wouldn't work in Connecticut? One difference is the strength of unions in each state.

When I spoke with the folks in Ohio, Ohio is a right to work state. Connecticut is heavily unionized. And our union negotiations have resulted in job guarantees, which means that we can't lay anybody off who is represented by a bargaining unit for a five-year period. (Participant H)

If an institution in Ohio did not achieve the metrics that were part of PBF, this would result in this institution losing some money. Many schools, when they lose money, have to figure out how to compensate for this in their budgets. One area that schools often turn to is teacher salaries. Losing funding from the state could result in the cutting of teaching positions. Connecticut, on the other hand, is a heavily unionized state. There is a very strong collective bargaining agreement in the state that prevents eliminating positions.

So if my funding, so just by way of background in higher education in general, but in my system in particular, that 80% of our costs are people costs. So you know if, if you're funding gets slashed, it pretty much has to come from an elimination of headcount... when you have a bargaining agreement that prohibits eliminating people and you've got no place to go when you're funding is cut. (Participant H)

This difference of educational environments was a key reason many believed PBF simply wouldn't work in Connecticut. This is the reason why many respondents felt that comparing PBF in one state would not be applicable to Connecticut.

The adoption of PBF in other states was noticeable to many of the respondents but they also remarked on the dearth of evidence showing that PBF improved outcomes. The realization that just because PBF was adopted in Tennessee did not mean that it was going to work in Connecticut.

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I just, I just don't see it as being a worthwhile exercise at this point and until somebody can show me an example from another state of where performance budgeting has improved outcomes for students... I don't see myself changing my mind clearly about that. (Participant D)

His explanation for this was that just because it worked in Tennessee did not mean it would work in Connecticut.

Even if it was a special meeting that was held where we could get one of these, a representative, one of these states to actually come to Connecticut at our expense, at the commissions expense and actually hear from them and talk with us and answer some of our questions. (Participant K)

Some participants received ominous information about PBF that further soured their opinion on it. One participant spoke with a provost from Maine who said that they believed PBF was simply a redistribution plan. Some of the members of the task force that were interviewed asked the non-profit organization mentioned earlier for clear examples of states in which PBF was successful. They again brought up Tennessee in addition to other southern states.

So, you know community college colleagues, people from the four year state public began asking for evidence of, you know, a couple of states where this has really, really worked well and that's where, you know, the consulting agency brought up a number of the southern states. And again, I don't mean that in any derogatory way, but we didn't really think we're a lot like Tennessee, you know, we're a small state. (Participant I)

Many of the respondents talked about calling colleagues from other states that adopted PBF and the stories they heard weren't very convincing or inspiring. To conclude, diffusion has been seen to help spread policy ideas from one region to another but in this example the differences in states that adopted PBF and information that stakeholders in Connecticut gained about PBF from colleagues in other states became a deterrent to adoption.

### **The retirement of Roberta Willis.**



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Almost every participant including Representative Willis herself believes that a major reason for why Connecticut never adopted PBF was because of her retirement. In April 2016, Representative Willis announced that she would retire from her state representative position the following January (Blair, 2016). In fact, multiple papers such as the Hartford Courant and The Register Citizen announced this news on April 18, 2016. The last meeting of the task force concerning PBF took place on April 15, 2016. Because she was the sole driver of this policy, when she retired as a legislator, there were no other legislators as interested in this policy as she was, so it simply died.

I think you need leadership, and um, it just wasn't there. The hope was that as they (members of the higher education committee) go through any higher education legislation that they use that (strategic master plan) as a guide post to say, okay, you know, where are we on this indicator, you, are we moving in the right direction? (Participant C)

Uh, there's a few reasons...the first one was, the main proponent was Roberta. Again, she was a great, a great person. She's a great legislator and she believed in it, but she retired and so there's nobody left to really stand behind it. (Participant F)

Participant G believed that adopting the policy could have been more successful if other people had "sort of picked up the torch and run with it" but that was not the case.

Her successors as chairs of the committee did not have the same investment in it. (Participant A)

As stated earlier, there was not a lot of buy-in from the academic world.

Because the taskforce killed it. We killed that. We buried it, we said a prayer and it's gone. Um, and Roberta retired and I can't imagine anyone else. I mean the wrath of the unions was laid at their feet. (Participant B)

Not only was the academic world not fond of this policy but also neither was the non-academic world. Many of the participants that were interviewed felt Willis was the only legislator interested in pursuing this as a policy agenda. To conclude, when the chief proponent of the policy was no longer present, the idea of adopting the policy disappeared as well.

### **Conclusion**

Within this chapter, several key stakeholders involved in higher education in Connecticut provided their belief on the factors that led Connecticut to contemplate adopting PBF in 2015 and also why it ultimately failed to be adopted. The participants provided vivid details of their experiences participating in Connecticut's contemplation of PBF. Their experiences painted a picture of a state experiencing difficult economic conditions and looking for possible solutions to buoy higher education, which has been plagued by decreasing state support over the last decade. Their insight also provided a look at the unique conditions seen in Connecticut that made adopting PBF highly unlikely. Overall, their responses enabled me to fully answer my research questions.

The next chapter will present a summary of the findings, discussion of the findings, conclusions, and recommendations from this study. It will include an analysis of the key takeaways from this study regarding the process in which higher educational policy is adopted. Comparison to previous studies and new insights based on the research will be the main topics of discussion in the fifth and final chapter.

## **Chapter 5 – Discussion, Conclusion, and Recommendations**

This study provides an understanding of the motives that help explain the factors that led Connecticut to contemplate performance based funding as an option for funding higher education in 2015. This study also provides an explanation of the motives that played a role in the policy ultimately never being adopted. The qualitative methods used as the basis for data collection for this study allowed for an in depth understanding of the events, motives, and experiences that played a role in Connecticut contemplating PBF in 2015. In total, twelve individuals from various roles within higher education and Connecticut politics were interviewed. After transcribing their interviews and coding the data, common themes from their responses were synthesized in order to create the findings for this study. The previous chapter detailed these findings based on how the findings correlated with the four research questions.

This chapter will provide a brief summary of this study that will include background of the topic, theoretical framework, and the methods for data collection. After this is completed, what will follow is a discussion of the findings and using the findings to connect to literature on this topic. An analysis of the similarities and differences between the literature on PBF policy adoption and the findings of this study will be part of this section. Following the discussion, recommendations regarding policy adoption particularly for higher education finance and future research recommendation for aspects of knowledge that were left unanswered will be discussed.

## **Summary**

The following section of the paper will provide a summary of the origins and rationale of the paper topic, performance based funding, the research problem, and details on the method of data collection used to obtain the results will be explained.

### **Background and Rationale.**

Since the recession in 2008, state governments have had to embrace the reality that the economics of higher education will be vastly different from the pre-recession days. According to SHEEO, in 2017, states funded higher education \$2000 less than what they had done in 2001 and \$1000 less than what they had done in 2008. This is per-student adjusted for inflation (State Higher Education Executive, 2017). Universities across the country have had to rely more on tuition than money provided by their respective states, which has put a heavier burden on students financing their college educations. One state in particular that has faced this situation is Connecticut. During the 2007-2008 school year, the University of Connecticut, which is the flagship institution for the state, received 36.5% of its revenue from the state. During the 2016-2017 school year, that percentage decreased to 24.9% (2017 System Trends). In 2015, Connecticut contemplated an idea that many states have not only contemplated by adopted: performance based funding. PBF is a financial strategy that occurs when a state decides to allocate a portion of its higher education budget to institutions for achieving certain performance measures such as course completions, credit attainment, and degree attainment, instead of inputs that have historically been the basis of funding such as enrollment (Miao, 2015).

**Research problem and rationale.**

In July of 2015, the enactment of House Bill 6919 created a task force to investigate possibly adopting performance based funding in Connecticut. There have been numerous studies in the past conducted on understanding why certain policy is adopted. These studies and other studies conducted on the causes of PBF adoption in the past became the inspiration for this paper. This dissertation focused on the factors that led Connecticut to contemplate adopting PBF in 2015. Because Connecticut was such a recent case for nearly adopting PBF no literature existed that investigated these factors for the state. Even though Connecticut contemplated the idea in 2015, it never actually adopted this policy and in fact, at the time of the study, there were no current plans to formally adopt PBF. This dissertation also set out to understand what factors led the state to not adopt PBF even though a task force was created to investigate PBF with the hopes of eventual adoption. The goal of this project was to expand knowledge of the factors that have been present when PBF has been adopted and to ultimately understand what factors often cause policy ideas to derail. This information can be of importance to faculty, university administration, and state politicians.

**Data Collection.**

In order to collect data for this study, a qualitative approach was utilized. Within this approach, the methods for collecting data were through interviews, document analysis of newspapers, and Connecticut's strategic master plan for higher education. The approaches allowed insight to be gained from the participants in the near adoption process in 2015 and 2016, to understand how the

issue was covered in the media in 2015, and the higher educational goals of Connecticut respectively. The majority of the findings for this study were taken from the interviews. In total, twelve participants were interviewed for this study. The participants were chosen based on them being a part of either the task force that investigated PBF that was created due to HB 6919 or the planning commission for the strategic master plan for higher education in Connecticut. Some of the twelve participants served on both organizations, while others served on one of the two. The goal for choosing the participants was to choose individuals who represented different areas of focus in terms of occupation. Based on this, I chose four professors who represented different institutions in the state, four government agency workers, two university administrators, and finally two state politicians. Each participant was asked a series of questions that would require him or her to think about the climate in the state before and during 2015 that led to Connecticut contemplating PBF and to deeply reflect on their beliefs for why PBF was not adopted. The questions generated great insight that aided in answering my research questions.

### **Findings and Discussion.**

After all the pertinent documents were analyzed and interviews were conducted, transcribed, and finally coded, there were five important findings regarding factors leading to Connecticut contemplating PBF in 2015 and factors contributing to the state not adopting PBF were apparent after looking at the results. The five findings are the following: (1) The enormous role of the 2008 economic recession, (2) The power of legislators to bring about policy but to also

play a role in its demise, (3) The importance of fusion between actors inside and outside of government, (4) The role agenda setting organizations (ASOs) potentially play in policy adoption, and finally (5) The positives and negatives of diffusion.

What will follow is a discussion on each of these findings, what they ultimately mean, and how they relate to literature discussed in Chapter 2. The discussion of these findings will be followed by a conclusion to the study followed by recommendations for future policy and research.

### **The enormous role of the 2008 economic recession.**

In order for PBF to be adopted or contemplated, an event of significance needs to have occurred to start getting people to think about this policy. As stated in Chapter 1 and earlier in this chapter, the economic recession of 2008 had drastic effects on higher educational funding not only in Connecticut but also across the United States. This was the event that would really push individuals to think about alternative means of funding. As evidenced from the transcripts of the interviews, many of the participants believe that this was the turning point event that led to serious contemplation of PBF. The economic recession of 2008 is a direct example of the multiple streams theory. According to John Kingdon, policymakers look for policy windows of opportunity to combine two of the three streams of thought relating to policy (Sabatier, 2014). The recession allowed for the perfect opportunity to do this. In the past higher education funding in Connecticut was based on student enrollment. The National Center for Education Statistics predicts that Connecticut will only have 33,100 college graduates during the 2020-2021 school year versus 38,450 from the 2010-2011 school year (Gargano, 2015).

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Because of the projections that show a decrease in student enrollment and the fact that state funding has often been based on student enrollment, serious thought needed to be given to alternative funding methods. The recession was the policy window of opportunity that allowed for the issue of declining enrollment (problem stream) in addition to thoughts on adopting PBF (policy stream) to be combined.

The recession of 2008 also made state legislators think more about economic accountability. Less money was coming from the state due to the recession. Prior to the recession legislators hardly thought twice about the money that was requested by state higher education institutions. Because of the recession, many of the participants expressed the belief that the government wanted increased accountability into how each dollar was spent. PBF was believed as a possible strategy to increasing accountability. In conclusion, the 2008 recession is a perfect example of the MST. Other examples of policy windows of opportunity that were seen in the literature were when one political party takes control of a state legislature (McLendon, Deaton, & Hearn, 2007), or when a new governor is elected. In Connecticut, what caused the impetus for change was the recession and the lack of recovery from it in the years since 2008.

### **The Influence of legislators.**

PBF was considered for adoption in Connecticut because of the influence and level of respect that people in the state had for a single legislator. The findings from the interviews point to an overwhelming number of participants believing that PBF was the idea of one particular individual in 2015. This phenomenon of the influence was a single legislator was not seen in the research of PBF adoption. It is very clear



that this played a vital role in the passing of HB 6919. Ironically, it also played a key role in why the idea was never adopted. Because adopting this idea was the brainchild of a highly respected state legislator, when this individual retired from public office, so did the idea. Overall, when looking at Connecticut, legislators played as important of a role getting the state to contemplate PBF as they did for playing a role in its ultimate failure to be adopted.

What role, if any, does political affiliation play in the process of PBF adoption? Both Dougherty et al. (2014) and Amy Li (2017) not only believe that state legislatures are vital when it comes to adoption of PBF but Republican majority state legislatures. Li concluded that Republican-controlled legislatures are twice as likely as Democrat controlled legislatures to adopt PBF (Li, 2017). In 2015, there were a total of 187 seats in Connecticut's General Assembly. Of those 187 seats, 108 seats belongs to Democrats and the remaining 79 belonged to Republican (NCSL). Could this be another underlining reason for why there wasn't more support for PBF?

### **Advocacy Coalitions Theory.**

One theory explaining policy adoption is the Advocacy Coalitions Theory (ACF). This theory states that in order for policy to be enacted, actors and stakeholders inside and outside of government have to share the same core beliefs toward social values and education when thinking about solving specific problems in society (Dougherty, 2014, p. 166). The lack of these shared beliefs is one of the major reasons for why PBF was not adopted in Connecticut. The ACF explains that coalitions such as higher education institutions, governors, legislators, and

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university faculty have to be aligned in their core values for policy like PBF to be adopted. After interviewing the participants, it was very clear that the academic side (faculty and university administration) were not aligned at all with legislators. As stated in Chapter 4, many faculty at various institutions in the state felt that PBF would end up being a punitive measurement because the metrics that would eventually be established with this policy would be difficult to meet. University administration felt this would lead to even less money being allocated to their universities. There was absolutely no buy-in from anyone involved in the academic world. On the legislative side, it was believed that PBF would positively address some of the key issues affecting Connecticut students. On the academic side, many believed that PBF would have a negative effect on students because trying to achieve government mandated indicators would affect the teaching of faculty in a way that doesn't benefit students. This is an example of core beliefs of different actors inside and outside government not aligning in their views. Because of this, PBF was never adopted in Connecticut.

### **Agenda Setting Organizations.**

In a 2017 study conducted by Graham Miller and Christopher Morpew, the role that agenda setting organizations (ASOs), which include policy organizations and foundations, play in policy adoption was investigated. They investigated three states in which PBF was adopted: Florida, Massachusetts, and Montana. In each of these states, policymakers leaned heavily on ASOs to frame their arguments for PBF adoption (Miller, 2017). The ASOs framed PBF to policymakers as an alternative to traditional modes of educational funding and a way to think outside the box when it

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comes to higher educational funding strategies. Roberta Willis, the highly respected and influential legislator who was the impetus for PBF, hired representatives of a nonprofit organization to speak to the task force concerning PBF on at least five occasions in order to help them become better educated on PBF. At a meeting that took place on September 18, 2015, this organization gave a presentation to the task force and said that “PBF is an alternative to micromanagement because it can negotiate autonomy with accountability” (Jones, 13). The inclusion of this nonprofit organization seems to go be in line with previous research. Ironically, the involvement of this organization would also play a role in why PBF adoption failed. This idea will be addressed in an upcoming section.

### **Diffusion.**

Policy diffusion would play a role in how many stakeholders in Connecticut initially heard about PBF but also it would play a role in why many people in the state were skeptical of this policy, which contributed to the failure of adoption. Diffusion is defined as “the process by which an innovation is communicated through certain channels over time among the members of a social system” (Sabatier and Weible, 2014, p. 310). Were legislators in Connecticut influenced by PBF policy adopted in other states? As stated in Chapter 4, many participants talked about how they heard about PBF from colleagues in other states. They heard about PBF enacted successfully in states like Tennessee from the nonprofit organization that spoke to the task force concerning PBF. An important element of policy adoption is knowing individuals in similar levels of employment who have adopted that particular policy in their respective state. Diffusion of PBF had a word of mouth

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quality to it that added a level of knowledge to those I interviewed. This often occurs at conferences that bring individuals from different states within the same field of employment together. They often share ideas and thoughts of initiatives that they are doing in their respective states. This seemed to be the case with participants in my study.

Diffusion can also have the opposite effect meaning it can play a role in states not wanting to adopt a specific policy. This was the case in Connecticut as well. According to Li, reverse diffusion of PBF policy occurs in a state that is contemplating the policy because neighboring states have adopted. This is due to the state wanting to see how it first affects the neighboring states that have adopted it before they themselves adopt it (Li, 2017). Unlike Li's study, reverse diffusion did not occur in Connecticut because neighboring states adopted PBF. Reverse diffusion occurred for different reasons. There were two main reasons for why reverse diffusion occurred. One reason was due to the strength of unions in Connecticut. When PBF is implemented, institutions can be penalized for not achieving specified metrics by losing funding from the state. One solution to universities that lose funding is to cut back on their expenditures and one way of doing this is to reduce the number of faculty. This is easier to do in right-to-work states, which are states that prohibit union security agreements. The collective bargaining agreements in Connecticut prevent scenarios like this from occurring. These differences in state policy led respondents to believe that just because PBF was adopted in other states doesn't necessarily mean that you can be adopted in Connecticut. Stakeholders in Connecticut observed some of the states where PBF

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had been adopted and concluded that the atmosphere in these states versus Connecticut was vastly different making PBF adoption not a viable option for Connecticut.

The second reason why reverse diffusion occurred was because of the controversy over the effectiveness of PBF programs. Li (2017) said, “When considering whether these policies accomplish their goal of incentivizing better student retention and degree completion, evidence points to a cautious ‘no’” (p. 766). This concern over the effectiveness of PBF contributed to PBF not being adopted in Connecticut. Participants were well aware of the literature regarding the effectiveness of PBF and had major concerns. NCHEMS spoke to the task force on several occasions and brought up Tennessee as an exemplar state in which PBF had positive effects. This failed to convince task force members because of the differences between the two states. Ironically, the research on the effects in Tennessee has not been entirely positive. Diffusion can play a role in bringing ideas to a state as the case with Connecticut but they can also cause a potential policy idea to crumble due to further investigation of that idea.

### Unanticipated Findings

When this study was initially conceptualized, the idea was to investigate the factors that led Connecticut to contemplate adopting PBF. My intent was to add additional research to some of the studies referenced in Chapter 2 that had also analyzed these factors in previous studies in other states. What I did not expect was to uncover multiple factors that explain why PBF was not adopted in Connecticut. These factors are just as important as the factors that led to contemplation in

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regards to what it means for future research. Within the factors that led Connecticut to not adopt PBF, three aspects emerged that were highly unanticipated. The first factor that was not anticipated was how important one person can be to policy adoption. I was not expecting the retirement of one individual to be arguably the most important factor for why Connecticut never adopted PBF. I expect policy ideas, when substantial, to be more important than any single person, therefore the retirement of one person shouldn't kill an idea. None of the literature on the causes of PBF adoption spoke the policy being adopted due to a single influential individual. I believe that group consensus is needed to policy like this to go forward. It was interesting but not surprising to hear almost all the participants in the study and even Roberta Willis believed that her departure was one of the leading causes for why the policy was never adopted.

Because the idea for this policy was championed by a single legislator, the probability of it succeeding without this individual was very low. What implications does this have for future policy making? This study makes it clear that policy adoption will face hurdles if there isn't collective support for it. Support doesn't have to be universal but it cannot only be one legislator. If Connecticut wants to seriously adoption PBF or other policy ideas, then there has been to be support from several legislators and preferably bipartisan. I believe bipartisan support is necessary because as referenced in previous literature PBF tends to be an idea put forward by Republican legislators. In Connecticut, the majority within the General Assembly were Democrats so there would need to be support from Democrats as well. In order to garner support for PBF strong evidence from other states that have

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adopted and implemented, it has to be shared. The evidence should detail the effects of PBF over a period of time in order to show that the effects aren't solely short-term effects.

In addition to looking at longitudinal effects of PBF, it is important to look at the effects in states similar to Connecticut in terms of economic issues and employment issues. Based on the research, two major factors played a role in PBF not being adopted in Connecticut: economic situation of the state and the fact that Connecticut is not a right-to-work state. As evidenced in the previous chapter, many respondents believe that the economic problems in Connecticut prevent ideas such as PBF to become a reality. If the state rebounded and enjoyed similar economic conditions seen pre-recession, then I believe that PBF would have a better chance of adoption but information points to Connecticut still facing economic problems. Those interested in PBF need to find examples from states that are not right-to-work states. Finding a state that has adopted PBF and has similar economic guidelines as Connecticut would serve proponents of PBF well in their chances of attempting to adopt the policy in the state.

The second factor that was not anticipated was the level of apprehension among faculty in various higher education institutions throughout the state. I did not anticipate the level of skepticism that many faculty members had when the idea was first put forward nor did I anticipate the lack of buy-in from the faculty being a major deterrent of adopting PBF. The third and final aspect that was not anticipated when I first thought about this study was the continued impact of the 2008 economic recession. The idea of adopting PBF arguably would never have

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happened in Connecticut if not for the recession. The recession severely decreased the amount of aid institutions received from the state. Even though this event was ten years ago it can be argued that the state still has not recovered from it, therefore its effects still linger. The fact that Connecticut is still facing economic problems plays a role in why adopting PBF in the foreseeable future seems highly unlikely.

The lingering effects of the 2008 economic recession have ramifications for the future of policy making in Connecticut. If Connecticut were still experiencing a surplus in higher education funding seen in the state prior to the recession, then the chances of adopting PBF would be higher. The chances would be higher because most likely in Connecticut, the funding for PBF would be in addition to the block grant so the fear that those I interviewed within the academic world had about losing funding due to not achieving certain targets set by PBF legislation would disappear. Because the economic situation in Connecticut does not seem to be improving, the likelihood of PBF adoption seems very miniscule. I believe the idea of doing a large scale PBF program that was advocated by Representative Willis at this time is not a realistic prospect but maybe those interested in PBF can do something similar but on a smaller scale. If performance is tied to a single metric such as increased graduation rates for STEM majors, and the money tied to this metric is small so that those in the academic world do not feel that it is punitive, then there may be a possibility for adoption. It can be seen as a step towards full PBF adoption that would only occur if and when the state fully recovers from its economic problems. Adoption in Connecticut most likely only occurs if there is support from those in the academic world, which would necessitate them feeling



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that the measure isn't punitive, and if the amount is not a significant amount because the state currently lacks the funds for greater support. I believe a partial PBF policy adoption plan is the only possibility for now because it addresses some of the problems that led it to not being adopted in Connecticut.

### **Conclusion**

Knowing what I now know, what conclusions can I draw about PBF policy adoption and why adoption failed? There are three major takeaways gleaned from this study. The first takeaway is that PBF will not be adopted if there is no alignment between actors inside and outside of government. In order for adoption to happen, actors in academia must have a vital role in shaping the policy alongside policymakers. The situation in Connecticut is an example in which faculty and others involved in academics felt a lack of involvement in shaping the potential policy, which resulted in very little buy-in from academics. This belief was detailed in Dougherty's study in 2014, which stated getting the support from higher education institutions occurs when they play a role in designing the policy (Dougherty, 2014). The attempt was made in Connecticut to do this by including faculty and others from higher education on the task force concerning PBF but ultimately many academics felt that the policy didn't align with their interests and objectives that they had themselves.

A second takeaway is that for PBF to be adopted, there must be support for the policy beyond one legislator in the General Assembly even if that legislator is highly respected among their peers. The task force created in HB 6919 seems to have been created out of respect for this individual. When this legislator retired,

there was no one interested in picking up the plans for PBF. It seemed that many individuals went along with this idea out of respect even though they were not strong advocates of it themselves. If there was support from other legislators and more buy-in from the academic world due to them playing an increased role in the shaping the policy, the retirement of one individual would not have been enough to stop plans for adopting this policy.

A third and final takeaway is that in order for an economic policy such as PBF to be contemplated, there needs to be economic problems within that particular state. Less money in states due to events such as the recession often bring about increased calls for accountability. Nonprofit organizations such as the one used in Connecticut during the task force meetings in 2015 and 2016 are able to link PBF to economic accountability. As stated in Chapter 2, Republican-dominated state legislatures tend to favor PBF because they believe it provides financial accountability, which seems to be more in line with traditional Republican ideology. The ASOs that Miller and Morpew studied framed their arguments for why PBF was necessary around the idea that it increases accountability (Miller, 2017). Calls for accountability often occur when money is not as abundantly available as it once was. According to Ness and Mistretta (2009), the current economic climate of a state plays a vital role in the adoption of policy as they noted with adoption of merit aid in Tennessee and the non-adoption of merit aid in North Carolina in the early 2000s. This played arguably the biggest role in Connecticut contemplating this policy in 2015.

### **Recommendations for further policy**

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Based on the research and findings of this study and knowing what I now know to be true about what led Connecticut to contemplate adopting PBF and what factors led the policy to not be adopted, I recommend the following for further policy development in Connecticut. I asked each of the twelve participants if they thought that PBF had a future in Connecticut. Most of the participants in this study believed that as long as the economic problems remain in the state, it would be impossible to adopt PBF. The reason why many believe this is because as the numbers show Connecticut doesn't fund higher education at the same level it once did prior to the recession. PBF policy could bring even less money from the state to institutions if those institutions do not perform the metrics stipulated by the state. According to a recent article in the CT Mirror, nonpartisan analysts have projected deficits in the upcoming 2-year state budget. They projected that state finances will be \$1.7 billion in the fiscal year that begins July 1, 2019. They also projected that this will increase to \$2.3 billion in the 2020-2021 fiscal year (Phaneuf, 2018). The ongoing financial problems in Connecticut make it seem hard to imagine that PBF will be adopted anytime soon. Creating policy to first address the economic issues in the state would need to occur before any talks about adopting PBF happen.

If advocates of PBF in Connecticut or in general hope for their respective states to adopt this policy, encouraging a alignment of values and beliefs among policymakers and academics is vital. Stakeholders within higher education have to believe that PBF is not a punitive measure. The best way that this can occur would be to have these stakeholders play a direct role in creating the policy. This is true

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for Connecticut but it certainly applies to other states that are contemplating PBF adoption.

If Connecticut or other states want to adopt PBF in the future, then getting the support from multiple policymakers is vital. Connecticut suffered from really having only one individual that championed PBF. Other legislators went along with possibly adoption out of respect but didn't really believe in its merits. When I asked individuals involved in the General Assembly in Connecticut and other government positions, they seemed to believe that currently there was not a lot of interest in adopting PBF. Even if there were interest in adopting PBF, without alignment between actors inside and outside of government and an improvement with the economy, adopting PBF seems very unlikely to occur.

### Recommendations for further research

One of the biggest questions regarding PBF is - is it even effective? The research that has come out recently seems to indicate that the results of PBF are not its intended results and in fact there are unintended negative consequences due to it. There have been many states that have adopted PBF since the recession. Some of these states are Massachusetts (2011), Georgia (2011), Montana (2013), and Nevada (2015). It would be important to look at these states to see the effects of PBF policies since they are recent and are examples of states that adopted PBF after the recession. This is important because many of the participants of this study discussed how the lack of positive evidence seen in studies affected their opinions on PBF.

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Multiple examples of research on PBF adoption that are referenced in this study focused on a single aspect of policy adoption such as the effect of ASOs, diffusion, or higher education coordinating boards. Further comprehensive research should be conducted on states that have adopted PBF since the recession to understand what factors led those states to adopt PBF. Researching these states that have adopted PBF since the recession will help understand if the economic factors seen in Connecticut were unique to the state or transferable to others. This also highlights a key issue of this study: are the results of the factors that led Connecticut to contemplate adopting PBF transferable to other states or is Connecticut a unique situation? Many of the factors seen in Connecticut were present in previous research such as the effect of ASOs, economic factors, and diffusion. More research needs to be conducted on states that similarly contemplated adopting PBF and ultimately decided not to adopt it in order to see if the factors that led Connecticut to not adopt it are unique to the state or transferable to other states. It is in this area where the potential for even more research is greatest. Continued investigation of these states that contemplated PBF but ultimately decided not to adopt it can lead to future theories that explain why policy adoption of PBF and in general doesn't occur.

In addition to more research conducted on states that contemplated PBF and did not adopt it, research should be conducted that compares right-to-work states versus strong union states. Of the states that adopted PBF, what percentage are right-to-work states and what percentage are strong union states? This comparison highlights an aspect of diffusion that can either lend itself to increasing the chances

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of PBF adoption or decreasing its chances. In this study, the fact that Connecticut was very different from many of the states that were brought up by the nonprofit policy organization as exemplars of PBF adoption played a role in why many participants were skeptical of whether or not PBF would be successful in Connecticut.

### **Closing Comments**

In January of 2017, my wife and I moved to the state of Connecticut. At this point, I had not decided what I wanted to research for my dissertation. That decision did not have to be made until September of that same year. As September approached I knew two things: (1) I wanted to do something that was currently relevant for my dissertation, and (2) I wanted it to be related to economics issues involving higher education. Earlier in my Ph.D. program, I had written a paper on performance based funding so I not only had above average knowledge of this policy but I was also interested in it. One thing that I did not have enough knowledge about was the process in which policy is adopted. As I started to do preliminary research on PBF, I noticed that Connecticut in 2015 started the process of possibly adopting PBF. The newness of this scenario gave it the added relevance that I desired.

The process from start to finish of this dissertation has been an exhaustive process but one that has been highly rewarding. To go from not having an idea of what I wanted to work on to possibly creating literature that can hopefully add to existing research has been an enriching process. The research experience that I have been involved with for a year and a half has taught me a great deal of patience.

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Transcribing more than half a day's worth of interviews followed by coding was a time-consuming challenge, but the process forced me to be organized in a way that I have never been before.

I conclude this dissertation feeling that I have a great understanding of PBF adoption not only in Connecticut but also in general. I cannot thank the participants enough because they were all extremely gracious with their time and provided me insight that completely made this dissertation. Without their knowledge, I would not have a dissertation. That was my biggest concern as I started this project. I knew that the interviews would be vital and I worried about not getting participants. Not only did I get enough participants but also I was also to arguably interview the most important people who played a role in the near adoption in 2015. As I interviewed each of the 12 individuals, it was evident that they all care about the future of students in the state. Even though there were many obstacles in the way that prevented the adoption of PBF, the idea behind it came from a good place. If more ideas from well-meaning stakeholders continue, then the future of Connecticut's youth will remain in good hands.

At the end of the day, this dissertation is about one idea: policy adoption. PBF was used as the context to understand policy adoption. One concept that has been circulating in my head for the last 10+ years is the idea of policy creation. I have been a high school Social Studies teacher for the past fifteen years. One thing that has always fascinated me is who comes up with the policies that eventually are implemented by the teachers. I have also been interested in how a policy goes from theory to practice. This idea of how policy goes from theory to practice is what truly

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motivated me to pursue this research idea. Due to my interest in the economics of higher education, the near adoption of PBF in Connecticut provided the perfect context to analyze this idea. The idea of how policy goes from theory to practice is very important because these are ideas that can potentially affect the lives of so many people. I believe a deeper understanding of policy adoption can aid in creating more effective policy that positively impacts large numbers of people. My hope is that this paper adds more insight to this process that will then lead to positive outcomes in the future.



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## Near Adoption of Performance Based Funding: The Case of Connecticut

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Appendix 1: Interview Protocol

**Interview Protocol**

1. Please state your name, occupation, and location of employment
2. When did you first come to hear about performance based funding?
3. How did you first come to hear about this idea?
  - Did you hear about PBF from colleagues of yours? Other people in the community? Another possible entity?
4. Are you aware of any previous conversations prior to the publication of the Master Plan regarding the adoption of PBF?
5. What were your initial thoughts about this potential policy idea?
  
6. Prior to the publication of the Master Plan, had you heard of PBF adoption and implementation from other states? If so, which states and what specifically did you hear about PBF in those states?
7. Was there any specific event that occurred prior to the publication of the 2015 Master Plan that created interest in PBF?
8. You were on the Planning Commission for the Strategic Master Plan for Higher Education. The Planning Commission recommended PBF. What issues did you believe would be addressed by PBF?
  - What were goals that the Planning Commission believed would be addressed through the adoption of PBF?
9. Do you know of any political factors that played a role in the adoption of HB 6919?
  - Economic factors?
  - Social factors?
10. What, if anything, have you heard about the effects of PBF on higher education?
11. The last meeting involving the Task Force Concerning PBF met in early 2016. What do you think is the reason for why adoption of PBF hasn't happened?
12. What do you believe to be the future of PBF in the state of Connecticut? Are there any hurdles you see preventing implementation?



Appendix 2: List of Codes

1. 2008 Recession: Denotes content by participants related to the effects of the 2008 recession
2. Accountability: Denotes content regarding accountability as an impetus for contemplating PBF
3. Advocacy: Indicates which actors were instrumental in advocating for PBF
4. Budget issues/deficit: Relates to content regarding financial reasons PBF will not happen in Connecticut
5. Conferences: Relates to conferences as a place where participants first heard about PBF
6. Democrats vs. Republicans: Indicates feelings among the 2 political parties towards PBF
7. Departure of RW: Relates to info stating that Roberta Willis' retirement led to failure of PBF
8. Diffusion: Indicates when participants heard about PBF in other states
9. Effectiveness: Indicates what participants said about their perception of the effectiveness of PBF policies
10. Failure: Indicates when participants spoke about why they believe PBF failed in Connecticut
11. Future: Indicates when participants spoke about their beliefs about the future of PBF in Connecticut
12. Lack of buy-in: Information regarding why faculty members were hesitant about PBF
13. Leverage of legislators: Relates to the idea of legislators wanting more direct control of higher education finances
14. NCHEMS: Indicates the participation of NCHEMS in the near contemplation
15. Punishment: Indicates how some participants felt PBF would be a punitive measure
16. Reverse diffusion: Indicates when participants mentioned PBF in other states and how this made them less confident in it
17. RW: Indicates when participants mentioned the influence of Roberta Willis bringing this idea to the forefront
18. Tennessee: Indicates any time participants mentioned Tennessee as a state with PBF
19. Workforce: Indicates when participants mentioned having an educated workforce as a motive for contemplating PBF