Exploring the ‘How’ in Policy Diffusion: National Intermediary Organizations’ Roles in Facilitating the Spread of Performance-Based Funding Policies in the States

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ABSTRACT
Numerous studies have examined “whether” and “why” policies diffuse, or the reasons for the adoption in a given government of a policy that exists in another government. This study explored the “how” of policy diffusion by focusing on college completion policies, especially performance funding. In particular, we examined the roles that intermediaries play in state-level college completion policy diffusion. Data are from 3 states and include observations of policy events, documents, and interviews with 56 participants, including state policy actors and intermediary representatives. This analysis, grounded in conceptual models of policy diffusion, revealed that diffusion occurs at various stages of the policy process, not just adoption. The study also demonstrated the coercive roles that intermediaries can play in promoting policies and revealed how intermediaries facilitate, and sometimes limit, policy learning, which is one of the primary mechanisms by which policies diffuse. By focusing on an underexplored conceptual model of policy diffusion, the national interaction model, this analysis shed light on the role played by intermediaries in state-level college completion policymaking.

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In April 2015, the Providence Journal published an article entitled, “Experts Say Tenn. Model for Reforming Higher Education Could Help Other States” (Arditi, 2015). The subject of the article was Rhode Island legislators’ consideration of performance-based funding (PBF) for higher education institutions. PBF is an increasingly popular policy that represents a significant shift from the enrollment-driven funding models that currently guide most states’ higher education funding determinations. The most recent wave of PBF policies ties state funding for public colleges and universities directly to college completion-related outcomes (e.g., year-to-year student retention rates and number of degrees awarded).
The diffusion of policy innovations (like PBF) is the focus of extensive literature in political science (e.g., F. S. Berry & Berry, 1990) and increasingly in higher education (e.g., Hearn, McLendon, & Mokher, 2008; Lacy & Tandberg, 2014; McLendon, Mokher, & Flores, 2011). Numerous studies have examined “whether” and “why” policies diffuse or the reasons for the adoption (or consideration of adoption) in a given state of a policy that exists in another state. However, fewer studies have explored the “how,” or the mechanisms by which policies spread, with a few notable exceptions (i.e., Cohen-Vogel, Ingle, Levine, & Spence, 2008; Ness & Mistretta, 2010; Shipan & Volden, 2008).

Likewise, previous studies have largely overlooked the role of intermediary organizations—like the national experts cited in the title of the Providence Journal’s article—in the higher education literature broadly (Ness, Tandberg, & McLendon, 2014) and in studies of policy diffusion specifically (Ingle, Cohen-Vogel, & Hughes, 2007; Mintrom & Vergari, 1998; Ness, 2010). Intermediaries are boundary-spanning groups that provide a translating function between principals with different values and perspectives. This definition “capture(s) the range of organizations that are producing, promoting, and utilizing research evidence” (Scott, Lubienski, Debray, & Jabbar, 2014, p. 70), which includes think tanks, philanthropic foundations, advocacy groups, and the news media. The inclusion of these groups in diffusion analyses is especially critical given what we know about the mechanisms by which policies diffuse across states, including policy learning and coercion—two forces that could be magnified through intermediary influence (Shipan & Volden, 2008). For instance, by distributing information about policy successes across states, these groups could play a crucial role in the diffusion of policies (J. L. Walker, 1969).

In this study, we explored the roles played by intermediaries, especially Complete College America (CCA), in the diffusion of college completion policies, particularly PBF, in three states. Although numerous intermediaries, including the National Governors Association and the Association of Governing Boards, have been involved with state completion initiatives, our analysis focuses on the CCA Alliance, which is the only group dedicated to college completion policy activity exclusively.

The CCA Alliance, which was established in 2009, has 33 member states, each making three commitments as a condition of their membership: (1) set completion goals for the state, (2) develop action plans, and (3) collect and report common measures of progress. Beyond these initial commitments, the CCA Alliance provides detailed policy recommendations, called “Game Changers,” and networking opportunities at policy conferences for state officials and national experts to discuss completion initiatives and strategies. In addition to the policy analysis and networking opportunities, CCA has
provided a total of $10 million to 10 states (including the 3 in this study) to
develop and implement college completion policies.

CCA is primarily funded by the Bill and Melinda Gates Foundation
(Gates) and has received funding from the Lumina Foundation for
Education (Lumina; Mangan, 2013). By examining intermediaries broadly,
we also accounted for the unique role of “advocacy philanthropy” groups
(Hall & Thomas, 2013, p. 5), which have the potential to induce the diffusion
of policies by leveraging their financial resources (Hall & Thomas, 2012;
Reckhow, 2013; Reckhow & Snyder, 2014). Indeed, as Hearn (2015) and
Hillman, Tandberg, and Fryar (2015) observed, foundations, including Gates
and Lumina, have expressed interest in college completion policy, including
PBF, specifically. Some of their efforts are executed by other intermediaries,
like CCA (Mangan, 2013). For these reasons, we have designed our study to
examine CCA specifically, although not exclusively. Our analysis of CCA and
other intermediaries will allow us to explore: (1) the extent to which these
organizations influence policy activity around college completion policies,
which we operationalize as CCA’s “Game Changers” and include PBF; and
(2) the mechanisms through which CCA and other intermediaries facilitate
the diffusion of these policies.

Conceptual framework

This analysis was anchored in one conceptual model of policy diffusion, the
national interaction model, and garnered insights from propositions regard-
ing the mechanisms by which policies diffuse. Policy diffusion is said to
occur when a policy decision within a given political subsystem (a state, for
our purposes) is influenced by the actions taken by one or more other states.
Policy diffusion research stems from the literature on policy innovation,
which seeks to explain why governments consider and adopt certain policies

F. S. Berry and Berry’s (1990) landmark research on state lottery adoptions
introduced a method for examining, quantitatively, both diffusion influences
and internal determinants of policy adoption (like states’ economic, demo-
graphic, and political characteristics). This method of examining policy
innovations is best equipped to address whether and when—but not how—
internal and external factors influence policy adoption. Thus, to date, schol-
ars of policy innovation have widely overlooked the process by which these
influences occur (Mintrom & Vergari, 1998). Despite this general disregard
for the mechanisms of policy diffusion, each of the conceptual models
undergirding most diffusion studies sheds light on how policies diffuse. In
particular, each model illuminates where we might expect to observe policy
diffusion by focusing on “a different channel of communication and influ-
ence across government jurisdictions” (F. S. Berry & Berry, 2014, p. 314).
Of the numerous models of diffusion, including vertical, regional, and leader–laggard diffusion (F. S. Berry & Berry, 2014; J. L. Walker, 1969), the national interaction model is best suited to frame this analysis of the role of intermediary organizations in facilitating the spread of PBF policies in the states. This model, which was formally proposed and tested by Gray (1973), posits that as more governments adopt a policy, the level of influence of previous adopters on future adopters increases. According to classic models of the diffusion of innovations (Rogers, 1962, 2003), including the diffusion of policies (J. L. Walker, 1969), this rise in influence is due to the interaction between adopters and nonadopters. In other words, as policy actors interact with others who have adopted a particular policy, their likelihood of adopting the policy increases.

This interaction function is facilitated by national communication networks of which policy actors are members (Gray, 1973). Such networks may be “formal institutional arrangements” (F. S. Berry & Berry, 2014, p. 315) that promote the diffusion of policy innovations. In the college completion policy arena, numerous intermediaries, including CCA, constitute these types of arrangements and provide platforms for the congregation (physical or virtual) of policy actors and for the circulation of information. Supporting the national interaction model of diffusion, previous quantitative studies have shown that intermediaries exert considerable influence over diffusion (Balla, 2001; Garrett & Jansa, 2015; Mintrom, 1997). For instance, Mintrom (1997) found that policy entrepreneurs, 42% of whom were intermediary officials, were heavily influential in school choice policy consideration and adoption across the states. Building upon this research, this study explores the national interaction model of policy diffusion qualitatively and focuses on the degree to which intermediary organizations facilitate diffusion at various stages of the policy process.

Within each model of diffusion, scholars have examined specific mechanisms—including external forces and internal motivations—by which policy diffusion occurs. These mechanisms capture how “policy choices in one jurisdiction can influence the choices of other governments” and lead to policy emulation (F. S. Berry & Berry, 2014, p. 310). Most studies using the national interaction model have focused on policy learning as a mechanism for diffusion (F. S. Berry & Berry, 2014). Policy diffusion through learning occurs when decision makers in a given state decide to emulate another state’s policy because they perceive that the policy was successful—or has the potential to be successful—in the other state (Levy, 1994). Thus, policy success (whether fulfillment of stated policy goals or of a political objective) is central to the idea of policy learning (W. D. Berry & Baybeck, 2005; Shipan & Volden, 2008). Intermediaries have the potential to play a significant role in promoting diffusion through policy learning, such as by dispersing policy...
information (e.g., through meetings and publications) or by sponsoring policy evaluations (Scott et al., 2014).

While studies using the national interaction model overwhelmingly assume that policies diffuse through policy learning (F. S. Berry & Berry, 2014), it is conceivable that policies, including PBF, might diffuse nationally by other means. For instance, policies can diffuse through coercion, which can be manifested as a positive inducement (a carrot) or as a punishment resulting from noncompliance (a stick; Shipan & Volden, 2008; Simmons, Dobbin, & Garrett, 2006). This mechanism aligns most closely with vertical models of diffusion, by which governments can induce subgovernments to adopt policies (Shipan & Volden, 2008). However, forces beyond other governments—including intermediaries—may also coerce states to consider and adopt policies. This type of influence is especially plausible in the form of financial incentives (e.g., from foundations).

In addition, policy diffusion can result from normative pressure, which leads policy actors to adopt a policy because its adoption is viewed as the norm or “best practice” (Braun & Gilardi, 2006; DiMaggio & Powell, 1983; R. M. Walker, Avellaneda, & Berry, 2011). Previous studies have documented the role of intermediaries, including “experts” in the diffusion of policies through normative pressure (Haas, 1992; Simmons et al., 2006). This final mechanism is also consistent with the national interaction model, particularly because shared norms can be strengthened through formal institutional arrangements, like networks facilitated by intermediaries (F. S. Berry & Berry, 2014; DiMaggio & Powell, 1983).

**Diffusion and the policy process**

Studies that examine various models and mechanisms for diffusion have primarily focused on policy adoption. However, in the past decade, policy diffusion scholars have begun to advocate for the examination of diffusion at stages beyond adoption, including those that precede (e.g., agenda setting and policy formulation) and those that follow it (e.g., implementation; F. S. Berry & Berry, 2014; McLendon & Cohen-Vogel, 2008). Recently, diffusion scholars have begun to answer these calls, like in Karch and Cravens’s (2014) study of the adoption of and subsequent modifications to a widespread criminal justice policy.

In higher education, only one study with which we are familiar—a study of agenda setting for in-state resident tuition policies for undocumented students—has examined diffusion influences prior to policy adoption (McLendon, Mokher, & Flores, 2011). Two additional studies of diffusion beyond the adoption stage have also provided important insights on policy innovation. First, Mintrom and Vergari (1998) found that while external actors helped bring a proposal to the policy agenda, they were less
influential—and unsuccessful—in gaining legislator buy-in for policy adoption. At this later stage, internal influences were more important factors. Similarly, Cohen-Vogel and Ingle (2007) concluded that neighboring states influence early stages of the process (i.e., agenda setting and policy formulation) but are less influential during policy adoption. Garnering insights from these studies, we explored the role of intermediaries in policy diffusion at different stages of the policy process. In the next section, we summarize the relevant PBF literature, including the important studies of PBF policy diffusion that informed this analysis.

**PBF policy context**

Performance funding was a popular policy tool even before college completion efforts overtook most states’ higher education policy agendas. This type of funding formula ties state funding for public colleges and universities to each institution’s performance on specific metrics. The rationale for PBF is that linking funding to desired goals will encourage institutional prioritization and, ultimately, achievement of those goals.

In 1979, Tennessee became the first state to experiment with this funding model in higher education. The state’s higher education coordinating board led a 5-year effort to design a funding formula that would ultimately link 2% of state funding to five performance indicators (Bogue & Johnson, 2010). Many states followed Tennessee’s lead in adopting a performance funding program, and the number of state adoptions of PBF increased significantly in the 1990s. Interest in PBF is linked to several factors including decreasing state revenues, growing higher education costs, and calls for better efficiency in government as a whole and in higher education in particular (Dougherty, Natow, Bork, Jones, & Vega, 2013).

**Two waves of PBF**

Building on a thorough review of the PBF literature, a group of leading scholars on this policy identified two “waves” of performance funding (Dougherty et al., 2014). In general, “Wave 1” models (implemented during 1979 to 2000) only attributed a fraction of state funding to performance, and metrics were largely linked to institutional interests rather than state goals. Two thirds of states adopting PBF during this period abandoned it at some point, often due to a loss of its champion, strong opposition from higher education institutions, or a changing state economic climate (Dougherty et al., 2014).

A “second wave” of PBF began in 2007; most new programs were readoptions of formerly discontinued programs (Dougherty et al., 2014). According to a report by the National Center for Higher Education
Management Systems (NCHEMS) and CCA, the new formulas differ from the first generation in that they affect a greater proportion of state funding, focus on student outcomes and state goals, and rely on more sophisticated data systems (Jones, 2013). These broad distinctions are mostly aspirational for proponents of PBF. In fact, many newer models closely resemble earlier iterations of this policy instrument. For instance, more than half of states with PBF in 2015 tied less than 5% of state funding to performance (Snyder, 2015). Similarly, one of the earliest models, South Carolina’s, allocated 100% of state funds to institutions’ performance.

**Current status of PBF in the United States**

Currently, 26 states are implementing PBF policies, while 10 states are developing such a policy. Of the implementing states, 7 states utilize it for 2-year schools only; 6 states use it for 4-year schools only; and 13 states apply PBF to both sectors (Snyder, 2015). The percentage of state funds for public higher education institutions that is tied to performance metrics varies immensely, ranging from 1% ($1 per student) in Illinois to nearly 100% ($8,061 per student) in North Dakota (Snyder, 2015). Common performance indicators in current PBF formulas include number of degrees awarded, credit hours earned, graduation rates, enrollment of underserved students, persistence or retention rates, and other strategic emphases, such as number of science, technology, engineering, and mathematics degrees awarded (National Conference of State Legislatures [NCSL], 2015; Snyder, 2015).

**PBF and diffusion**

Given the history of PBF’s ebbs and flows and the mixed evidence of its impact on college completion (see, e.g., Hillman et al., 2015; Hillman, Tandberg, & Gross, 2014; Rutherford & Rabovsky, 2014; Shin, 2010; Tandberg & Hillman, 2014), what explains its spread from state to state? Some evidence suggests that regional policy diffusion played a role in the diffusion of PBF 1.0. In a study that examined state higher education policy adoptions during 1981 to 1998, regional policy diffusion had a statistically significant though weak relationship to accountability-related innovations, which included PBF, performance budgeting, and legislatively mandated student assessments (McLendon, Heller, & Young, 2005). However, a subsequent study examining the spread of higher education performance accountability policies during 1979 to 2002 found no diffusion influence from geographically proximal states on PBF specifically (McLendon, Hearn, & Deaton, 2006).

Recent research has taken a qualitative approach to examining influences on states’ adoptions of PBF, which allows researchers to capture
potential diffusion mechanisms other than regional diffusion. A recent multistate case study revealed that of six states, four were influenced by other states in adoption of PBF and five were influenced by outside experts, such as individual consultants and groups (Dougherty et al., 2013). The study also showed that state policy organizations, including the Southern Regional Education Board (SREB) and the NCSL, played a role in two states (Dougherty et al., 2013). These findings suggest that intermediaries do indeed play a role in the diffusion of PBF policies. In fact, two more recent articles directly revealed a link between the work of intermediaries, including philanthropic foundations, and states’ recent adoptions of PBF. Hearn (2015) credited the Lumina Foundation, among other sources, with generating state interest in PBF policies through funding of quality improvement efforts. Hillman and colleagues (2015) likewise cited Lumina as well as the Gates Foundation, the National Governors Association, CCA, and the NCSL as spurring PBF policies. This research builds upon these existing studies of PBF diffusion to delve more deeply into how PBF diffuses across states and the role played by intermediaries in this policy process.

**Research design**

Given our aim to deepen the descriptive and conceptual understanding of how intermediaries might influence the diffusion of state-level PBF policies, we utilized a comparative case-study method. A comparative case-study design is particularly apt for examining the policymaking process for a number of reasons. First, case studies are useful for uncovering the factors that influence phenomena in complex social settings (Yin, 2003). Second, case-study methodology enables the in-depth investigation of processes as they unfold over time (Merriam, 1998). The use of multiple data sources to understand each case allows us to triangulate and verify our interpretations and analyses (Yin, 2003). Finally, a comparative case-study design enables identification of contextual features that shape the role of intermediaries throughout the policymaking process through strategic selection of focal states based on variables that are theoretically and empirically connected with the diffusion of PBF models.

For this study, we selected three states—Georgia, Tennessee, and Texas—based on two important similarities related to their activity in regional and national intermediaries and based on two important differences related to state-level characteristics. This purposeful selection of cases follows a replication logic (Yin, 2003) by identifying states with similar regional influences and national networks. The selection criteria also ensure that we have variation in the development of performance funding policy to examine various stages of the policy process, including agenda setting.
The first of our four selection criteria is that the three states are all members of the CCA Alliance. This criterion indicates that state policymakers, namely the governors, have identified college completion as a statewide priority and developed an action plan related to CCA Game Changers, including PBF. Second, we bounded states to a geographic region to account for regional organizations—in our case, the SREB, which has historically played an active role in promoting policy innovations among states. Allowing variation by region would introduce multiple regional compacts (e.g., Western Interstate Commission for Higher Education [WICHE], Midwestern Higher Education Compact [MHEC]), which would likely affect the extent to which a national organization could influence policy decisions. The limitation to SREB states also minimizes differences in state-level educational attainment rates, due to Southeastern states generally having lower attainment rates than states in other regions.

The third and fourth criteria helped identify the specific states based on key differences. Our third criterion was variation in state higher education governance structure. Georgia has a centralized governing board system; Tennessee and Texas have statewide coordinating boards. Based on McLendon, Hearn, and Deaton’s (2006) findings reported earlier, we expected more resistance from consolidated governing boards, especially due to the more stringent performance funding models proposed by CCA. The fourth and final criterion was variation by stages of the PBF policy adoption process. Tennessee was the first state to adopt a PBF program in 1979 and a much broader outcomes-based model in 2010. Georgia and Texas are in the process of developing PBF models.

This comparative case study employed field methods to collect interview, observational, and archival data. The 56 interview participants in our study included 3 members of CCA, 4 officials from other national intermediaries, and a balance of policy actors from the three states with various backgrounds: 6 governor’s office aides, 5 legislators and 7 of their aides, 9 state higher education agency officials, 11 campus and system officials, 3 state-level intermediary leaders, and 8 researchers, reporters, or observers. In each of the three states, we identified key informants, such as the education advisor to the governor, senior policy officer in the state higher education agency, and senior legislative aides to the education committees. The governors in all three states were Republicans, and our interviews with legislators included members of the Republican and Democratic parties. We identified legislators and aides based on their formal positions (e.g., chairs of education committees) and their involvement in the process, as indicated by media accounts and by other interview participants.

The interviews followed a semistructured protocol of open-ended questions with relevant probes (Rubin & Rubin, 2011). Our protocols included questions about the evolution of PBF activity in the states and about the role of CCA and other intermediaries in these efforts. Most of the interviews were
conducted in person (with the exception of 11 telephone interviews) and ranged in duration from 30 min to 90 min, typically lasting 1 hr. With participants’ permission, the interviews were audio-recorded and fully transcribed.

We also observed policy events in each state, including: meetings of state college presidents, legislative committee meetings, state agency meetings, and policy conferences. We collected detailed field notes for these events and for the in-person interviews. Finally, we compiled an extensive inventory of PBF activity based on archival data including newspaper accounts, legislative meeting minutes, testimony, draft and final legislation, policy briefs, higher education agency planning documents, meeting materials, draft funding model documents and tools, and data reports.

Analysis of interview, observational, and archival data followed both inductive and deductive strategies. For the deductive approach, we created an analytical framework (Miles & Huberman, 1994) consisting of operationalized elements of core concepts related to diffusion frameworks, intermediaries, and PBF policies to consider how the conceptual lenses explain the policy process in the three states. We also induced emerging themes from the data collected in each state by capturing local language consistent with emergent design (Strauss & Corbin, 1990) and by employing a pattern-matching technique (Miles & Huberman, 1994). Using this analytic approach and Dedoose qualitative software, we coded interview transcripts, observational notes, and archival documents to analyze how CCA and other intermediaries influence the diffusion of PBF policies across states. From the 16 broad codes (each with multiple subcodes), we ultimately identified the three theoretical findings and three emergent themes discussed after the case summaries in the next section. Throughout the data collection and analysis, we undertook many efforts to enhance the trustworthiness of the study. We held regular meetings throughout the coding process to discuss emerging themes and to calibrate our coding efforts to ensure intercoder reliability. We also employed member checking with interview respondents to gain their insights on our initial analysis. The triangulation of data sources was crucial to reconcile any discrepancy on key actors or significant events in the PBF policy process (Yin, 2003).

**Case narratives**

Before presenting thematic findings, this section begins with case narratives of the evolution of PBF in each state and CCA’s and other intermediaries’ roles in this process. Next, we present theoretical findings that emerged from our deductive analysis on the mechanisms through which PBF policies diffuse. We conclude with three themes that emerged from our inductive analysis.
Tennessee

Tennessee is widely seen as a trailblazer with respect to PBF. Not only was it the first state to experiment with a model that ties state funds to institutions’ performance (in 1979), but in 2010, it also enacted one of the strongest PBF programs to date and tied 85% of funding to performance. In the first wave of PBF in the state, three philanthropic groups provided support for research that resulted in the PBF model. This analysis revealed that intermediaries also played a role in the development of the second wave of PBF in the state. For instance, CCA is partly credited with playing a key role in discussions leading up to the Complete College Tennessee Act, which included the provision on the new PBF program. CCA was one of the actors (along with other intermediaries and researchers) who helped steer discussions in the governor’s office away from governance restructuring to enhance quality higher education in the state and toward completion initiatives to accomplish the same goals.

CCA was involved not only in setting the agenda for college completion in the state, but also in recommending specific policy targets, such as community college restructuring. CCA’s influence in the state, however, subsided after agenda setting and policy formulation. Following these phases, CCA instead called upon Tennessee officials to aid in their PBF advocacy efforts. For example, they recruited Tennessee Higher Education Commission (THEC) staff members to present on Tennessee’s funding model at CCA conferences. In this sense, Tennessee also functioned as an intermediary because it informed other states’ higher education funding policies.

Another intermediary that was mentioned frequently in interviews in Tennessee was NCHEMS. The group’s most notable contribution was a policy audit in 2009 that focused on college completion. Philanthropic foundations were also central to college completion policy activity in Tennessee. Aside from CCA, the Lumina Foundation was the intermediary mentioned most frequently in the state. The group provided funding to revise the state’s funding model, as well as to re-enroll and graduate adult students and to advance research on transfer pathways, learning assessments, and other college completion-related measures.

Texas

Like Tennessee, Texas passed a PBF bill in 2010. Rather than enacting PBF, Texas’s policy charged the coordinating board with developing a PBF model in collaboration with higher education institutions. CCA played an integral role in the conversations leading up to the PBF bill in Texas. In fact, the PBF bill’s sponsor, who was chairman of the House Higher Education Committee
at the time, cited his attendance at a CCA convening as the impetus for proposing the PBF policy.

The two major actors advancing the conversation around PBF in Texas—the coordinating board and the Texas Association of Business (TAB)—were also influenced by CCA. For instance, the coordinating board’s commissioner mentioned CCA’s “Game Changers” in multiple presentations. The TAB, for its part, used CCA data to display certain community colleges’ completion rates on highway billboards. According to one TAB official, these billboards were intended to garner support for policies like PBF. Expectedly, community college representatives were displeased; or as the TAB representative described it, they “went crazy.” Further illustrating CCA’s relationship with the TAB, CCA officials presented at annual meetings and in press conferences hosted by the group. TAB representatives were also instrumental in persuading policymakers to join the CCA Alliance.

Despite adding Texas to its list of alliance states and inspiring influential higher education policy actors, CCA has had narrow success securing buy-in from policymakers in Texas. Rick Perry, who was governor at the time, supported CCA’s proposals but did not prioritize the college completion agenda. These findings were validated through interviews with CCA representatives, who indicated that they have a new “strategy” for Texas, which is more “regional.” For example, they have partnered with the University of Houston System to work on structured degree pathways, one of their Game Changers.

As of 2015, 4-year institutions were not subject to PBF, despite the coordinating board and the TAB’s efforts. External intermediaries were virtually absent from the model formulation process for which the PBF bill called, with the exception of isolated presentations from the RAND Corporation and from a Tennessee coordinating board official. The failure to institute a PBF model for 4-year institutions was partly attributed to the coordinating board’s limited authority and to 4-year institutions’ ardent resistance to PBF, coupled with their robust political influence in the state.

Two-year institutions, on the other hand, implemented PBF in 2014. The Texas Association of Community Colleges, a group that advocates for 2-year institutions, was a primary driver of PBF implementation. After overcoming their contempt for the TAB’s billboards, community college representatives were largely receptive to the idea of a new funding model. External intermediaries were also generally absent from the formulation, adoption, and implementation processes around PBF for community colleges.

**Georgia**

In Georgia, PBF policy activity started in 2011. Shortly after his inauguration, Governor Nathan Deal announced a statewide initiative aimed at improving
access and completion rates. The Complete College Georgia initiative consisted of several of CCA’s Game Changers, including PBF. Per CCA representatives’ recommendations, the governor and his policy director “leveraged” the announcement of a $1 million grant from CCA to publicly launch the robust statewide completion plan.

Following the introduction of Complete College Georgia, Governor Deal issued an executive order creating a commission to design a PBF formula for higher education. A representative at the Technical College System of Georgia noted that “CCA was instrumental in shifting attention [on the funding formula] from workload to outcomes ...” In December of 2012, the commission issued a final report that laid out the skeleton of a PBF model. In addition to providing the grant, CCA assisted the commission in designing the framework of the PBF model. Staff from the governor’s office and the two state higher education governing boards worked collaboratively to flesh out the model. According to some interview participants, the model that was being created was a modified version of the CCA-proposed model and was tweaked to fit the higher education governance structure and needs of the state.

Despite CCA’s engagement in the early stages of PBF development, respondents in Georgia noted that CCA was not significantly involved in the staff working group charged with developing the specifics of the model. CCA had been more active and influential in Georgia’s remediation and Guided Pathways to Success proposals (two of the five “Game Changers” promoted by CCA). As of 2015, policymakers had yet to approve a PBF model. Like in Texas, Georgia higher education leaders generally opposed PBF implementation. The University System of Georgia’s interest in other Game Changers, like remediation reform and Guided Pathways, appeared to be more longstanding than PBF. On their Complete College Georgia Website, they listed these initiatives in their “Completion Toolkit”; PBF did not appear on this list.

Other intermediary influences on PBF policy development in Georgia included the Lumina Foundation and NCHEMS. Like in Texas, officials in the governor’s office and the higher education agency also referenced Tennessee’s model and consulted with officials from the THEC while developing Georgia’s funding formula.

**Conceptual findings**

**Coercion: CCA as ‘the flashlight or the hammer’**

Our analysis revealed that intermediaries employ rewards and, less commonly, punishments to encourage the adoption of PBF and other college completion policies. Although intermediaries do not have direct authority
over states or higher education institutions, they are able to exercise power over higher education institutions and even states by providing incentives or shaming institutions into compliance.

**Carrots**
The primary inducements used by intermediaries to coerce states into considering PBF and other completion policies are financial incentives. One CCA official, for example, described an expectation from Gates officials that “getting [Texas and North Carolina] to join CCA should be pretty easy, because by God, they should feel obligated to given how much money we’ve given them.” In Tennessee, CCA awarded half a million dollars to the state to scale up a predictive analytics software program created at Austin Peay State University. By awarding funds specifically to explore program implementation at other institutions, CCA directly promoted the program’s diffusion.

Philanthropic foundations, especially Lumina and Gates, also provided funding for specific initiatives, as illustrated in the case summaries. Some funding was aimed directly at implementing specific policies and programs, like the aforementioned predictive analytics software; other grants, including the ones that resulted in the first version of PBF in Tennessee, supported research on specific policies’ feasibility and potential impacts. By funding implementation or research of certain policies, these groups also played a key role in facilitating diffusion.

**Sticks**
In addition to employing incentives to elicit PBF consideration, intermediaries engaged in punitive coercion by shaming institutions for their graduation rates. According to respondents from all three states, one of CCA’s most prominent features was its ability to present data that demonstrated institutions’ ostensibly low completion rates in an easily digestible format. Remarking on these coercive efforts, one intermediary official in Texas described CCA as “the external pressure.” Contrasting CCA with Jobs for the Future, which, in his view, provided “technical assistance ..., advice ..., counsel, and expertise,” he remarked that CCA had been “the flashlight or the hammer ... depending on how you want [to view it]—you need both.”

While CCA targeted entire states, the TAB directed its shaming efforts at individual institutions via the billboards introduced in the Texas case narrative. Describing the perceived effectiveness of the billboard that declared a 4% graduation rate for Austin Community College, the TAB’s leader recalled: “We had a meeting [with] the presidents ... and we passed [PBF].”

Despite its connotation, this type of punitive coercion was not necessarily viewed negatively by stakeholders. Although initial reactions to the TAB’s approach were negative, community college representatives, leaders of state-
level intermediaries, and coordinating board officials came to see the billboards as effective and, in some cases, useful in shedding light on college completion. As one state-level intermediary’s president remarked: “[I]t was kind of a jerky thing to do on the one hand, but on the other hand, for like, not much money … they got an unbelievable amount of attention and I think it played a role in catalyzing the community colleges to really shift.”

**Normative pressure: Intermediaries’ appeal to ‘best practices’**

Our second theoretical finding related to intermediaries’ roles in exerting normative pressure to encourage PBF policy adoption, thus facilitating diffusion. In its communications, CCA appealed to norms by framing each Game Changer, including PBF, as a “best practice.” Although not directly attributing their perceptions to CCA, numerous respondents in the states also referred to PBF as a best practice. In addition, on its Game Changers Web page, CCA urged policy actors to “… learn what some of your peers are doing,” which could be interpreted as merely facilitating policy learning or as encouraging adoption by pointing to the normality of certain policies.

In our interviews, policy actors referenced the national completion movement in describing the impetus for college completion policy activity, suggesting submission to normative pressure. For instance, a THEC official cited “talk at the national level about shouldn’t we be thinking more about completion” as one factor in early conversations on higher education reform in the governor’s office. Pointing specifically to CCA’s role, another official from the coordinating board described how “[CCA] played a key role in providing that external validation” that led to a focus on completion rather than governance restructuring. Further illustrating the role of CCA in exerting normative pressure, a higher education official in Georgia wondered about CCA’s perception of the state as a nonadopter of PBF. Specifically, he described “a national chart” on CCA’s Web site “where they color some states as not engaged in performance funding, some states as having it, and some states moving towards it, and we’ve been colored moving towards it for like 4 years now.”

Our analysis also revealed that CCA relied on appeals to reason in exerting normative pressure, painting the Game Changers as “pretty logical, kind of common sense strategies that you would employ,” as one Georgia official described them. CCA frequently alluded to the logic in PBF, as when its president declared during the Complete College Georgia announcement that “Gov. Deal gets it: Doing more of the same will not boost student success …” Similarly, CCA’s claim that PBF “focus[es] minds on earning the money based on performance, not just butts in seats” was widespread and echoed by state actors. In addition to logic, CCA appealed to “extensive research” in justifying its Game Changers. The third theme, on diffusion through policy
learning, outlines the extent to which research was circulated by CCA and other intermediaries.

**Policy learning: Intermediary insights on ‘what do other states do?’**

Intermediaries were important sources of PBF information during the policy’s consideration and model’s formulation in all three states. In addition to presenting PBF as a policy alternative (e.g., to enrollment-based funding), intermediaries disseminated information on specific policy components. A white paper published collaboratively by the NCHEMS and CCA (Jones, 2013) and another by HCM Strategists based on research funded by Gates (Snyder, 2015) both advocated for tying sufficient funding to performance and incentivizing the success of underserved populations. Officials in Tennessee relied on some of these documents in revising the PBF model in 2015. Referring to similar documents and informal conversations with intermediary officials, a representative from the THEC illustrated intermediaries’ roles in policy learning during the formulation stage for the second wave of PBF in the state:

> ... we did not [re-]create the wheel. We looked heavily to NCHEMS ... Pat Callan [from New York University] ... Other states ... I think it was expected of us ... that we wouldn't be making this stuff up ... So, in very broad terms, we looked to ... see what had already been done, and what other people had been writing about ...

In addition to external intermediaries, including national groups, certain in-state intermediaries were instrumental in PBF policy learning. Specifically, nonpartisan legislative research offices (e.g., Senate Research Office in Georgia and Senate Research Center in Texas) were widely referenced by legislators and legislative staff members. When asked how the Senate Research Center was used, one Texas legislative staffer described its value over that of national groups:

> What do other states do? ... how do other states deal with outcomes-based funding ... large survey questions that I may not have immediate access to ... something that’s not readily available on NCSL’s Web site ... when you get into different types and more difficult questions about funding or things like that, you call Senate Research ...

One legislator in Georgia had a similar reaction regarding the primary role played by the Senate Research Center: “I can go to a Senate research[er], say tell me about this. How has this worked out? Where has this happened? ... What’s happening? Because that’s what we do. We take ideas from other people and try to make it fit our local circumstance ...”

In addition to highlighting the shortage of original policy ideas in the states, this quote signals the role that an intermediary (i.e., Senate Research Center) plays in learning about the politics around policy innovations. As
such, these comments illustrate different types of policy learning, including learning about the political process (in addition to the policy itself). Likewise, a staff member in the Tennessee governor’s office described the types of questions on PBF they received from other states, which focused mainly on the politics around PBF, including “when ... you had no new funding in the funding formula ... [and] when ... institutions aren’t feeling any sort of reward when they do what you’ve asked them to do ...”

Emergent findings

Intermediaries as gatekeepers of evidence

Despite revealing that intermediaries facilitate policy learning, the findings from this analysis also indicate that intermediaries explicitly disregard some research and act as gatekeepers of research evidence. For instance, the quantitative studies by Tandberg and Hillman (Hillman, Tandberg, & Fryar, 2015; Hillman, Tandberg, & Gross, 2014; Tandberg & Hillman, 2014) cited in the review of the PBF literature were entirely absent from the previously mentioned HCM report (Snyder, 2015), despite the HCM author’s knowledge of this research (Fain, 2015). In an article in Inside Higher Ed, a trade journal, Tandberg is quoted commenting on this omission; the HCM report’s author responded that the studies were not referenced because they: (1) focused on earlier and different models of PBF, and (2) “make broad claims that reach beyond the findings” (Fain, 2015, p. 19).

In another example, CCA publicly challenged one of Tandberg and Hillman’s studies that found limited evidence of PBF’s effectiveness in Washington (Tandberg & Fryar, 2015). Specifically, CCA officials released a statement, published in a blog post on Complete College America’s website, in response to the research study. In the post, the author discredited Hillman and Tandberg’s findings noting that “the researchers seem to have a limited understanding of performance funding’s purpose ... [the study is] narrow in its scope ... and ... premature in its sweeping statements” (Complete College America, 2015, para. 1). In fact, the numerous studies showing either that PBF is not effective at improving completions (e.g., Dougherty & Hong, 2006; Shin, 2010; Tandberg & Hillman, 2014) or that the policy can result in unintended consequences (Lahr et al., 2014) have been omitted from CCA materials, which reference research more favorable to PBF. This finding suggests that intermediaries can promote policy diffusion by refuting research and limiting policy learning.

‘A call to action more than anything else’

The second theme that emerged from the inductive analysis was CCA’s prominence in agenda setting and waning influence in later stages of the
policy process. In all three states, CCA was primarily engaged in agenda setting—either for PBF specifically or for college completion broadly (i.e., bringing college completion to the governor’s agenda in Tennessee, exposing the chairman of the House Higher Education Committee to PBF in Texas, and awarding a large grant to take on the completion agenda in Georgia). Importantly, in all three states, conversations about completion were already taking place (especially within state higher education agencies) prior to CCA’s involvement. Thus, by eliciting increased scrutiny on completion rates, CCA served primarily to elevate college completion on policy agendas.

Describing CCA’s role in early discussions and how the group’s influence had subsided, one Georgia official remarked: “[T]hey’re kind of a call to action more than anything else … that was what we saw the most out of them is ‘here’s the problem, now let’s do something to fix it’ … But I haven’t spoken to anybody there for a year and a half.” Likewise, highlighting CCA’s limited influences beyond agenda setting, a Tennessee coordinating board official noted, “… there was no role they played in the [funding] formula, either development or in its conception. Since [early discussions], I don’t think … they have played … much of a role … that’s not a criticism … it’s just that, you know, we’ve moved on …” One higher education official in Georgia suggested that funding may limit CCA’s involvement in implementation: “They’re funded well enough to get the attention of … policy leaders. They have no money to implement [or] … to … create an apparatus for propagating in practice the sorts of things they’re preaching.”

As described in these comments, CCA was less influential in getting PBF passed or implemented. In these later stages, within-state factors (i.e., the governor’s interest in PBF and the state higher education agency’s levels of authority in Texas, and stakeholder buy-in and higher education institutions’ political power in both Georgia and Texas) were more important conditions than CCA’s influence. Although external influence was minimal in gaining approval for PBF, our analysis revealed that intermediaries other than CCA, including Jobs for the Future and NCHEMS, played a significant role in policy implementation as they helped state actors develop performance-funding models.

**CCA’s appeal: ‘Simplifying what is pretty complex’**

The final theme that emerged from our analysis on intermediaries’ roles in facilitating PBF diffusion was the effectiveness of CCA’s marketing approach, which involved focusing on a single issue (college completion), advocating for five solutions (the Game Changers), and producing—and disseminating—publications in an easily digestible format. CCA’s approach is exemplified by the message that appeared on the Game Changers page of its Web site: “For more graduates, do this!” As evidence of the appeal of
five clear steps to improve completion, the commissioner of the coordinating board in Texas structured his “State of Higher Education” address exactly around CCA’s Game Changers. One Georgia official described the effectiveness of CCA’s approach of directing policymakers to take five steps to improve completion:

[T]hey definitely have kind of a theory of action as to if you’re moving towards college completion, if that’s your agenda, then these are the key things that you need to do, and their performance funding and restructuring … and all that makes sense … both our system completion plan, and the individual institution completion plans are driven by those goals …

In addition to the draw of a short “to-do” list for improving college completion, CCA’s effectiveness in presenting and disseminating data contributed to its success in elevating PBF and other completion policies in state agendas. In all three states, respondents had seen CCA’s reports, with captivating titles—including “Remediation: Higher Education’s Bridge to Nowhere” and “Four-Year Myth”—that embody the organization’s marketing efforts. Remarking on their success, an official in the governor’s office cited CCA’s “very easy to visualize data.” Likewise, the leader of an intermediary in Texas described the effectiveness of CCA’s data presentation strategies: “I would say it’s the data … I think [CCA’s president] is a really good communicator. Again, not necessarily nuanced, you know, but simplifying what is … pretty complex, and their data—the info-graphics … it’s like all the little consumer reports and stuff.”

In addition to their strategic production of materials, CCA’s robust marketing strategy includes the broad dissemination of their publications. For example, CCA contacted reporters in states to secure press coverage of new publications. They also participated in press conferences, including those described in the Georgia and Texas case narratives. The “Game Changers” were primarily promoted through the CCA Web site, communications sent via the listserv, and gatherings (including webinars, workshops known as “Completion Academies,” and “Annual Convenings,” to which they invited mostly state policymakers and their staff members).

**Discussion and implications**

This research examined the role played by CCA—a group focused exclusively on college completion—and other intermediaries in the diffusion of completion policies, including PBF. Informed by more than 50 interviews, hundreds of documents, and observations of policy events in three states, this study responds to calls to illuminate intermediaries’ roles in higher education policymaking (Ness et al., 2014) and to examine policy diffusion at various stages of the policy process (F. S. Berry & Berry, 2014; McLendon & Cohen-
Grounded in conceptual perspectives on policy diffusion, this article presented findings from both deductive and inductive analyses. Deductive findings from this analysis corroborated previously cited mechanisms for policy diffusion—coercion, normative pressure, and policy learning—and illuminated the unique role that intermediaries play in this process. Specifically, CCA promoted PBF diffusion by employing fiduciary incentives (positive coercion) and by shaming states (negative coercion). A state-level intermediary, the TAB, also engaged in shaming and targeted specific institutions by displaying their graduation rates on highway billboards. This finding regarding shaming is noteworthy. Because coercion is typically conceptualized as governments’ influence over subgovernments and because intermediaries have generally been neglected in diffusion studies, shaming has been overlooked in the diffusion literature. This coercive tool warrants further examination, especially because other intermediaries—including one that published influential “Measuring Up” report cards (e.g., National Center for Public Policy and Higher Education, 2008)—have employed a similar strategy.

In addition to coercion, intermediaries have been instrumental in facilitating normative pressure, by both representing and appealing to the national completion movement. This analysis also revealed that to normalize PBF and other completion initiatives, CCA appeals to reason. By depicting policies as “common-sense strategies,” CCA drives policy actors to consider PBF. This influence persists despite a dearth of conclusive evidence that PBF improves outcomes of interest. In fact, the first emergent finding in this analysis was that CCA and other advocacy intermediaries at times rejected research studies that cast doubt on the policies they promoted. CCA and HCM, for example, explicitly challenged—and omitted from their reports—empirical findings that suggested PBF’s ineffectiveness. PBF advocates have argued that newer models are distinct and have a greater potential for success than previous versions. Although newer models generally focus more on outcomes, like older models, they tend to tie low percentages of funding to performance (Snyder, 2015). Thus, the greater potential for new models to improve outcomes of interest is uncertain. Because policy learning can be based on perceptions of the potential for success, even in the absence of evidence of policy effectiveness, intermediaries still contributed to policy learning. Yet our study revealed that they can serve as gatekeepers for research that questions PBF’s effectiveness. Because policymakers tend to rely on intermediaries for research (Scott, Lubienksi, DeBray, & Jabbar, 2014), this finding of intermediaries’ roles in limiting access to research or in refuting conclusions drawn by empirical studies has important implications for evidence-based policymaking.

In addition to the potential for intermediaries to limit or refute policy learning to promote diffusion, two other themes emerged from this research: the
effectiveness of CCA’s marketing strategies and CCA’s subsiding influence following the agenda-setting phase of the policymaking process. CCA’s marketing strategies were critical components of their approach; numerous actors in the states referenced their effective communication. However, beyond elevating the college completion issue and proposing solutions, the group’s influence was minimal. Although CCA was instrumental in shifting attention to college completion in the three states, it was less consequential in policy formulation and virtually absent from adoption or implementation processes. This retreat after agenda setting might have contributed to some states’ failures to pass PBF and other Game Changers. Importantly, although we found that other intermediaries filled this void, some states may be left without support for implementation and maintenance after PBF adoption. The implications of intermediaries like CCA’s frontloaded approach should be examined in future studies.

Given the myriad organizations like CCA, which advocate for college completion, this study makes important contributions to the higher education policy literature by shedding light on the role played by these groups in the diffusion of college completion policies. Future studies should explore how other types of policies diffuse and the role that intermediaries play in those processes. The diffusion of PBF, which is a top-down approach—and the role of intermediaries in this process—may be distinct from that of other policies. For example, by targeting policymakers, CCA may be less effective in eliciting the adoption of PBF, which could be viewed by campus representatives as an external mandate.

Researchers should also examine further how higher education governance structures, higher education institutions’ political power within a state, and other state characteristics influence college completion policy diffusion. Studies should also explore the degree to which these characteristics mitigate the role of intermediaries in promoting diffusion, as in Texas, where CCA was less successful in gaining buy-in from legislators and the governor.

Finally, given evidence of influences on policy diffusion at various stages of the policy process, future work should analyze how policies diffuse during the agenda-setting, policy formulation, and policy implementation phases. Further attention should also be paid to policies’ constituent parts in studies of policy diffusion; with a few exceptions (e.g., Volden, 2006), diffusion studies have ignored policy elements and focused instead on legislation in its entirety. In light of our findings related to CCA, NCHEMS, and HCM’s advocacy for PBF elements—including premiums for underserved populations—future studies should also attend to the role of intermediaries in the diffusion of policy elements.

Notes

1. Some observers of this funding mechanism refer to newer versions of the policy as “outcomes-based” funding, or “Performance Funding 2.0.” However, the performance funding literature lacks a consensus on the distinction between performance-
outcomes-based funding policies. As such, for simplification, throughout the article, we use the term performance-based funding (PBF) to refer to policies that tie state funding for higher education institutions to performance metrics.

2. The alliance also includes Washington, DC, and the Commonwealth of the Northern Mariana Islands.

3. The policy entrepreneurs in Mintrom’s (1997) study who we consider intermediary officials are: policy think-tank officials, business representatives, and grassroots group officials.

4. Oregon counts as both an implementing and developing state because it is considering an overhaul of its program for 4-year institutions and developing a model for 2-year institutions (Snyder, 2015).

5. In joining the alliance, states commit to this as one of three actions. See http://completecollege.org/the-alliance-of-states

6. For example, according to 2012 American Community Survey data, Georgia (33), Tennessee (42), and Texas (40) have among the lowest educational attainment rates for adults aged 25 to 64 years with an associate’s degree or higher. See National Center for Higher Education Management System (2016).

7. Texas is implementing performance funding for 2-year institutions and developing a model for 4-year institutions.

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