

School Finance Redesign Project

center on reinventing public education

CREATING THE POLITICAL CONDITIONS FOR MAJOR CHANGES IN SCHOOL FINANCE POLICY

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Working Paper 5

March 14, 2007



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The School Finance Redesign Project

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Support from the Bill & Melinda Gates Foundation

This work was supported by the School Finance Redesign Project at the University of Washington’s Center on Reinventing Public Education through funding by the Bill & Melinda Gates Foundation, Grant No. 29252. The views expressed herein are those of the author and are not intended to represent the project, center, university, or foundation.

Introduction

Over the past two decades, one question in particular has continued to intrigue policy analysts: Under what conditions are policy regimes likely to remain stable, and under what conditions are they altered in fundamental ways? This focus originated in attempts to explain how issues get on decision-makers' agendas. It later expanded to consider the broader puzzle of why, in a system where most policymaking is incremental, large and profound changes sometimes occur—even to the point of reversing well-established policies. The theories that have guided explorations of this question provide a useful way to identify the political conditions under which significant changes in school funding arrangements are possible.

This paper first outlines two theories of policy change derived from the conceptual building blocks that have come to encapsulate the primary determinants of public policy: ideas, institutions, and interests. In the second section, the implications of these theories for placing recommendations of the Working Group for Funding Student Success on policy agendas are discussed, and the third section examines the implications of several recent cases of major changes in education policies.

Theories of Policy Change

Two models of agenda-setting and policy change have withstood numerous empirical tests in a variety of policy domains, and they now dominate the political science and policy analysis research literature. The first, proposed by John Kingdon (1995) and based on research he conducted in the late 1970s, explains the process by which a proposal reaches the governmental agenda and is considered by policymakers, though not necessarily enacted into law. Kingdon hypothesized that policy emerges from the coupling of three independent process streams: problems, policy proposals, and politics.

They are largely independent of one another, and each develops according to its own dynamics and rules. But at some critical junctures the three streams are joined, and the greatest policy changes grow out of that coupling of problems, policy proposals, and politics (19)... A problem is recognized, a solution is developed and available to the policy community, a political change makes it the right time for policy change, and potential constraints are not severe (165).

Policy entrepreneurs are often critical to the process of bringing the three streams together—in effect, opening a policy window. They are willing to invest their resources in calling attention to problems and mobilizing support for pet proposals in the hope of obtaining future policies they favor.

Kingdon's model is designed to explain the agenda-setting process for most social policies whether they involve major changes or only incremental ones. In contrast, the second model focuses on policy enactment as well as on agenda-setting, and it seeks to explain cycles of policy stability and change. In their research, now being replicated in other studies, Baumgartner and Jones (1993; 2002) set out to explain a persistent condition in U.S. public policy: the fact that most policymaking is incremental, but dramatic and deep changes in policy do occur. Borrowing from the natural sciences, Baumgartner and Jones call this condition *punctuated equilibrium*:

long periods of stability interrupted by major alterations to the system. This stability is maintained through the creation of policy monopolies that are structural arrangements supported by powerful policy ideas. These ideas or policy images are generally connected to core political values, combine empirical information and emotive appeals, can be easily understood, and are communicated directly and simply through image and rhetoric.

However, policy monopolies and the interests they represent can be disrupted, resulting in major policy changes. A primary reason such changes occur is that those opposed to the policy monopoly or excluded from it constitute slack resources that policy entrepreneurs can mobilize. They do so through a redefinition of the dominant policy image using ideas that challenge it and capture the imagination of the media, policymakers, and the public. They provide new understandings of policy problems and new ways of conceptualizing solutions. These ideas can fuel powerful changes as they are communicated through a variety of rhetorical mechanisms, including stories about decline or negative consequences resulting from the current policy monopoly and stories of hope about what can be accomplished with a new framing of the policy problem and solution (Stone 2002, 138). Yet new ideas

are not controlled or created by any single group or individual, but are the result of multiple interactions among groups seeking to propose new understandings of issues, political leaders seeking new issues on which to make their name, agencies seeking to expand their jurisdictions, and voters reacting to the whole spectacle (Baumgartner and Jones 1993, 237).

Although the fragmentation of the U.S. policy system often makes coherent policy difficult, its multiple arenas give policy entrepreneurs seeking change alternative points of entry into the system as they move among institutions both at the same and at different governmental levels. In their empirical work, Baumgartner and Jones show the progression of alternative policy images as they are reflected in media accounts, interest group activity, Congressional hearings, executive agency outputs, budgetary allocations, and public opinion. Even when new ideas lead to policy changes, however, the old policy monopoly often continues until the institutional structures and norms through which new policies are implemented are also transformed.¹

In a recent analysis of the origins of No Child Left Behind (NCLB), Manna supplements Baumgartner and Jones's theory, focusing on policy change in a federalist system. He introduces the concept of *borrowing strength*, which "occurs when policy entrepreneurs at one level of government attempt to push their agendas by leveraging the justification and capabilities that other governments elsewhere in the federal system possess" (2006, 5). For example, those policy entrepreneurs promoting NCLB could mobilize around the license or arguments states had

¹An alternative conceptualization similar to a policy monopoly is the notion of *policy regime*, which refers to a set of ideas, interests, institutions, and the interactions among them that structures governmental activity in a specific policy domain, and that tends to be stable over time. Some analysts (e.g., McGuinn 2006) have argued that policy regimes are less stable than is implied by the notion of policy monopoly, but slower to change than assumed in a theory of punctuated equilibrium. However, this distinction seems more semantic than empirical in that both theories assume interaction among ideas, institutions, and interests; both find that policy ideas are more likely to persist if they are embedded in institutional arrangements; and even in the case of a punctuated equilibrium, the route to change can occur over several decades as alternative policy images gain currency among interest groups, the media, policymakers, and the general public. Consequently, the terms *policy regime* and *policy monopoly* will be used interchangeably in this paper.

already made to justify the involvement of higher levels of government in classroom processes and outcomes, and around the capacity or resources and administrative structures that state reforms had created. Manna notes that although federal officials were able to borrow strength from the states in the case of NCLB, the process can also work in the other direction. For example, state officials may take advantage of the license provided by a president using the bully pulpit to advance particular reform arguments as a point of leverage in promoting their own policy agenda (15).

These theories of policy change are primarily intended to be *ex post*—explaining cycles of stability and change after they occur—rather than predictive of future shifts. However, they can provide a basis for what might be called *grounded speculation* about the political conditions likely to facilitate major alterations in the design of school finance policies. Three factors common to theories of agenda-setting and policy change are examined in the next section as they apply to policies linking the allocation of educational resources and student performance. They are: (1) the content and appeal of an alternative policy image, (2) the structural arrangements undergirding the current policy monopoly and the constraints and opportunities they pose for attempts at change, and (3) the array of interests supporting the status quo as compared with those that are potential sources of mobilization for change. Central to this latter category are the availability of skilled policy entrepreneurs.

Political Conditions Necessary for Policy Change: Implications from Theory

Alternative Policy Images

In proposing to link educational finance systems with school and student performance, the Working Group is connecting (and possibly altering) two existing policy monopolies.² To some extent, then, the task of advancing the Working Group's agenda may be more straightforward because the core ideas are already visible and operational in varied forms. However, while that might make linking the two ideas easier, it might also make it more difficult if elements of either need to be altered to create the new policy image. Furthermore, the two ideas being linked are distinct in their justifications, policy instruments, and politics. For the past thirty years, most school finance policies have been grounded in state constitutional principles with courts and legislatures as the primary policy arenas, and political debates have centered on competing definitions of equity and their redistributive and cost implications. Aggrieved parties in this policy domain have typically used the courts as the initial venue in seeking redress, and since the U.S. Supreme Court's 1973 decision in *Rodriguez*, the politics of school finance have been confined to state policy arenas, though variants of the basic policy ideas have spread across the states.

In contrast, policies focused on student and school performance are premised on the need for externally imposed accountability on schools as public institutions, and they typically originated in the executive and legislative branches as part of what became known as the standards and

²Since this paper was written prior to the Working Group finalizing its recommendations, the discussion of alternative policy ideas is necessarily generic.

accountability movement. These policies originally relied on hortatory strategies, motivating action through the promulgation of test-based information and a call to shared curricular values, but more recently, on the imposition of rewards and sanctions based on test results. Political debates focused initially on what should be taught and tested, and later on how performance is measured and test results used. Unlike school finance where policies have been confined to state-local relationships, those focused on school and student performance now include all three governmental levels with the federal government's involvement largely based on license and capacity "borrowed" from the states.

Kingdon (1995) posits that ideas which survive political scrutiny and remain on policy agendas need to meet criteria of technical feasibility, value acceptability, and tolerable cost. In the case of education policy, technical feasibility includes such factors as the level of expertise required given practitioner capacity, the ease of administration and oversight, and above all, whether there is sufficient evidence a policy proposal can achieve its instrumental goals. These are often related directly or indirectly to improved student learning, and information about them is typically the most problematic. Research and experimental evidence is often incomplete, context-dependent, difficult to interpret, and even contentious. As a result, interpretations of data on "what works, how does it work, and how well," often become political claims that spill over into issues of value acceptability.

School finance reform and standards and accountability have both posed significant challenges for their supporters on all three dimensions, but they have been more serious for school finance. Among the most visible technical challenges recently has been defining what constitutes an adequacy standard and then calculating the cost of meeting that standard for different types of students at different grade levels. Depending on which method is used, the per-pupil cost of meeting a state-specific adequacy standard can vary by more than 30 percent (Hoff 2005).

Value acceptability has posed an even greater barrier to school finance reform. Beginning with its original justification in the notion of fiscal neutrality, finance reform has been grounded in a few generative concepts.³ Fiscal neutrality derived its power from "conceptions of educational rights grounded not only in equal protection of individuals, but also in universal guarantees to maintain adequate provision of services for all citizens under compulsory education laws" (James 1991, 204). Yet over time, the equity-based concepts underlying finance reform have become symbolic representations in policy discourse with multiple meanings that depend on how people use, interpret, and respond to the term (Stone 2002). So, for example, on several occasions since 1991, 80 percent or more of those responding to the Gallup Poll of the Public's Attitudes Toward the Public Schools have said that the amount of money allocated to education in their state should be the same for all students "whether or not they live in wealthy or poor districts" (Rose and Gallup 2002, 44). Within roughly the same time period, however, Reed (2001) found in his analysis of public opinion data from Connecticut, Kentucky, New Jersey, and Tennessee that when respondents perceived finance reforms as a threat to local control of their

³A generative concept can be viewed as a type of policy idea. It not only captures the normative assumptions embodied in a particular policy goal, but also synthesizes empirical data so as to identify strategies for achieving the goal, and perhaps even provide criteria for measuring progress toward it. James lists individual differences, differentiated curricula, and fiscal neutrality as examples of generative concepts that have animated major changes in American education. He views them as "implicit normative structures" that help "to organize new policy systems" (1991, 202).

districts, they typically reacted negatively and opposed them. In these instances, the more powerful concept of local control clashed with notions of equity. Value acceptability has also been problematic in those cases where school finance reform has been perceived as redistribution away from wealthier districts and students to poorer ones, and where the question of tolerable cost has become an issue, especially when states have little or no fiscal slack (Carr and Fuhrman 1999).

Technical feasibility has been a continuing challenge for the standards and accountability movement—particularly as it relates to the question of appropriate test use—and the challenge has grown with NCLB and the spread of high-stakes tests (Heubert and Hauser 1999; Linn et al. 2002; Koretz 2005). In its early days, opposition to the curricular values embodied in the standards and assessments of several states weakened the value acceptability of the movement (McDonnell 2004). However, this reform strategy currently enjoys broad support across the ideological spectrum—though the basis for such support varies. One reason why state policymakers favor standards and accountability strategies is their seemingly low cost, especially as compared with school finance reforms. Even when these policies are accompanied by funding for student remediation or the professional preparation of teachers, they appear to be low-cost because they are one of the most effective strategies policymakers have to influence what happens in individual schools and classrooms,⁴ and much of their cost is either hidden or shifted to the lowest levels of the system. Certainly, a major point of contention over NCLB has been the true costs of meeting its requirements and who should bear those costs. Yet, tolerable cost issues have not been a major obstacle to advancing standards and accountability goals in the way they have for finance reform.

With regard to the survivability of educational performance as a policy focus, it is important to note that concerns about school and student performance have evolved into what has become known as test-based accountability with the principal tool for measuring performance a standardized test administered by states. Those tests are now more or less aligned with state curriculum and performance standards, and they serve as the sole or primary determinant of school quality. Although some psychometricians and education practitioners have been highly critical of the system and have proposed alternatives, the consensus seems to be that test-based accountability will continue as the core idea defining policies related to school and student performance (Olson 2007). If that continues to be the case, it may limit strategies for connecting school finance schemes to performance criteria because the link will have to be based primarily on standardized test results.

The alternative policy image the Working Group constructs will be constrained by the technical and political baggage associated with each of the two core policy ideas, but

⁴Although the impact of such assessments varies—depending on the type of test, the grade-levels being tested, students' socio-economic status, and the uses to which the test is put—a growing body of research indicates that school and classroom practices do change in response to these tests (e.g., Mehrens 1998; Stecher et al. 1998; Firestone et al. 1998; Cohen and Hill 2001; Wolf et al. 2001; McDonnell 2004). Clearly, the effects of mandated assessments have not always been beneficial for students or what policymakers intended. Nevertheless, given the limited array of strategies available to them, politicians have viewed standardized testing as too powerful a lever not to use it. From their perspective, assessment policies also produce results quickly because test scores typically rise during the first few years after a new test is introduced. The validity of such score gains has long been questioned by researchers (Koretz et al. 2001; Linn 2000), but most policymakers remain convinced that something real occurs if only because the tests shine a public spotlight on educators who must then respond.

establishing a linkage between them will also generate its own set of feasibility issues. For example, central to the idea of adequacy is the notion that finance levels should be related to the costs associated with giving students sufficient opportunity to meet state standards. As a result, school finance and standards have been linked rhetorically. However, even in Kentucky where new school finance and accountability systems were implemented simultaneously, the two were not directly linked because accountability rewards and sanctions are allocated independently of the finance system.⁵ The lack of working models makes feasibility issues especially salient, but it may also raise concerns about value acceptability. For example, linking finance and performance creates dual policy targets: schools that are held accountable and students who are the ultimate recipients of learning resources. Consequently, if the idea is to gain broad acceptance, proponents will need to demonstrate that there are feasible and effective strategies for sanctioning schools for non-performance that do not also harm students. Imposing sanctions on schools has always raised the concern that in trying to motivate them to improve their performance students may suffer. The more integrated rewards and punishments are in the basic finance system, the greater that apprehension may be.

A major criterion for judging the technical feasibility and value acceptability of alternative policy images is the extent to which they provide new understandings of policy problems and new ways of conceptualizing solutions. Inefficient resource use, chronic underachievement of U.S. public school students, and limited progress in breaking the nexus between student background characteristics and achievement are the major problems for which linking finance systems and student performance is proposed as a solution. Proponents frame these problems as due to multiple, inter-related causes, including: an intergovernmental patchwork of funds, programs, and allocation formulas; incomplete information about the actual costs of different educational interventions in different places and for different kinds of students; a lack of political and administrative mechanisms directly linking authority for resource allocation and accountability for results; overregulation of educational processes with little sensitivity to varying needs and circumstances across school contexts; and an absence of effective incentives for educators to improve student performance.

Neither this problem definition nor the proposed solution is new. Reports by the National Research Council (NRC) (1999) and the Committee for Economic Development (CED) (2004) proposed an analogous change to the current school finance regime based on a similar analysis of problems with it. Although it is difficult to discern exactly why these prior efforts have had a limited impact thus far in shaping the policy agenda, there are several likely explanations. The first is simply that it often takes time to challenge and replace a long-standing policy monopoly. New policy images gain traction as they are picked-up by the media, become part of the discourse among relevant issue networks, serve as a basis for mobilizing individuals and groups discontented with the status quo, and ultimately lead to concrete proposals that reach various

⁵The recently-announced reform agenda of New York Governor Eliot Spitzer may move the two policy ideas closer together with his proposal to streamline the state funding formula; increase support for schools, including complying with the decision in the New York City school finance lawsuit; and mandate that districts sign contracts outlining the performance standards they must meet. However, elements of the governor's plan face significant political opposition, so it is not clear how tightly finance and performance will actually be linked (McNeil 2007).

decision-making agendas. This process, especially in a fragmented policy system, can take a decade or more.⁶

It can be even longer for policy ideas that are operationally and ideologically complex, which may be the second reason for why school finance directly linked to student performance has stalled as a policy alternative. In reviewing the NRC and CED reports, it becomes clear that the strategy they propose is complex because it touches on so many complicated and controversial aspects of education policy and practice. For example, greater decentralization in allocation and expenditure decisions that take into consideration individual student needs and how to meet them in different local contexts is proposed to address problems of overregulation. This solution raises the value-based question of how authority over publicly-financed schooling should be allocated among governmental levels and between the public and private sectors, as well as the technical issue of how to hold schools accountable for educational outcomes without, in the process of measuring those outcomes, unduly constraining how they operate.

Similarly, both reports present performance-based compensation for teachers as a mechanism for remedying the lack of effective incentives to improve performance. Although the CED report strongly endorses this strategy, it and the NRC report like other commentators (e.g., Guthrie and Springer 2006) acknowledge the checkered history of alternatives to the single-salary schedule. Some of the reasons for that history stem from design problems—inadequate and unstable funding, an inability to develop and administer valid performance evaluations, and compensation plans at odds with school cultures (NRC 1999). State and local teacher union affiliates have varied in their support and opposition to teacher salary plans that include pay-for-performance components or ones linked to knowledge and skill acquisition, and a few such as the Denver Classroom Teachers Association have been notable for their active support of an incentive-based compensation plan (Keller 2005). Nevertheless, even as the architects of more recent plans have tried to address the shortcomings of earlier ones and the idea has gained greater currency, it remains technically challenging and politically controversial. The current court challenge by the Florida Education Association to the Florida pay-for-performance program is just the most recent instance (Tonn 2007). Teacher incentive programs are also examples of a policy proposal where the evidence linking it to improved student learning is ambiguous; so much of the rationale for it is based on analogies from private sector and higher education experience.

Linking school finance and student performance is also likely to raise the complex issue of how such policies should be funded. Although allocation and expenditure arrangements could theoretically be considered independently of how revenue is raised, they rarely are. So placing school finance policies on state agendas always runs the risk of reopening questions about tax burdens and who should bear them. As discussed in a subsequent section, if taxation issues become attached to proposals for new finance arrangements, a different set of interests will be mobilized than if the proposal is confined to just educational and expenditure decisions.

⁶Part of the time spent challenging an existing policy monopoly is often used by policy entrepreneurs in “softening up” the agenda. “These entrepreneurs attempt to ‘soften up’ both policy communities, which tend to be inertia-bound and resistant to major changes, and larger publics, getting them used to new ideas and building acceptance for their proposals. Then when a short-run opportunity to push their proposals comes, the way has been paved, the important people softened up. Without this preliminary work, a proposal sprung even at a propitious time is likely to fall on deaf ears” (Kingdon 1995, 128).

Since the current patchwork of programs has been identified as part of the problem, a comprehensive plan substantially replacing existing finance and accountability systems—or at least better integrating their components—would seem to be the preferred strategy. However, a desire to avoid the incrementalism or “geological layers” that have hindered past education reforms may need to be balanced against the dangers of overloading. As Kingdon notes, overloading a proposal can jeopardize enactment of those constituent items for which it is reasonable to expect action if a more sequential or incremental agenda were used (185). Yet overloading might be inherent in a comprehensive plan that would necessarily touch on key aspects of education policy and practice. Furthermore, opponents can use overloading strategically to frustrate action by highlighting the complexity of a proposal, adding even more provisions in the hopes it will collapse of its own weight, or by using elements of the proposal to mobilize a range of groups to wage political battles on multiple fronts.

However, “strategic” is the operative term as none of these constraints are immutable. They can be overcome, or at least reduced, depending on how skillfully policy problems and proposals are framed and communicated. Each phase of promoting an alternative policy image in different political arenas involves strategic calculations. As Stone argues, problem definition is more than the statement of a goal and the observed discrepancy between it and the status quo. “It is rather the strategic representation of situations...Dissatisfactions are not registered as degrees of change on some universal thermometer, but as claims in a political process. Representations of a problem are therefore constructed to win the most people to one’s side and the most leverage over one’s opponents” (2002, 133).

Problem definition is important strategically not just as a persuasive tool, but also because the way a policy problem is defined shapes the proposed solution. Effective problem definitions use a variety of rhetorical tools including symbols, numbers, metaphors, and stories (Stone 2000). They identify causes that not only point toward particular solutions and away from others, but that also assign responsibility (or blame) to specific individuals and institutions. An apt example is *Nation at Risk*’s “rising tide of mediocrity” that defined the United States’ diminished economic competitiveness as a problem of inadequate educational performance rather than corporate investment policies or management strategies.

Technical feasibility and value acceptability are criteria by which policy solutions are judged, but as with the problem definitions to which they are linked, the ability to communicate their value along these dimensions is essential. Rhetorical framing cannot replace the substance of a policy proposal or evidence about its potential effectiveness, but new policy ideas must combine empirical information with emotive appeals if they are to engage policymakers and the public. Although education researchers are often uncomfortable with reducing sophisticated policy proposals to slogans, experience has shown that strategy to be successful. Examples include: “equal funding for equal tax effort,” “all children can learn to high standards,” and “parental choice.” These examples have four characteristics in common: (1) they embody a theory that assumes a positive relationship between a particular policy intervention and improved educational outcomes; (2) they are grounded in an evidentiary base, although not necessarily a strong or unambiguous one; (3) even though they may have redistributive implications, the frame is universalistic and inclusive of all students and communities; and (4) they use simple, everyday language.

The power of an alternative policy idea to engage policymakers and their constituents is key to fundamental change.⁷ Judging how receptive current political conditions are to the linking of educational finance systems with school and student performance is difficult because the answer will depend on the content of specific proposals. Nevertheless, theories of policy change and the course of past education reforms suggest that research-based evidence about likely effectiveness and technical feasibility is a necessary, but not sufficient, condition for placement on national and state policy agendas. The sufficient conditions are the extent to which the policy problem and its proposed solution resonate with widely-accepted values, are framed so as to mobilize supporters and minimize opposition, and can be communicated simply and concretely.

Political and Administrative Institutions and Policy Change

A major reason why policy ideas can endure, become monopolies, and are resistant to change is that they are embedded in institutional arrangements that may persist even after new ideas emerge and formal policies change. The political science research literature offers two complementary though somewhat different explanations for this condition—one adapted from historical analysis and one from economics. Historical institutionalists have used the concept of path dependence to explain how and why social policies can become entrenched and difficult to alter. In its simplest form, path dependence refers to the process by which policy choices create institutional arrangements that make reversal or change costly.⁸ Large consequences may result from relatively small or contingent events, but once particular courses of action are introduced, they may be virtually impossible to reverse (Pierson 2000). Those who examine policy stability and change from a path dependent perspective also stress the importance of timing and sequence, and they distinguish formative moments in policy development from periods that reinforce the status quo.

The economics-based explanation is derived from Moe's (1990) theory of the politics of structural choice. His initial premise is that in a democracy all interests must cope with political uncertainty: they will not always be in the political majority, and when other interests come to dominate, opponents may significantly change or reverse their policies. One way for current majorities to lock-in their legislative victories and to protect them from future tampering is through the structures by which policies are implemented and administered. Consequently, the dominant coalition attempts to ensure that those structures embody a set of rules governing

⁷Policymakers, their constituents, and the public more generally have been referred to as a single entity. However, the terms of discourse may need to be quite different for each group. One question that policy entrepreneurs must typically consider is who is the target of their advocacy, and at what point do they move their efforts from policy elites to the public and vice versa. The framing of the problem and their preferred solution may need to be quite different for the two groups, especially if courts as non-majoritarian institutions are involved. Similarly, the extent to which policy proposals are broadly applicable or must be tailored to particular jurisdictions is also an issue that policy entrepreneurs must consider.

⁸Historical institutionalists have borrowed the concept of *increasing returns* from economists as a more precise way to examine the extent of path dependence and the possibilities for institutional change. Increasing returns processes pinpoint how the costs of switching from one alternative to another will, in certain social contexts, increase significantly over time. The reasons are varied, but include large set-up or fixed costs, learning effects that lead to the continued use of familiar institutional arrangements and processes, and coordination effects with the benefits to one individual or jurisdiction increasing as others adopt similar policies and procedures (Pierson 2000).

institutional behavior—decision-making criteria, allocational rules, personnel evaluation standards—that insulates the agency from legislative oversight and alteration of its policies (e.g., by placing a greater emphasis on professionalism than is technically justified because professionals resist political interference). However, to the extent that a dominant coalition must engage in political compromise with its opponents, the resulting administrative structure may also include elements that will make them vulnerable when majorities change.

These two theories are consistent with each other, and provide an elaboration of Baumgartner and Jones's (1993) analysis of policy monopolies. In the case of Funding for Student Success alternatives, they point to the importance of determining the degree to which the current policy monopoly of school finance systems unconnected to educational accountability arrangements is institutionalized. However, there is a prior, related question that should be considered—viz., how is the broader institutional context of education policymaking likely to affect change efforts? Two aspects are especially relevant: the general fragmentation of education policy in the U.S., and the tension between state authority and localism that has shaped school finance policy over the past 30 years.

Education policy analysts have long noted that the most distinctive institutional characteristic of U.S. public education is its fragmentation. Not only do multiple levels of government share authority over public education and responsibility for its funding, but power is also fragmented among institutions within each level. This fragmentation has resulted in less coherent policy, but it has also increased access to the policy process, giving interests multiple entry points and the ability to “shop” for the venue likely to give them the greatest advantage.

Advocates for school finance reform, along with those pursuing desegregation and the education of students with disabilities, have been the most successful in using the courts as an initial point of access into the policy system. Evans and his colleagues (1997) identified the pivotal role of the courts in their analysis of school district revenues, expenditures, and enrollments using Census of Government School System Finance data between 1972 and 1992. They found that court-ordered reforms had led to an increase in the state share of educational revenues and a significant redistribution of resources to the poorest districts, but that in states where reform was attempted without successful litigation, neither the overall level of education revenues nor their distribution changed. Clearly, reliance on the courts can be a long, contentious process as the New Jersey and Texas school finance cases illustrate. Having to pursue policy change through several different venues may also affect the choice of policy ideas and how they are framed as images. As Baumgartner and Jones note, “some types of images may be well accepted in one venue, but considered inappropriate when raised in another institutional arena. Norms of compromise, fair shares, and reciprocity common in the legislative arena have little legitimacy in the courts, for example” (1993, 32).

However, tension between state authority and institutional norms of localism may make reliance on the courts inevitable if school finance reform involves redistribution. Reed addresses the question of why the egalitarian assumptions underlying decisions in school finance lawsuits are often diminished when state legislatures fashion remedies in response to judicial mandates. He identifies the institutional configuration “by which resources are delivered to children according to a regime of property taxes, home values, and local control of revenues” (2001, 128) as the source of an explanation. Based on his analysis of public opinion data from four states, Reed concludes that even though there has been a trend away from local control, its persistence as a defining characteristic of the U.S. educational system shapes public attitudes toward

educational opportunity, particularly opposition to school finance reform viewed as a threat to localism. In emphasizing the institutional design of public education, Reed details how the local governance of municipalities and school districts and local control of property tax receipts “implicitly structures our beliefs about the proper way to organize education, and indirectly, they inform a good deal of our democratic politics surrounding education” (132). His analysis also indicates that the link between the primacy of local control and public attitudes influences state legislative behavior. Legislatures are political arenas that have traditionally reinforced geographically-based inequalities by preserving local control over a significant proportion of school funding. However, in their school finance rulings, state supreme courts threaten to disrupt this equilibrium by requiring redistributive remedies. It is this constellation of rules, norms, and structures that explains why the legislative crafting of school finance remedies is often so prolonged, and why the primacy of local control over local resources persists even as state courts have moved to change distributional rules and make them more equitable. Basically, “the geographic nature of property taxes and home rule intersects with the geographic nature of state electoral representation, yielding a political logic that can produce intense opposition to court decisions that seek the reform of school financing” (135).

If theory and past experience are reliable guides, the policy system’s fragmentation presents opportunities for those advancing new approaches to school finance by affording multiple points of access and leverage. However, localistic norms and interests work against strategies involving redistribution. For school finance policy, localism is the institutional characteristic that most approximates Moe’s politics of structural choice: communities advantaged under the status quo typically seek to maintain the norms and allocational rules which preserve that advantage even in the face of policies challenging it. Consequently, if redistribution is an actual (or even perceived) component of proposed alternatives, the courts are likely to be a necessary venue for policymaking. Barring some unforeseeable change at the federal level, alternatives to current finance systems will also have to be pursued on a state-by-state basis. However, given rapid diffusion rates of educational innovations across states over the past two decades, this feature of the federalist system is no longer the obstacle it once was.

Since Funding for Student Success connects two existing policy monopolies, each needs to be considered separately in assessing the degree of institutionalization. Because of differences in school finance arrangements across states, the extent of institutionalization varies. However, several characteristics apply to a majority of states (though not all) and they seem to be well-institutionalized: a mix of state and local funding, including some categorical or targeted state funding; a portion of the funding weighted for student groups judged more expensive to educate; allocational formulas not directly linked to either actual costs or school performance;⁹ and grounding in state constitutional principles. But as *Education Week* reported in its 2005 *Quality Counts*, “public school finance systems are in flux” (7). That fluctuation is partly due to the fact that more than 70 percent of the states have faced court challenges to their finance systems since 2000 or are currently facing one (Olson 2005). Equally important, however, is a shift in the basis on which plaintiffs are challenging these systems, relying more on state constitutions’ education clauses than on pure equal protection arguments (Carr and Fuhrman 1999; Schrag 2003). These lawsuits have served as focusing events, keeping school finance on state policy agendas and

⁹As discussed in the previous section, the single-salary schedule is one of the most well-institutionalized policies related to school finance.

creating the potential that the path dependence developed over the past three decades can be diverted in a different direction. As a result, the shift from equity to adequacy criteria has begun to weaken the institutional norms and rules that have defined school finance systems, making the policy monopoly more vulnerable to change.

Systems to promote accountability for student performance have some elements that are well-institutionalized and would be difficult to change, while other less entrenched elements could likely be modified. The core policy idea of accountability through the use of an externally-imposed assessment has been in place at the state-level for more than two decades. As a result, some elements are quite well institutionalized—viz., the administration of standardized tests in several subjects and grade levels on a regular schedule, the public reporting of test scores, and more recently, the alignment of those tests with state-defined academic content standards. Even the notion of standards and accountability at the federal level has had wide currency for over ten years, and has been integrated into federal categorical programs—giving federal policy greater coherence and making it more difficult to change than when there were more disparate, smaller programs (Manna 2006). On the other hand, elements of NCLB such as Adequate Yearly Progress (AYP) and the required testing of all students every year are ideas that are not yet well-institutionalized.¹⁰

At the classroom-level, a variety of studies have found that teachers modify their instruction in response to state assessments (for a review of these studies, see McDonnell (2004). However, the extent of change has been limited, typically involving shifts in classroom activities (e.g., devoting more instructional time to tested subjects, aligning curricular content with state standards) rather than in how students are taught conceptual understandings of subject matter. With regard to the classroom, then, test-based accountability has led to significant changes, and has produced a greater effect than top-down policy usually induces in education. Nevertheless, they are not yet deeply embedded in school and classroom practice. So within the parameters of a system that measures performance partly or wholly by standardized tests, it would be relatively easy to make changes at the margin to influence, for example, how teachers spend their instructional time.

Once again, judgments about the likelihood that existing policy monopolies can be replaced depend on the nature of the alternative policy image. Whether it involves significant redistribution, whether the courts are involved, and how finance and performance would be linked are all critical. Still, there are enough elements of current systems that are either in flux or not deeply-embedded to suggest that in a number of states the institutional context offers, on balance, more opportunities than constraints. To take advantage of these opportunities, however, requires political skill in mobilizing those interests amenable to change and countering the array of interests supporting the status quo.

¹⁰By the time NCLB was enacted, the overwhelming majority of states had experience with some form of statewide standardized testing of elementary and secondary students. However, only six states used standards-based assessments to test students in all the subjects and grade levels required by NCLB, although 20 were testing students in English/language arts and mathematics in grades 3-8 and once in grades 10, 11, or 12 (Center for Education Policy 2003). Not only was the expanded scope of standardized testing new to most states with the enactment of NCLB, but only about half had assessment systems aligned with specific content and performance standards, and about the same number had linked positive or negative incentives to schools' test scores by 2001 (Council of Chief State School Officers 2001; Hess 2003).

The Interests

In assessing the prospects for major policy change, we need to identify groups dissatisfied with the status quo that can be persuaded that the benefits of a new approach to school finance are greater than those for the current system and outweigh the costs of change, and that can be mobilized to support the alternative. As Baumgartner and Jones (1993) indicate, the process of mobilization—or in Kingdon’s model, coupling the problem, proposal, and politics streams to create an open policy window—typically requires the active involvement and skill of one or more policy entrepreneurs. While mobilization of supporters is critical, equally important is the need to identify potential sources of opposition and strategies for weakening or neutralizing their attempts at counter-mobilization. In some cases, that might mean offering concessions in exchange for either supporting or promising not to oppose the new initiative. For example, in Kentucky, North Carolina, and several other states, the teacher unions agreed not to oppose new accountability measures in the early 1990s as a quid pro quo for the state making more money available for teacher salaries. In other instances, supporters have to use resources such as leverage provided by a favorable judicial decision, public opinion, or the ability to link a proposal for change in one state to a national movement (in effect, “borrowing strength” or legitimacy from other jurisdictions).

Four factors are immediately obvious in assessing the interest environment for proposals to link finance and student performance. First, it is very dense, consisting of a wide range of individuals and groups. If we include all those with a stake in either a state’s school finance or accountability systems, the list is long: the governor, state legislators, the teacher unions, business organizations, plaintiffs’ groups and other organizations representing students with inadequate opportunities-to-learn, taxpayer organizations, local school board and administrator associations, parent groups, test and instructional material publishers, private sector providers of supplemental services, and in some states, national or grassroots organizations representing cultural conservatives.

Second, the position a particular type of group takes and the extent to which it is mobilized can vary from state to state, depending on the nature of the proposal and state-specific historical and political factors. For example, Carr and Fuhrman (1999) contrast the outcome of attempts at finance and broader school reform in Kentucky and Alabama—states located in the same region faced with similar judicial decisions during roughly the same time period. The Kentucky Education Association (KEA) was not an active participant in supporting the Kentucky Education Reform Act (KERA), but it accepted KERA with its strict accountability provisions in exchange for the new resources it would pump into the system. Culturally conservative groups such as the Eagle Forum never opposed the finance provisions related to KERA, and only expressed opposition to its curricular standards and accountability provisions several years into KERA’s implementation (McDonnell 2004). In contrast, the Alabama Education Association (AEA) opposed the Alabama First initiative, largely because its candidate for governor needed to distance himself from the reform proposal of his opponent, the sitting governor. Conservative groups, such as the Eagle Forum and the Christian Coalition, framed Alabama First as social engineering and opposed it and its financing early on (Carr and Fuhrman 1999; Schrag 2003). The different timing of the conservative groups’ opposition in the two states may have been because Alabama First was under consideration in 1994—four years after KERA—at the height of the cultural conservative movement’s nationwide focus on schools.

A third factor is that the types of groups participating in school finance court cases often differ from those that become engaged once the issue moves into the legislative arena. The primary reason is institutional, with the two arenas having different norms and rules of decision-making. Plaintiffs' groups representing low-wealth districts or low-income students can prevail in court because their cases are grounded in constitutional principles, and decisions typically lack allocational rules detailed enough to make clear either the cost or the extent of redistribution. However, once the issue is in the legislative arena, broad-based coalitions are necessary to demonstrate to policymakers that influential interests and their constituents will not punish them if they make significant changes in how schools are financed. When they are effective, groups composed of policy elites and representatives of major interest groups, such as the Prichard Committee in Kentucky, can act as policy entrepreneurs proposing alternative policy visions and building support coalitions.¹¹ Although one or more groups with broad-based membership may be necessary for reforms to be enacted, they do not necessarily ensure success if opposition groups are strong and represent diverse interests and ideology. This situation characterized Alabama where the A+ Coalition for Better Education, a group similar to the Prichard Committee, could not overcome a formidable array of opponents, including the AEA, culturally conservative and anti-tax groups, and suburbanites afraid their schools would suffer under the reform plan (Schrag 2003).

Another factor related to moving from judicial to legislative venues is public opinion. As Reed (2001) demonstrated in his analysis, it can serve as a brake on what legislators are willing to enact in response to court rulings. Just as interest group behavior needs to be examined within the context of individual states and specific proposals, so does public opinion. However, national data provide some clues about the public's attitudes that groups advocating change can consider in developing strategies. One national survey conducted in 2004 found that fewer than half the respondents reported understanding very or fairly well how schools are funded and the roles various levels of government play in funding (Hart and Teeter 2004). Nevertheless, 42 percent of those in the same sample believed that a great deal or quite a bit of money is wasted in education and an additional 34 percent said that a fair amount is wasted.

According to the 2001 Phi Delta Kappan/Gallup Poll, a majority of those with no school-aged children (59 percent) and a greater proportion of public school parents (65 percent) believe the quality of education provided by the public schools in their state differs a great deal or quite a lot from district to district (Rose and Gallup 2001). A bare majority of parents and the public (52 percent) in the 2003 PDK/Gallup Poll supported their state providing equal dollars per student as compared with 45 percent who thought the number of dollars should be varied to meet each student's educational needs (Rose and Gallup 2003). Hart and Teeter (2004) asked several questions explicitly attempting to tap public attitudes about equity versus adequacy funding models and the extent of the state role. Forty percent of the sample felt that the state should "equalize the amount of money spent per student so schools in poorer areas have as many resources as wealthy ones," while 37 percent (within the margin of error) believed that the state

¹¹A newly-formed coalition that may bear watching is the Delaware Public Education Partnership. It is a new organization established by a coalition of groups, including the Delaware Business Roundtable, the Delaware Education Association, the Metropolitan Urban League of Wilmington, the Delaware School Boards Association, and the Delaware Chamber of Commerce, to promote a broad school reform plan. Funding tied to student need, and teacher salaries based on skill and performance are part of the coalition's Vision 2015 proposal (Archer 2006; Vision 2015 2006).

should “direct money where it is needed most, so students with special needs or in poorly performing schools get adequate attention.” Twenty percent of the sample felt that the “state shouldn’t make efforts to direct school funding, and [should] leave these decisions to local districts.” Although whites and African-Americans were evenly divided, Hispanics overwhelmingly (65 percent) preferred a system where funding is directed where it is needed most over one that guarantees equal funding. Democrats disproportionately (55 percent) preferred the adequacy model, while the same proportion of Republicans preferred the equity model. Hart and Teeter also found close to even divisions in their sample between those who preferred increased state funding of schools (50 percent) as compared with those who preferred that schools be funded with local taxes (44 percent).¹²

These data suggest that fiscal accountability is a concern and that while the public recognizes quality differences across districts, it is divided about moving away from an allocational system based on equal shares. In their report, Hart and Teeter argue that the public’s closely divided opinions mean they provide little guidance to decision-makers about policy direction. That may very well be the case and may make movement on finance-related issues difficult because policymakers fear that in choosing one alternative over another, they will incur the disapproval of a large segment of the public. However, closely divided opinion might also make it easier for interest groups to influence a majority of the public in support of their position because they only need to change the minds of a small segment. Furthermore, self-reports of low knowledge levels among the public suggest that informational campaigns could be effective in reshaping public opinion, particularly if the alternative policy image were framed as a way to combat perceived wasteful spending.

Since the alternative policy image under consideration involves linking finance systems to student performance, public opinion data on attitudes toward test-based accountability are also relevant. Until recently, a variety of poll data indicated strong support for standardized testing and its high-stakes uses, with the public also seeming to acknowledge its shortcomings and potential consequences (for a review of these data, see McDonnell 2005). The shape of public opinion has changed somewhat since the advent of NCLB. The overwhelming majority (69 percent) of those questioned in the 2006 PDK/Gallup survey believe that the performance of students on a single statewide test does not provide a fair picture of whether or not the school needs improvement (Rose and Gallup 2006). However, despite an acknowledgement of the limits of standardized testing, the majority of parents with public school students indicated that the emphasis on achievement testing in their community is either about right (37 percent) or not enough (17 percent) (Rose and Gallup 2006). In addition, over 60 percent of parents and those without school-age children favored requiring that all students pass an exam in order to graduate from high school, and support for that particular use of high-stakes tests has been quite stable for close to thirty years (Hochschild and Scott 1998). Although the question was not asked in 2006,

¹²Because the Hart and Teeter survey seems to have used a double-barreled question to measure the state versus local dimension, preferences for one level over another were also tapping attitudes about higher taxes, waste, and local control. A more pointed question about redistribution was asked of California residents by the Public Policy Institute of California (PPIC) in its 2006 survey: “Should schools in lower-income areas get more funding from the state to pay for teachers and classroom materials, even if it means less funding for other schools?” Among all respondents, the division was close to even, with 49 percent saying yes and 44 percent no. But there were significant differences between the two parties, with a majority of Democrats (54 percent) favoring the idea and a majority of Republicans (57 percent) opposing it. Whites were divided with 45 percent supporting and 49 percent opposing it, while majorities in other racial and ethnic groups support it.

in the previous year's PDK/Gallup poll, half of those surveyed supported having one measurement of a teacher's and a principal's quality be their students' performance on standardized tests (Rose and Gallup 2005).

As with school funding, a significant proportion of the public report that they know little about specific accountability policies. For example, even four years after NCLB's enactment, less than half of public school parents (49 percent) and only 42 percent of those without children in school reported in the 2006 PDK/Gallup Poll that they know a great deal or a fair amount about NCLB (Rose and Gallup 2006). The public also shows some ambivalence about tests as instruments of accountability, but it still supports their use even for purposes whose validity and fairness have been called into serious question (e.g., the continuing support for high school exit exams). As they do for school finance, survey items related to effective use of resources and accountability for results seem to elicit strong and stable response patterns over time on different surveys. Consequently, these concerns may provide yet another basis for influencing public opinion in support of strategies linking resources and performance.

A fourth and final factor defining the interest environment is the continued prominence of national organizations. For the past 25 years, they have functioned as transmission mechanisms disseminating new ideas to their state and local affiliates and communicating information about operational models. These groups include interest-based ones such as those in the intergovernmental lobby (e.g., the National Governors Association, the National Conference of State Legislatures, and the Council of Chief State School Officers), the National Business Roundtable, the American Federation of Teachers (AFT), and the National Education Association (NEA), as well as ideological groups such as the Eagle Forum and the American Civil Liberties Union. Most of these organizations operate as loose confederations. Consequently, as evidenced by the varying positions of AFT and NEA state affiliates, their state and local counterparts may ignore or reject policy ideas promoted by the national organizations. Nevertheless, as the rapid spread of ideas about how to design standards and accountability, school choice, finance, and teacher policies has demonstrated, these organizations have become critical conduits for new ideas and for the political rationales and operational details that facilitate placement on state policy agendas.

So what does the interest environment suggest about the possibility of change? Are there interests outside the current policy monopoly that appear open to mobilization around new conceptions of school finance and student performance? Unfortunately, the answer is less straightforward than if the alternative were a completely different policy image rather than a reconfiguration and linking of two existing ones.

Perhaps the best way to answer the question is to consider the possibility of policy entrepreneurs persuading different interests that a new configuration will either reinforce those policies they most care about or will mitigate the negative effects of policies to which they are opposed. So, for example, plaintiffs' groups have been effective recently in the judicial arena with adequacy-based arguments. Other groups focused on the educational needs of low-income students, such as the Education Trust, have emphasized accountability policies. These two types of groups both work on behalf of constituents who have not been well-served by the dominant policy monopoly, but each has tended to emphasize only one policy instrument. Yet, depending on the details of specific policies, they might be persuaded that a strategy linking finance and

performance would give them additional tools and greater leverage to accomplish their existing goals more effectively.¹³

In contrast, since classroom teachers are bearing most of the burden of NCLB, organizations representing them might be convinced that a linked system would mitigate the effects of the current accountability regime. Certainly the prospect of pay-for-performance could be a major, though not insurmountable, obstacle to obtaining their active support. However, the idea of funding tied to the actual costs of educating different types of students and resources targeted directly to instructional needs could be seen by them as a way to make the current system more professionally enabling and less burdensome. Similar arguments could be made for local school boards and school administrators who often feel frustrated and marginalized under the current system. For business groups, the framing of an alternative policy image would be a way to reinforce and refine the accountability and instructional support strategies many of them currently support as a means to ensure a high-quality workforce and continued economic competitiveness. But again the success of that framing would depend on the details of specific proposals and their implications for who pays and in what form.

Theories of policy change have proven useful in identifying the major determinants of change and the process by which fundamental policy shifts occur. However, because policies are context-dependent, change models are limited in their generalizability. They can highlight categories of variables and processes that are significant; identify a few patterns that are broadly applicable across policy domains and contexts; and provide a systematic approach for analyzing emerging policy issues. The discussion thus far has drawn on those theories as a way to categorize and assess the political and ideational factors likely to constitute opportunities and constraints in efforts to link school finance systems with student performance.

In the next and final section, two empirical cases are examined to augment this grounded speculation based on theories of policy change. Like the theory-based analysis, these cases suggest some broad implications, but their applicability to other situations is limited by the specific nature of the policies, the time period, and the political culture of the institutional venues in which they were enacted.

Political Conditions Necessary for Policy Change: Implications From Past Cases

The first case, the comprehensive school reform legislation enacted in Kentucky in 1990, has assumed almost iconic status because of its scope. Yet today, more than 20 years after the

¹³Just as the allocational rules for school funding would be critical to these groups' decision to support a new strategy, so would the details of how performance would be measured and the information used, as groups have split on these issues. For example, some civil rights organizations such as the National Association for the Advancement of Colored People (NAACP) and the Mexican American Legal Defense and Educational Fund have strongly opposed the high-stakes use of standardized tests, especially when they are the sole criterion in making decisions about students' promotion and graduation. In contrast, the Education Trust, an organization that promotes high standards for disadvantaged students, supports increased testing as part of a strategy to close the achievement gap between affluent and poor students and between white students and students of color (McDonnell 2005). For the Education Trust and similar groups, the required reporting of sub-group test scores under NCLB has been a major point of leverage to make the education system more responsive to the needs of its constituents.

process began, it is clear that Kentucky's experience is an anomaly unmatched in any other state. Nevertheless, the Kentucky case comes closest in substantive policy details to what might be involved in linking finance and accountability strategies, and outliers can often illustrate more starkly than modal cases the factors that best explain policy success or failure. In this case, extant research has sought to explain success in policy enactment and the ease with which the issue moved from the legislative to the judicial arena. The second case comes from research on how another major education reform, school choice, has been moved successfully on to state policy agendas. This research is included because it highlights the central role of policy entrepreneurs.

Education Reform in Kentucky

The enactment of KERA is quite consistent with Kingdon's model. A policy window opened when a solution was linked to a set of problems and both were joined to favorable political conditions (McDonnell 2004). Three related factors dominated the problem stream in Kentucky: the state's chronically low educational achievement, persistent regional inequities, and the need for greater economic development. The state's problem stream even included a focusing event with the 1987 opening of a Toyota manufacturing plant in Georgetown, Kentucky. The plant's arrival signaled the state's success in attracting new industries, but the high proportion of job applicants who were not high school graduates and were otherwise unqualified focused a spotlight on the state's educational shortcomings and the connection between low levels of educational attainment and the need for greater economic development.

Those filling the proposal stream in Kentucky consciously borrowed ideas and models from the national standards movement. In 1988, Governor Wallace Wilkinson sought to address the state's persistently low educational achievement by proposing a series of reforms based on a set of student standards, an alternative assessment to measure progress on those standards, cash awards for teachers and schools that showed improvement on test scores and attendance, and greater instructional autonomy for individual schools. However, legislators balked at the \$75 million a year price tag and based on the state's recent, unsuccessful experience with standardized testing, they also questioned whether an appropriate test could be developed to measure student performance. Consequently, Wilkinson's proposals stalled in the legislature.

During the 1988 legislative session, his initiative was passed by the state Senate, but the legislation never got out of committee in the House. The Governor then created the 12-member Council on School Performance Standards to determine what skills and knowledge Kentucky students were to master and how best to measure that learning. The Council had completed about two-thirds of its work, and Wilkinson was hoping to call the Legislature into a special session in August to try once again to deal with school reform when a major state Supreme Court decision was announced in June 1989.

This decision provided an opportunity that significantly changed the nature of the politics stream, and necessitated an even broader reform than Wilkinson had proposed. In *Rose v. Council for Better Education* (1989), the Kentucky Supreme Court directly addressed the major educational problems facing the state. It agreed with the trial court that each child in the state was entitled to an education that provided seven specific types of skills and knowledge including: oral and written communication skills; knowledge of economic, social, and political systems; grounding in the arts; and sufficient levels of academic or vocational skills "to compete favorably with their counterparts in surrounding states, in academics or the job market" (790

S.W. 2d 186, *212). The Court also ruled that the maintenance and funding of common schools in Kentucky is the sole responsibility of the General Assembly (state legislature), that common schools should be available and free to all Kentucky children, that they should be substantially uniform throughout the state, and that common schools should “provide equal educational opportunity to all Kentucky children, regardless of place of residence or economic circumstance” (790 S.W.2D 186, *212).

The Governor and his staff had expected the Supreme Court decision “to be purely fiscal.” But its broader scope gave Wilkinson “an unexpected vehicle.” According to one of the Governor’s aides, “the court decision came down, and we had just come out with our six goals. The decision had seven—it was made for us! The Court said that the constitutional solution had to be performance-based. So the court order broke the deadlock with the General Assembly” (McDonnell 2004).

In the case of Kentucky, then, reform legislation was the result of a confluence of clearly-articulated problems, the expansion of an existing policy proposal, and a unique set of political circumstances that provided the opportunity for a marked departure from past policies. Nevertheless, despite its uniqueness, the Kentucky case does suggest three major implications that can inform other attempts at fundamental change in state education policy.¹⁴

First, observers often comment on the speed with which Kentucky moved from the Supreme Court decision in 1989 to the legislative enactment of KERA in April 1990. But this observation misses the critical point that there was a “softening up” of the agenda for six years prior to KERA during which policy entrepreneurs defined the problem, refined the content of the proposal stream, and built public support. For example, during the 1980s, the Prichard Committee, acting as a policy entrepreneur, conducted an extensive public information campaign to create strong grassroots support for reform and for the tax increases necessary to fund it. Its efforts included an electronic forum that drew some 20,000 participants across the state, and through group study and deliberation, the publication of a report articulating a vision of schooling and outlining proposals to advance that vision which foreshadowed the KERA reforms (Paris 2001). Consequently, the public had been primed to understand the causal connection between better public education and the economic development needed to stem out-migration and continued rural poverty.¹⁵ Policy elites, such as those in the legislature and governor’s office,

¹⁴However, it should be noted that on one important dimension Kentucky differed from other states facing court-ordered finance reform. Kentucky’s demographics removed racial politics from the agenda, while in other states, it became a major factor. As Carr and Fuhrman (1999) indicate, the politics of race have significantly affected finance reform in Alabama, New Jersey, and Texas because in each the benefits were perceived as accruing mostly or even exclusively to racial minorities, and the white majority opposed tax increases or the redistribution of resources. In contrast, because racial minorities are a smaller proportion of the population in Kentucky and are concentrated in wealthier districts, racial politics were not salient.

¹⁵For example, in his analysis of KERA’s enactment, Paris (2001) cites state poll data from 1989 in which 67 percent of those surveyed said they would be willing “to pay higher taxes if they were convinced the money would be used to improve schools.” In addition, the period between mid-1989 and mid-1990 is the only time in recent history when Kentucky poll respondents ranked education above unemployment, jobs, and the economy as the most serious problem facing the state (fn. 44).

also had time to draw on in-state and expert resources outside Kentucky, and to create a proposal for which they could claim ownership.¹⁶

A second implication from the Kentucky case relates to the nature of the decision in *Rose*, and the distinct advantage of a strong link between judicial and political mobilization. Although the state Supreme Court articulated a clear vision of common schooling in its decision and specified the elements of a constitutionally adequate education, it did not micro-manage the remedy stage as courts in other states such as Texas have done (Reed 2001). The Kentucky court mandated that the General Assembly design a new system, and then removed itself from the process. A major reason why there was no need to micro-manage is that in the Kentucky case, “legal and political mobilization were mutually reinforcing, converging toward a particular vision of educational reforms” (Paris 2001, 669). That vision was the nineteenth-century common school philosophy reflected in *Rose*, and updated to the late-twentieth century in KERA. This consistency between the two bases of mobilization is partly explained by Kentucky’s populist political culture. But the more instrumental reason is that the two primary policy entrepreneurs, the Council for Better Education and the Prichard Committee, although working separately in different arenas, shared a philosophy of schooling. As the group representing the plaintiffs, the Council for Better Education reinforced its common school ideology by making clear from the beginning that it was “anti-Robin Hood.” Given the state’s low spending for education, Council members felt it would be morally wrong to take resources away from districts. Consequently, they advocated an infusion of new funding and leveling-up, not redistribution of existing resources. Council members approached wealthier districts to reassure them of their intentions, and this ethical stance had the strategic benefit of avoiding much of the localism that has plagued reformers in other states (Paris 2001; Reed 2001).

The third implication of the Kentucky case is by now quite obvious: the critical role of policy entrepreneurs. The Prichard Committee’s work was crucial to all three streams, and the Council for Better Education’s lawsuit led to *Rose*—the focusing event that upset the existing policy monopoly and broke the legislative stalemate. These in-state entrepreneurs were assisted by academics and reformers outside Kentucky who offered the new ideas about curriculum, testing, teaching, and school governance policies that had been incorporated into the systemic reform and standards and accountability movements. Elected officials in Kentucky also acted as policy entrepreneurs. They were in the best position to shape the political conditions for KERA’s passage, but in developing the legislation they needed to rely on others for feasible and potentially effective policy solutions.

Policy Entrepreneurs and School Choice

In promoting policy innovations, policy entrepreneurs typically tap into issue networks that allow them to communicate their ideas to those with shared interests and to be linked by formal and informal contacts (Kingdon 1995; Wirt and Kirst 2005). A good example of this process is the role of policy entrepreneurs and issue networks in the diffusion of ideas about school choice. Drawing on a survey of state education policy experts, Mintrom (1997) found that policy

¹⁶This sense among legislative leaders that KERA was their creation became especially important to its survival once the testing provisions came under attack several years later. One of the elected officials most involved in KERA’s passage noted that the development process “gave members of the legislature pride of ownership,” and motivated them to defend it even at considerable political cost (McDonnell 2004, 90).

entrepreneurs were identified as advocates of school choice in 26 states. Then using event history analysis models of the diffusion of school choice ideas across the U.S., Mintrom and Vergari (1998) found that greater involvement in policy networks significantly increased the likelihood that policy entrepreneurs achieved their legislative goals. However, the explanatory variables for getting the school choice issue on a state's legislative agenda differed from those explaining whether or not a choice policy was subsequently enacted. The researchers found that in getting the choice issue on the agenda, policy entrepreneurs used both interstate or external policy networks and internal, in-state networks consisting of individuals with ties to members of the local policymaking community. The external networks served as sources for generating new ideas, while the internal networks provided relevant contacts and a source of information about how best to present proposals for innovation to garner serious attention. However, once the issue was on the agenda, the factors that predicted legislative approval were different. At the approval stage, not only was the presence of an internal network significant, but approval was more likely if the teacher union did not strongly oppose the policy and student test scores had declined, signaling a need for policy change.

This example illustrates the critical role of policy entrepreneurs and issue networks in spreading new ideas and in altering established policy monopolies. But it also shows how ideas and interests intersect. In this case, the strength of union opposition had no effect on the likelihood of legislative consideration of school choice, but such opposition did reduce chances for legislative approval. In essence, the influence of a critical group whose interests could be threatened by school choice was not a significant factor in determining whether this new idea was seriously considered, but the group's position did make a difference to whether it was transformed into policy.

Drawing on case studies of policy entrepreneurs as well as his quantitative data, Mintrom (2000) also identified six "keys to policy entrepreneurship:"

1. Creativity and insight. Policy entrepreneurs should be able to recognize how proposing particular policy innovations can alter the nature of policy debates. In the case of school choice, they took the idea of breaking the relationship between family residential location and the schools to which they can send their children, and transformed it into a compelling policy proposal. However, because their proposal would likely put them at odds with those who benefit from the status quo, creativity was also needed in framing the proposal so it appeared as an appropriate solution to a current problem.
2. Social perceptiveness. Framing a policy proposal so that it appeals to others requires understanding how they view certain social conditions and then anticipating how they are likely to react to proposals for change. Mintrom argues that, "probably the only sound way to develop social perceptiveness is to actually spend a lot of time talking with and listening to people from a range of backgrounds" (271).
3. Social and political dexterity. Policy entrepreneurs were able to interact in a variety of social and political settings. According to Mintrom, they were "inveterate networkers" (272) who were in constant contact with their counterparts in other states to learn what they had done to introduce choice, but they were also actively involved in a variety of instate networks. Those activities were aimed not just at networking among natural allies, but also at gaining a sense

of opponents' views. Understanding opponents' arguments and learning how to counter them effectively required social perceptiveness because entrepreneurs had to listen carefully to criticisms of their proposals and understand those opposing views well enough to use them in modifying and strengthening formulations of their ideas.

4. Persuasiveness. Policy entrepreneurs should be able to argue persuasively, and often that means using different arguments for different groups while still keeping their basic idea and overall story consistent.
5. Strategic sense. Policy entrepreneurs are essentially building coalitions in favor of their policy idea, and in doing so they need to be able to discern what type of coalition will best support their pursuit of policy change. Often these decisions revolve around judgments about the advantages of coalitions primarily composed of political and economic elites as compared with ones that also include or are essentially grassroots mobilizations. A related decision involves a strategic calculation about how large and broad-based the coalition has to be to succeed because that assessment has implications for what concessions are required to get a proposal enacted.
6. Leadership by example. Mintrom found in the case of school choice that it was important that policy entrepreneurs could translate their ideas into action. They needed to demonstrate that their visions of the future were believable and feasible, and that they had a strong personal commitment to the idea (275). In some cases, such commitment meant establishing a private voucher program or starting a charter school.¹⁷

Mintrom concludes that, "other things being equal, policy entrepreneurs who exhibit the qualities discussed here are more likely to achieve success than those who do not" (275). But he notes that policy entrepreneurs are embedded in particular social contexts. Consequently, to understand why some succeed and others fail, "we need to look both at the broader conditions they faced and the individual actions that they engaged in" (275). This in-depth analysis of policy entrepreneurs is consistent with both Kingdon's and Baumgartner and Jones's general theories, but it provides a much richer sense of the type of human agency required for major policy change, particularly in the face of well-entrenched institutional norms and rules. For example, Mintrom found in applying Kingdon's metaphor of the policy window that policy entrepreneurs have to do more than just be prepared to move quickly when a window opens or an opportunity for action becomes available; they must be able to open windows and to create opportunities. His analysis also demonstrated the importance of Baumgartner and Jones's concept of "venue shopping" and the diffusion of policy ideas across arenas. In the case of choice, entrepreneurs whose proposals were stalled or thwarted in the legislative arena could move (or threaten to move) to the ballot initiative arena. Because school choice is the other major new education policy idea (in addition to standards and accountability) that has emerged on state policy agendas over the past two decades, the experience of its policy entrepreneurs seems especially relevant to attempts to alter school finance systems.

¹⁷Paris makes a similar point about the Prichard Committee and the KERA reforms. "...When Prichard Committee members did the hard work of organizing town forums, developing a network of supporters in local school districts across the state, and arriving at their reform program through long hours of study and debate, they made their vision more real by practicing precisely what they were preaching about 'education'" (2001, 673).

Conclusions

To some extent, the political conditions for major policy change are relatively straightforward: an engaging and feasible idea framed as a solution to a pressing problem, skilled policy entrepreneurs willing to invest resources in advancing that idea, interests dissatisfied with the status quo able to be mobilized, weak or neutralized opposition, multiple points of access into decision-making arenas, administrative institutions vulnerable to change, and sufficient time for agenda-setting and change processes to work. Both theory and numerous empirical analyses suggest that although these factors are not always sufficient for change to occur, they are usually necessary. Because they have been found to be broadly applicable across a range of policy domains and over time, they provide a valid framework for systematically assessing the likelihood of successful agenda-setting and enactment of a given policy proposal. But these generic conditions and the relationships among them as specified in models of policy change are only a starting point for such analyses. They identify categories of significant variables, but assessing the status of each factor requires in-depth, context-specific information. For example, an idea's feasibility can only be judged in terms of the resources available in a particular jurisdiction. Whether it is framed as a solution to a pressing problem will depend on how it is perceived by key audiences in that jurisdiction.

Consequently, this paper only provides a starting point for assessing how amenable current conditions are to new school finance arrangements. Not only does that judgment depend on specific proposals for linking funding and student performance, but it also requires detailed knowledge of current political conditions in states where those proposals would be advanced since any change will depend on interactions between policy proposals and politics. So at this point, all we have is a good sense of what factors are likely to be important, and some clues about points of leverage for altering the status quo. Although those points of leverage—whether judicial decisions or trends in public opinion—are only possibilities, they do suggest that if used skillfully, they hold significant opportunities for change.

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