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The Enactment of Reforms in State Governance of Higher Education: Testing the Political Instability Hypothesis

The theory and practice of public-sector management in the United States have undergone significant change in the past 20 years. In the 1980s and 1990s, the century-old approach to the provision of public services through vast bureaucracies began to collapse in the face of critiques alleging inadequate government performance, responsiveness, and accountability.[1] A central emphasis of reform involved the role of institutions. Institutions matter in public management, analysts and observers maintained, because organizational structure influences the manner in which services are provided. Thus, reformers heavily emphasized developing new structural models of public governance.

A similar emphasis on structural change can be seen in the 20-year old phenomenon involving *reforms* in *state governance of higher education*.[2] Since the mid-1980s, the American states have engaged in a flurry of reform in their approaches to public college and university governance. While some of the measures amounted to little more than tinkering around the edges of existing governance regimes, others involved extensive redesigns of system structure and authority (Leslie & Novak, 2003; Marcus, 1997; McGuinness, 1997; McLendon, 2003b).

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However, little is known empirically about the origins of governance change in public higher education. Public-administration scholars have built a robust conceptual and empirical literature in pursuit of understanding how, why, and with what consequence public-sector activity is structured and managed (e.g., Lynn, Heinrich, & Hill, 2000). By contrast, scholars of state governance of higher education traditionally have focused on the general patterns by which public higher education is organized (the "how" question) or on the effects of governance arrangements at the state and campus levels (the "consequence" question).[3] *Why* states adopt the governance arrangements they do remains elusive—conceptually and empirically.

There are compelling reasons for rigorous analysis of the determinants of state governance change in higher education. A growing body of research indicates that the manner in which states govern higher education "matters."[4] Thus, the restructuring of governance patterns may hold important implications for higher education policy, finance, and management. Somewhat more abstractly, shifting governance patterns afford researchers an excellent opportunity to test general theories of government behavior in the specific context of higher education, where such theories have begun to gain in prominence. Not all states have undertaken reforms. Inevitably, therefore, questions arise as to which factors drove certain states to enact changes. Why have states adopted reforms at the times at which they have? To what extent do conventional explanations of policy adoption hold in the case of higher education governance reform? To what extent have shifting governance patterns been driven by economic considerations, political conditions, or problems internal to higher education? To what extent can a single explanation account for the variety of governance changes observed?

In this essay, we report the results of an empirical analysis that pursued these questions. First, we review the contemporary landscape of public higher education governance and of governance change. We then examine several conventional explanations for governance reform, along with a counter-conventional account—what we call the "political instability hypothesis"—that we believe affords conceptual leverage in understanding policy change. Next, we distill nine hypotheses from literature in the fields of comparative state politics and higher education to guide our investigation. Employing event history analysis, we then test how the demographic, economic, organizational, and political characteristics of states, in concert with policy diffusion pressures among them, influenced the enactment of legislation reforming governance patterns from 1985–2000. In the concluding section, we consider conceptual implications of our work.

State Governance of Higher Education: Structural Patterns and Reform Cycles

The modern era in public higher education governance dates to the late 1950s, when states virtually everywhere undertook redesigns of their existing governance systems. Prior to this period, the predominant governance pattern in public higher education in most states closely resembled that of the private college sector: Lay boards of trustees at the campus level exercised policy and fiduciary responsibility for their respective campuses independent of larger, formal regulatory systems (Graham, 1989; Hearn & Griswold, 1994). Under this approach, public colleges and universities competed with one another for resources, students, and political patronage in a more-or-less unregulated marketplace of service delivery. Confronted, however, with a historic postwar boom in college enrollments and a corresponding surge in public expenditures on higher education, many states began searching for new governance models capable of bringing to bear greater order, efficiency, and coordinated planning on the frenetic expansion of campus programs and infrastructure. The solution most states embraced took the form of consolidated governing boards or statewide coordinating boards. In an era whose prevailing managerial conception of public organization was rooted in a deep faith in bureaucracy and administrative centralization to achieve public ends (Waldo, 1948), these new approaches to governing higher education understandably emphasized rationalism and hierarchy.

In consolidated governing boards, states achieved a highly centralized form of campus governance. Under such arrangements, states granted a central board line authority over constituent campuses, empowering the board to make many day-to-day decisions over institutions within a given system, sector, or state (Berdahl, 1971; McGuinness, 1997). By contrast, coordinating boards were designed as intermediary bodies responsible for integrated planning throughout a state and, as such, lacked line authority over individual institutions.[5] Reformers conceived of the boards as dually obligated to campus and state—that is, a neutral third party capable of balancing campus freedoms with the public's interest in maintaining quality and access in higher education (Glenny, 1959). The governance patterns established during this time of widespread reform endured until the 1980s, when a new era of structural change emerged.

The past two decades have witnessed much volatility in the governance of U.S. public higher education. From 1985–2002, for example, state governments considered more than 100 measures to modify their higher education governance systems (Leslie & Novak, 2003; MacTaggart, 1996, 1998; Marcus, 1997; McGuinness, 1997; McLendon,

2003b). Policy rationales asserted in justification of these changes often pointed to the desire for improved accountability, operating efficiency, cost savings, competitiveness, coordination, and innovativeness (Marcus, 1997; McGuinness, 1997, 2001). In sharp contrast, however, with the near-universal trend toward centralization of higher education seen in earlier decades, the 1980s and 1990s witnessed a mélange of reforms representing different substantive thrusts.

Paralleling roughly the emergence globally of a public sector reform movement christened the "new public management" (Brudney & Wright, 2002, p. 354), some American states experimented with changes to their governance systems for higher education that focused on efficiency rather than equity, choice rather than standardization, decentralized rather than centralized decision-making, performance rather than process, and outcome rather than input measures. Key elements of this approach can be seen in New Jersey's governance redesign of 1994.[6] The New Jersey legislation abolished one of the nation's most powerful coordinating boards, delegating the agency's powers over academic programs and budgets to the formerly regulated campuses and establishing a new council of state university presidents to voluntarily coordinate higher education policy. In other states, including Oregon (1995) and Hawaii (1998), legislatures designated certain public universities as "quasi-public corporations," thereby lessening state regulation of campus financial management. In other states, such as Arkansas (1997) and South Carolina (1995), legislation empowered campuses by providing for additional institutional representation on statewide coordinating boards.

Other governance changes enacted during this period, however, strengthened central power or realigned structures in ways defying straightforward characterization. In Colorado (1985), Nebraska (1990), and Texas (1987), the changes were designed to establish stronger coordinating boards. Legislation in Montana (1994) and Louisiana (1997) also clarified and strengthened the authority of boards in those states. Elsewhere, reforms entailed the merging of separately governed colleges and universities into new fused systems, as in the cases of Alaska (1989), Massachusetts (1991), and Minnesota (1991), and the disaggregating of unified systems into separate ones for community colleges and four-year universities, an approach pursued by West Virginia (1989), Arizona (1993), and Kentucky (1997).

Multiple and even contradictory reform impulses appear to have characterized some of the changes undertaken. Florida, for example, dismantled its long-standing, powerful consolidated governing board in 2000. The legislation created local boards of trust for each of the state's 11

public universities, devolving to the campus level much of the authority of the former state board. By establishing boards requiring more than 100 new gubernatorial appointments, however, the legislation also strengthened (and "politicized," some said) the governor's influence in higher education (Leslie & Novak, 2003; Marcus, 2001). The legislation also established a new K-20 "superboard," the first planning-and-policy agency in the nation with powers to coordinate across the K-12 and higher education sectors. Thus, Florida simultaneously decentralized and recentralized aspects of its governance regime for public higher education. A number of other governance initiatives of this era also contained elements both centralizing and decentralizing postsecondary governance in ways defying ready characterization (Marcus, 1997; McGuinness, 1997, 2001; Novak, 1996).

Explaining Governance Reform: The Political Instability Hypothesis

As noted, scholars have been slow to undertake empirical analysis of governance change in higher education, perhaps because of the highly varied nature of the policy activity we have just described. To some observers, such notable across-state differences imply a phenomenon that is idiosyncratic, undermining attempts at generalized explanation. Yet, case studies and various descriptive accounts do consistently point to conditions involving higher education or to the broader economic climates of states as strong influences on governance change (Bastedo, 2005; Leslie & Novak, 2003; MacTaggart, 1996, 1998; Marcus, 1997; McLendon, 2003b; Mingle, 1983). Among the alleged higher education-specific influences are such factors as rising tuition levels, enrollment pressures, program duplication, accountability demands, concerns about the effectiveness of state boards, and ambiguities of institutional mission. The literature also notes wider economic conditions of states, such as recessionary pressures, as influencing the decisions by governments to initiate governance change. Both sets of explanations tend to portray the reforms as a rational response by state leaders to policy problems for which the redesign of higher education systems might serve as a suitable solution.

McGuinness (1997), a prolific writer on state higher education policy, has provided an entirely different explanation for governance change. McGuinness asserts that the diversity, complexity, and intensity of the changes observed in the 1980s and 1990s indicate that a different set of forces probably were at work during this period. Specifically, he points to the turbulence and instability in the political institutions and leadership of some state governments as a principal driver of change in the contemporary period. Writes McGuinness:

> State coordination, as it evolved in the mid-1900s, presumed a degree of stability in the structure and leadership of state government. A small number of key leaders in each state were responsible for shaping the structures established in the 1960s and 1970s. The continuing success of the structures they shaped depended on the ability of these people to remind each generation of political leaders about why the structure was formed and the basic values that should guide state-institutional relationships. Today few of the people who shaped the structures are still in positions of influence. The influx of many new players makes it difficult to sustain mandates over time as new players ignore or seek to change their predecessors' actions. The changing players in state governments mean mandates constantly are changing, making the state postsecondary education board's role . . . especially difficult. (1997, p. 34)

McGuinness argues, in effect, that turbulence on the macropolitical landscape might weaken consensus in a given state regarding how best to govern public higher education, thereby prompting the state to reexamine its overall approach to governance.[7] As new political actors and alignments emerge—and new policy agendas displace older ones—existing governance regimes for higher education become vulnerable to change. Building on this logic, one might restate McGuinness's informed observation as a formal empirical proposition: All things equal, states where there is greater instability in political institutions will be more likely to undertake governance reforms in higher education.[8]

Although this *political instability hypothesis* has yet to be tested, recent case studies of governance reform appear to lend credence to the proposition (e.g., Bastedo, 2005; Leslie & Novak, 2003; McLendon, 2003a; Protopsaltis, 2004; Van der Slik, 1999). These studies link reforms in no fewer than 10 states with changes on those states' macropolitical landscapes. While economic climates and problems internal to higher education helped to ripen the conditions leading to governance change, the case studies suggest that factors such as turnover in the political leadership of states also played a crucial role. The extent to which this relationship might hold empirically across states remains unknown and is the focus of our investigation.

Toward a Theory of State Governance Reform

In this study we are principally concerned with developing and testing a conceptual framework that is capable of identifying factors that influence states to enact governance changes for higher education. The framework we employ draws heavily on research in the area of state policy innovation and diffusion, which stands as one of the leading perspectives on policy adoption in the American states (Sabatier, 2007). In the

remainder of this section, we review key findings from this literature and from extant research on state governance of higher education. We then present a series of hypotheses guiding our empirical investigation. We believe that these hypotheses can move scholars *closer* to theorizing about the sources of governance change in higher education, even if they do not embody a theory, per se.

Conceptual Framework

The state policy innovation and diffusion framework holds that states adopt the policies they do in part because of their internal demographic, economic, and political features and, in part, because of their ability to influence one another's behavior. The latter kind of influence, involving *interstate* forces, is theorized to result from the emulative and competitive pressures arising naturally within the fixed community of American states (Berry & Berry, 1990, 1999; McLendon, 2003b; McLendon, Hearn, & Deaton, 2006; Walker, 1969).

Much of the work conducted in the 1950s and 1960s on public policy outcomes in the states focused on the within-state correlates of governmental expenditures (e.g., Dye, 1966), such as industrialization, education and income levels, apportionment, and partisanship. In the aggregate, research in this earlier era seemed to point toward economic development as the best explanation for across-state variations in public policies.

In the late 1960s, Walker (1969) broke new ground by shifting focus from governmental spending to the adoption by governments of *new* policies and programs.[9] Walker reasoned that states might borrow one another's policies both as a decision shortcut and as a means to achieve a competitive advantage relative to their peers. Walker's factor-analytic study of the adoption patterns of dozens of different policies found that geographically proximate states tended to adopt similar policies in a similar order over time, a phenomenon he labeled *policy diffusion*.

For the next 20 years, empirical research on state policy adoption flowed in two distinct veins (McLendon, 2003b). One tradition, consisting of "pure" internal-determinants models, presumed that the most relevant factors leading states to adopt new policies reside wholly internally to states (e.g., Glick, 1981). A second vein of research, following Walker's work, sought to account for intrastate factors that might influence governmental behavior (e.g., economic and political conditions), as well as the influences of states upon one another—that is, diffusion (e.g., Canon & Baum, 1981; Gray, 1973). All diffusion studies of this period, however, shared a weakness: Relying analytically on separate tests of the intrastate and interstate explanations, the studies failed to account for the causal factors specified in each of the rival models (Berry, 1994).

In a series of studies conducted in the early 1990s, Berry and Berry (1990, 1992) addressed this weakness via a powerful methodology borrowed from biostatistics—event history analysis—that permitted the analysts to combine both sets of explanations into a "unified" approach to studying state policy adoption. In these studies, Berry and Berry applied event history analysis (EHA) in predicting the probability that a state would adopt a lottery or a tax in a given year. The studies yielded similar results: Both internal determinants and regional influences were significant predictors of adoption. This work sparked renewed interest in understanding the conditions that lead states to adopt new policies.

Analysts in recent years have applied EHA in studying the determinants of state policies in a variety of arenas, including abortion regulation, health insurance reforms, capital punishment and hate-crime legislation, anti-smoking mandates, and K-12 school reform (Mintrom, 1997; Mooney & Lee, 1995, 1999; Shipan & Volden, 2006; Soule & Earl, 2001; Volden, 2006). A growing body of work has analyzed the origins and spread of new state policies for higher education (Doyle, 2006; Doyle, McLendon, & Hearn, 2005; McLendon, Hearn, & Deaton, 2006; McLendon, Heller, & Young, 2005). The findings of these studies present a mixed picture. Some studies have documented distinctive diffusion-like forces at work in the adoption of certain postsecondary policies; other studies have found no such effect.

Study Hypotheses

Drawing on our central proposition—the political instability hypothesis—and on the policy innovation and diffusion literature and the policy literature in higher education, we distill nine explanations that may account for governance changes in higher education. These explanations, presented below, point to (1) year-to-year changes in partisan control of the legislature, (2) the tenure of governors, (3) growth in Republican legislative membership, (4) state economic climates, (5) growth in undergraduate tuition levels, (6) growth in undergraduate enrollment levels, (7) the presence of a statewide coordinating board, (8) a state's previous adoption of a performance-funding policy, and (9) regional diffusion pressures.

Hypothesis 1: States in which one of the two major parties recently claimed control of the legislature, following a period of divided control, will be more likely to enact governance reforms for higher education. In this first of three hypotheses examining political instability in the states, we posit that fluctuating party control of legislatures will positively influence a state's likelihood of enacting a governance change. In a separation-of-powers system, *divided government*—one in which different

parties control separate chambers of a legislature, or in which one party controls the legislature while another controls the executive—creates more impediments to the passage of legislation (Alt & Lowry, 2000; Huber, Shipan, & Pfahler, 2001). Under divided control, the bargaining costs that political actors must pay to reach agreement on policy tend to be higher. Conversely, when a single party controls the entire legislative institution, such costs are reduced and compromise on legislation becomes more readily attainable. When a single party achieves legislative control, this condition may facilitate policy change by bringing into positions of influence new actors and creating momentum on the agenda for new or languishing ideas. We reason that a change from divided to unified party control of a legislature represents a form of political instability that may spur the enactment of governance reforms in higher education.[10]

Hypothesis 2: States whose governors hold less tenure in office will be more likely to enact governance reforms for higher education. Although the empirical evidence is mixed, some research finds that gubernatorial tenure can influence policy outcomes (e.g., Dometrius, 1987; Schlesinger, 1965). The case study literature on governance change in higher education in the 1990s suggests that governors in some states played an important role in structural reform (J. Marcus, 2001; L. R. Marcus, 1997; McGuinness, 1997; McLendon, 2003a; Protopsaltis, 2004). This literature describes both the political "backstopping" that incumbent governors provided their own appointees to leadership posts and the efforts of newer governors to overturn the higher education structures established under previous administrations. Newer governors are likely to be less supportive of the regimes of their predecessors but, as time goes by, become gradually more supportive of the bureaucratic arrangements upon which they come to depend. We reason that newer governors may enjoy but a narrow window of time in which to enact changes in bureaucratic structure and leadership and, thus, states whose governors have held office for a fewer number of years will be more likely to adopt changes in postsecondary governance.

Hypothesis 3: States in which Republican legislative membership has grown fastest will be more likely to enact governance changes in higher education. The third of our three explanations focusing on instability in state government draws upon the literature on congressional oversight of the executive branch (Aberbach, 1990; Smith, 2003). Congressional oversight of executive agencies has increased substantially in recent decades. One explanation surrounds changing party control of Congress. Smith (2003), for example, asserts that Democrats, because of their majority status, were able to control the legislation that resulted in the

creation and growth of the modern federal bureaucracy. Conversely, he reasons, when Republicans gained control of Congress, they tended to be more aggressive in their oversight of the Democratic-shaped bureaucracy. Following this principal-agent logic, we deduce the following rule: Newer principals are likely to oversee the programs established by older principals more rigorously than the older principals oversaw their own policies and programs (McLendon, Hearn, & Deaton, 2006). We believe this rule provides a plausible explanation for recent governance reforms in higher education. The governance systems for higher education that existed in many states in the 1980s and 1990s originated in an earlier generation, when Democratic strength in legislatures was at its peak. Since the mid-1980s, the proportion of seats held by Democrats has declined in the face of Republican gains.[11] One principal-agent interpretation might hold that governance change in higher education is a product of shifting principals in state legislatures: As newer principals (Republicans) replaced older ones (Democrats), new preferences would have emerged regarding the preferred structure and leadership for higher education in a given state, paving the way for policy change.

Hypothesis 4: States with poorer economic climates will be more likely to enact governance changes in higher education. With this fourth hypothesis, we shift focus from the political to the economic climates of states. Numerous studies have cited economic conditions as an important influence on state adoption of certain new policies (e.g., Berry, 1990). Likewise, some observers of higher education have argued that economic conditions of states might have helped drive the current era of governance change. For example, Mingle (1983) and MacTaggart (1996) claim that recessionary pressures of the early 1980s and 1990s, respectively, prompted states to seek new ways of governing higher education in search of improved efficiencies and cost savings. Marcus's survey (1997) reported cost containment in an era of resource constraint as the leading rationale cited by higher education leaders for governance restructuring between 1989 and 1994. We, too, believe it is plausible to surmise that states whose economic climates are poorer will be more likely to experiment structurally with higher education.

Hypothesis 5: States experiencing rapid growth in tuition levels for undergraduates in public institutions will be more likely to enact governance changes in higher education. Whereas our four previous propositions pointed to conditions on the broad political and economic landscapes of the states as primary drivers of governance reform, this fifth hypothesis focuses on the first of two potential sources of influence within higher education: rapid growth in public sector tuition levels. It is conceivable that state officials might interpret rapid increases in tuition

as signifying a public problem for which the reforming of governance structures might serve as a solution. Elected officials often criticize higher education leaders and systems for having failed to curtail costs and administrative bloat (Mumper, 2001), failures that some officials have attributed to inefficient, ineffective, and outdated modes of oversight (MacTaggart, 1996, 1998). Thus, an additional explanation for governance reform is that rapid tuition increases might produce dissatisfaction with existing higher education structures or leadership to the extent that policymakers conclude that new approaches are needed in their state.

Hypothesis 6: States experiencing rapid growth in undergraduate enrollment levels will be more likely to adopt higher education governance reforms. As with tuition levels, states recently have experienced varying growth in public sector enrollments. Enrollment growth places demands on state systems that might prompt restructuring. History provides numerous examples of states, such as California in the 1950s and Texas in the 1980s, that initiated governance redesigns in an effort to grapple with steepened demand for postsecondary education (Douglass, 2000). Indeed, McGuinness identified "unprecedented enrollment growth of the 1950s" as having spurred creation of coordinating boards during that period (2001, p. 20). Less directly, enrollment growth places added burdens on state budgets, ratcheting up scrutiny of existing governance systems. For these reasons, we posit that states in which undergraduate enrollment has grown most rapidly will be ones most likely to enact reforms.[12]

Hypothesis 7: States that employ coordinating boards will be more likely to enact governance changes in higher education. The literature has long portrayed coordinating boards as acutely vulnerable to political vicissitude and, thus, as inherently unstable (Berdahl, 1971; Glenny, 1959). States embraced coordinating boards in the 1960s as an alternative to both the consolidated-board model, a cartel-like arrangement directing the affairs of all public campuses within a sector or a state, and the competitive-market model, whereby autonomous campuses compete with one another in a marketplace of service delivery. The coordinating board, by contrast, was designed as a "buffering" body vested with dual obligations to campus and state—a "middle man in a bimodal distribution of power" (Graham, 1989, p. 96). As the intermediary to two sets of actors (i.e., campuses and state elected officials) each more powerful than itself, the coordinating board has survived only through delicate balancing of campus and state interests. We believe that states employing coordinating boards will be more likely to adopt governance changes because the boards' weak power bases make them preternaturally prone to redesign.

Hypothesis 8: States that previously adopted a performance-funding policy for higher education will be more likely to enact governance changes in higher education. Accountability pressures in higher education have grown appreciably in recent decades. Concerned that public universities had failed to live within their means or to perform their missions well, many states experimented with new incentives systems that link resource inputs with performance outcomes (Burke, 2002). The most rigorous of the approaches, performance funding, ties state funding tightly to campuses' performance on individual indicators.[13] We view the adoption of these accountability mandates as an indicator of elected officials' discontentment with existing structures and leadership and as a vehicle for the subsequent ratcheting up of external inspection of campus activities. Performance-funding regimes arm state policymakers with information about the performance of an academic industry whose norms and preferences often are at fundamental odds with their own (Dunn, 2003), perhaps reinforcing perceptions among state officials that existing governance arrangements might be inadequate and in need of overhaul.

Hypothesis 9: States whose regional neighbors have already adopted a governance reform for higher education will themselves be more likely to adopt one. Our final explanation for reform points beyond conditions within states and toward the emulative influences between and among them. Some observers, like Marcus (1997), have suggested that recent governance changes might diffuse along regional lines. Region-based consortia of states, such as the Southern Regional Education Board (SREB) and the Western Interstate Commission on Higher Education (WICHE), have long served as information networks through which ideas about higher education become disseminated among geographically proximate states. Several recent studies provide evidence of diffusion effects in higher education (Doyle, 2006; Doyle, McLendon, & Hearn, 2005; McLendon, Heller, & Young, 2005). We build on this work in hypothesizing that states whose regional neighbors have already enacted a reform will be more likely to do the same.

Research Design

Our study required use of a data set capable of capturing both the spatial and temporal dimensions of governmental behavior. Because such data sets are rare in higher education policy studies, we constructed our own 49-state database spanning the period 1985–2000.[14] The data set incorporated information on the dependent variable and on annual or semiannual indicators of conditions that we hypothesized would influence change in the dependent variable.

Variables and Measures

We assembled data on the 49 states in our sample from a variety of reliable sources. The *dependent variable* in our study was state legislative enactment of governance changes in higher education during the period 1985–2000. Because our interest was in the factors associated with a state's behavior in a given year, we assembled data on governance changes for each state for each year during the target period. We operationalized *reform* as an enacted (statutory) change in higher education governance that included one or more of the following three elements: (1) a change in the regulatory authority of state boards, (2) a compositional change in the membership of state boards, and (3) a merging or eliminating of existing systems and/or the creation of new ones.

We derived data on the dependent variable from four sources. The first was a survey by Marcus (1997) of the nation's State Higher Education Executive Officers (SHEEOs) on governance initiatives between 1989 and 1994. The second source was a survey of SHEEOs that the first author conducted in 2004 as a follow-up to the Marcus study. Our survey consisted of questions very similar to the ones Marcus devised, providing us comparable descriptive information on proposals to reform governance between 1995 and 2004.[15] Third, we gleaned data from the four most recent editions of the *State Postsecondary Structures Handbook* (McGuinness, 1985, 1988, 1994, 1997, 2001), an authoritative source on governance patterns in higher education. Finally, we electronically searched the *Chronicle of Higher Education* and Lexis-Nexis for additional information on governance changes.

From these four sources, we identified a total of 127 governance measures for consideration in our study. Of that total, only 22 measures met all of our sample selection criteria.[16] Thus, the dependent observations in our analysis numbered 22. Table 1 reports the governance changes included in our analysis.[17]

The *independent variable* indicators in our analysis correspond to the nine hypotheses previously presented. The independent variable "legislative control change" is an annual time-dependent variable indicating the year in which a party achieved control of both chambers of a state's legislature, following a period of divided legislative control (see Table 2 for the data sources for each variable). Legislative control is calculated in year *t* and, therefore, is unlagged. "Governor tenure" is an annual time-dependent variable that measures, for each year, the number of years the current governor had been in office; governor tenure also is unlagged. "Republican legislative membership change" is an annual time-dependent variable measuring the four-year average change in the percentage of seats across both chambers of a state's legislature that is

TABLE 1
Sample of State Postsecondary Governance Reforms Enacted, 1985–2000.

Year Enacted	State	Description
1985	Colorado	Reorganized the Colorado Commission on Higher Education, increasing its policy and coordinating powers and granting it authority to discontinue academic programs.
1985	Washington	Replaced the Council for Postsecondary Education with a new Higher Education Coordinating Board composed of nine members appointed by governor to provide planning, coordination, and policy analysis for higher education.
1987	Texas	Created Texas Higher Education Coordinating Board with enhanced powers over setting of campus enrollment limits and statewide master planning activities.
1988	Maryland	Consolidated all but two of state's four-year institutions under Board of Regents for the University of Maryland System; altered the internal policies and structure of the system.
1989	Alaska	Merged three universities and 11 community colleges into three multi-campus institutions; realigned statewide programs.
1989	West Virginia	Replaced a single statewide governing board with one for the university system and one for the state and community college system; shifted role of statewide coordination to Secretary of Education and the Arts.
1990	North Dakota	Created the North Dakota University System with a chancellor to whom presidents of senior colleges and universities report; central office to focus on planning and policy, while operations decentralized to the campus level.
1991	Massachusetts	Consolidated two separately governed state universities under new University of Massachusetts system; replaced consolidated governing board with coordinating board; delegated some powers of the former board to the University of Massachusetts, including tuition authority; created cabinet-level position of secretary of education.
1991	Minnesota	Merged three previously separate systems under a new consolidated board, reducing coordinating board's scope of authority.
1993	Arizona	Replaced a single statewide governing board with three separate boards for the state university and community college systems.
1994	Montana	Restructured state governance of six four-year campuses and five two-year vocational institutions, which previously reported to the Commission of Education office; created a coordinating board to which both the University of Montana (6 institutions) and Montana State University (5 institutions) systems report.
1994	New Jersey	Replaced the powerful New Jersey Board of Higher Education with a weaker commission; delegated authority over new academic programs and tuition setting to local campuses; created a Presidents Council to make recommendations about campus planning, budgeting, and program approval.
1995	South Carolina	Altered the size, structure, and responsibilities of the Commission of Higher Education; restructured commission to shift control from Executive Director by adding institutional representation and Governor-appointed members.

TABLE 1 (*Continued*)
Sample of State Postsecondary Governance Reforms Enacted, 1985–2000.

Year Enacted	State	Description
1995	Illinois	Replaced two multicampus governing boards with individual boards for seven of the campuses under the two systems and delegated authority of former systems to new campus boards.
1995	Oregon	Converted the State System of Higher Education from traditional state agency status to that of "semi-independent state agency" with authority to manage certain day-to-day fiscal operations independent of central state oversight.
1997	Arkansas	Replaced State Board of Higher Education with Higher Education Coordinating Board and reduced number of staff assigned to board's administrative arm, the Department of Higher Education; reorganized Board's trustee selection to enhance campus representation; gave Council authority to hire and fire the director.
1997	Kentucky	Created a coordinating body, the Kentucky Council on Postsecondary Education, charged with implementing accountability goals; created the Kentucky Community and Technical College System and transferred management of the two-year colleges from the state universities to the new system.
1997	Louisiana	Clarified and strengthened the authority of the Board of Regents as coordinating body for all public postsecondary education.
1997	Maine	Authorized each of the seven institutions within the University of Maine System to form its own Board of Visitors to advocate for the institution, advise the president on campus needs, and review the institution's proposals regarding tuition increases, new academic programs, and long-term plans before they are submitted to the University of Maine System Board of Trustees.
1998	Hawaii	Recognized University of Hawaii as a "quasi-public corporation;" gave university management flexibility in areas of budget, faculty contracts, purchasing, and legal representation.
1999	Kansas	Reconstituted the Kansas Board of Regents; transferred supervision of community colleges and vocational schools from the Board of Education to the Board of Regents.
2000	Florida	Abolished statewide Board of Regents of the State University System; established local boards for each of the state's ten four-year universities and delegated some of the authority of the former Board to campuses; gave governor authority to appoint all campus trustees; established a "K-20 superboard" to coordinate higher and lower education sectors.

Republican. As with the two previous state political variables, change in Republican legislative membership is unlagged. "Change in state tax revenues" is an annual time-dependent variable that measures the three-year average change in a state's total tax revenues, lagged one year. "Change in tuition" is an annual time-dependent variable that measures the three-year average change in tuition at each state's flagship institu-

tion, lagged one year. "Change in enrollment" is an annual time-dependent variable that measures the three-year average change in public higher-education enrollment, lagged one year. "Coordinating board" indicates whether the state pursued this type of statewide governance higher education, according to McGuinness's typology (1985, 1988, 1994, 1997, 2001). We used a dummy variable indicating the presence of a coordinating board. "Performance funding adopter" is a dummy variable indicating whether the state had previously adopted a performance-based funding program for higher education, lagged one year. Finally, "Regional diffusion of governance change" is an annual time-dependent variable defined as the percentage of a state's regional neighbors that had already adopted a governance change in the year in which a given state adopted its change, with a one-year lag. We coded region as each state's affiliation with one of the nation's regional higher education consortia: Midwestern Higher Education Compact, New England Board of Higher Education, Southern Regional Education Board, and Western Interstate Commission for Higher Education.

Table 2 contains detailed descriptions and summary statistics for these indicators.[18]

Analytic Methodology

We conducted our analysis across state-year units using *event history analysis* (EHA), a regression-like technique widely used to study dynamic social and political processes (Allison, 1984; Box-Steffensmeier & Jones, 1997, 2004; DesJardins, 2003; Yamaguchi, 1991). Event history methods allow the researcher to study how the units of analysis make transitions from one state of being to another and how variation in the values of the independent variables influences that change. The fundamental interest is in both the occurrence *and* the timing of events. Specifically, EHA techniques model both the duration of time that units spend in a state before experiencing some event and the occurrence of the event (Box-Steffensmeier & Jones, 1997; DesJardins, 2003). Because the coefficient estimates that EHA generates can be used to calculate the predicted probabilities that a state with particular characteristics will adopt a policy in a given year, it is an ideal technique for use in studies such as ours, where the outcome variable is the probability of a state adopting a policy at a specific point in time and where the independent variables might vary annually.

Since Berry and Berry introduced event history modeling into the field of comparative state policy studies in the early 1990s, social scientists have used the technique in analyzing the determinants of a variety

TABLE 2

Variable Descriptions, Data Sources, and Summary Statistics.

Variable	Description and Data Source	Mean	Standard deviation
State adoption of a governance change[a]	Dummy variable (yes = 1; no = 0) indicating whether a state adopts a governance change in this year.	0.03	0.17
Legislative control change[b]	Dummy variable (yes = 1; no = 0) indicating one-year shift from divided control of legislature to unified control. Value of 1 indicates year in which a party achieved control of both chambers of the legislature.	0.04	0.20
Governor tenure[c]	Annual measure indicating the number of years the state's governor has held office.	4.48	2.95
Change in Republican legislative membership[d]	Annual measure of the four-year average change in percentage of seats across both chambers of a state's legislature that is Republican.	0.47	1.74
Change in state tax revenues[e]	Annual measure of the three-year average percentage change in total state tax revenues (millions of dollars).	5.85	3.91
Change in tuition[f]	Annual measure of the three-year average percentage change in tuition at state's flagship university, lagged one year.	7.38	6.27
Change in enrollment[g]	Annual measure of the three-year average percentage change in public higher education enrollment, lagged one year.	4.66	8.35
		0.46	0.50
Coordinating board[h]	Dummy variable (yes = 1; no = 0) indicating whether a state has a coordinating board.		
Performance funding adopter[i]	Dummy variable (yes = 1; no = 0) indicating whether a state enacted a performance funding program, lagged one year.	0.16	0.36
Regional diffusion of governance reform[j]	Proportion of states in the same consortia region having previously adopted a governance reform, lagged one year.	17.90	17.59

Data sources:

[a] Constructed by authors based on Marcus (1997), McGuinness (1988, 1994, 1997, 2002), and the authors' own survey. See text for additional information.

[b] http://www.ipsr.ku.edu/SPPQ/journal_datasets/klarner.shtml and authors' calculations

[c] http://www.ipsr.ku.edu/SPPQ/journal_datasets/klarner.shtml

[d] http://www.ipsr.ku.edu/SPPQ/journal_datasets/klarner.shtml

[e] http://www.census.gov/govs/www/statetax.html

[f] http://www.postsecondary.org/

[g] http://nces.ed.gov/programs/digest/d02/lt3.asp#c3a_1

[h] McGuinness (1988, 1994, 1997, 2002)

[i] Burke (2002)

[j] State membership in the compacts can be found at the associations' web sites: http://www.mhec.org/, http://www.nebhe.org/, http://www.sreb.org/, http://www.wiche.edu/. The variable was hand calculated by the researchers based on the adoption dates of the dependent variable.

of state policies. Its use in higher education studies, however, is rare. To date, most such published work has utilized EHA in examining college student careers, particularly college choice and student departure (e.g., DesJardins, 2003). The recent analysis of McLendon, Hearn, and Deaton (2006), on the emergence of performance accountability mandates in the states, has extended the technique into the realm of policy studies.

We employed a particular event history technique, a discrete-time logit model for nonrepeating events (Alison, 1984; DesJardins, 2003; Yamaguchi, 1991), which has been the standard approach for studying regional policy diffusion (Mintrom, 1997; Mooney, 2001). In our analysis, time was divided into distinct units, measured in calendar years, within which the event (i.e., a governance reform) either occurred or did not. We then were interested in tracking the history of what happened to a state *i* in year *t*.

Two fundamental features of EHA are the *risk set* and the *hazard rate*. In our study, we defined the *risk set* as those states that were at risk of event occurrence in each calendar year. The risk set began with the total number of states in our sample and was reduced each year by the number of events that occurred the previous year. When a state changed its governance system, it was no longer at risk of adopting and was removed from the data set. Therefore, the risk set, defined as those states that had yet to enact governance change, shrank over time.

The other fundamental feature of EHA, the hazard rate, has been described as an "unobserved variable [that] controls both the occurrence and timing of events and . . . is the fundamental dependent variable in an event history model" (Allison, 1984, p. 16). Thus, our model attempted to explain the hazard rate of adoption, defined as the probability that a state would experience an event (i.e., enact a governance reform) in year *t*, given that it had survived (i.e., not enacted one) up to that point in time. We estimated the empirical hazard rate by dividing the number of events in year *t* by the risk set in a given year *t*. Table 3 contains information on the risk sets and the empirical hazard rates of states adopting governance reforms. Because of the relatively small number of events in our analysis, we utilized the complementary log-log link function (Buckley & Westerland, 2004).

In order to estimate our coefficients, we developed the following simple model:

$$h(t) = 1 - \exp(-e^{x\beta})$$

where h(t) is the hazard rate of adoption of a governance reform and the array $x\beta$ represents the independent variables.

We expanded the array of independent variables, represented by $x\beta$, to the equation below, allowing us to predict the effect of the explanatory variables on the hazard rate of reform:

TABLE 3
Risk Sets, Empirical Hazard Rates, and States Enacting Governance Changes in Higher Education.

Year	States Adopting Governance Reform	Number of Adoptions	Cumulative Adoptions	Risk Set	Empirical Hazard Rate
1985	CO, WA	2	2	49	0.041
1986		0	2	45	0.000
1987	TX	1	3	45	0.022
1988	MD	1	4	44	0.023
1989	AK, WV	2	6	43	0.047
1990	ND	1	7	41	0.024
1991	MA, MN	2	9	40	0.050
1992		0	9	38	0.000
1993	AZ	1	10	38	0.026
1994	MT, NJ	2	12	37	0.054
1995	SC, IL, OR	3	15	35	0.086
1996		0	15	32	0.000
1997	AR, KY, LA, ME	4	19	32	0.125
1998	HI	1	20	28	0.036
1999	KS	1	21	27	0.037
2000	FL	1	22	26	0.038

$$\text{GOVERNANCE CHANGE}_{i,t} = b_1\text{UNILEG}_{i,t} + b_2\text{GOVTENURE}_{i,t} + b_3\text{REPCHANGE}_{i,t} + b_4\text{TAXCHANGE}_{i,t} + b_5\text{TUITIONCHANGE}_{i,t} + b_6\text{ENROLLCHANGE}_{i,t} + b_7\text{COORDBOARD}_{i,t} + b_8\text{PERFORM}_{i,t} + b_9\text{DIFFUSION}_{i,t} + \text{TIMECONTROLS}_{i,t}$$

where $\text{GOVERNANCE CHANGE}_{i,t}$ is the hazard rate of adoption in year t for state i.

Analysts using discrete-time event history models must pay close attention to two potential problems: spatial and temporal dependence. We therefore performed several diagnostic tests and other established procedures to ensure that our modeling did not violate any of the assumptions underlying our particular form of analysis. To address the potential problem of spatial dependence, our models employed robust standard errors. We corrected for temporal dependence using the spline technique developed by Beck, Katz, and Tucker (1998) and the code developed by Tucker (1999) for use with STATA 8. The Beck et al. method uses a series of cubic splines to correct for the problems sometimes associated with the temporally dependent nature of observations in longitudinal state-year data sets. We detected none of the problems that would have derived from temporal dependence.

Findings

Our event history analysis produced a somewhat surprising set of findings, as shown in Table 4. Most important, our analysis points to a conspicuous divergence in results consistent with our counter-conventional explanation of governance reform—the political instability hypothesis. Namely, while all three of the indicators of change in state political institutions produced statistically significant coefficients in the hypothesized directions, none of the indicators of state demography, of conditions within higher education systems, or of interstate diffusion yielded similar empirical support. In essence, our analysis points to fluctuations on the political landscape of states as the primary drivers of legislation to reform governance arrangements for higher education.

We turn first to the findings associated with our three political variables. The positive and significant coefficient for unified legislative control indicates that states are more likely to enact governance legislation in years in which the legislature became captured by one of the two major political parties, following a period of divided party control of the institution. This suggests to us that governance reform of higher education appears to be quite sensitive to cycles of stability and disequilibrium in state legislatures. When party control of legislatures is divided,

TABLE 4

Event History Analysis of State Adoption of Higher Education Governance Change.

Variable	exp(B)	S.E.
Legislative Control Change	12.15 ***	8.46
Governor Tenure	0.69 **	0.11
Change in Republican Legislative Membership	1.43 **	0.22
Change in State Tax Revenues	0.93	0.05
Change in Tuition	1.00	0.04
Change in Enrollment	0.92	0.06
Coordinating Board	1.00	0.47
Performance Funding Adopter	1.08	0.76
Regional Diffusion	0.98	0.02
Number of observations	630	
–2 x log likelihood	156.2	
Chi-squared (df)	22.1 (9)	
P>Chi-squared	0.053	
*** p < .001		
** p < .05		
*p < .1		

NOTE: See the text for thorough descriptions of the variables.
The model results present exponentiated coefficients, with values above 1.0 having a "positive" multiplicative impact on the hazard rate, while coefficients less than 1.0 have a "negative" multiplicative impact on the hazard rate.

the institutional impediments to change are prohibitively high, and thus the status quo prevails. When, on the other hand, one of the two major parties achieves legislative control, the shift may produce a window of opportunity in which new or languishing ideas for governing higher education gain sufficient traction to overcome institutional inertia, rendering change more tenable.

The model presented in Table 4 also provides support for our hypothesis that higher rates of growth in Republican legislative strength increase the probability of a state adopting a reform. The results of our analysis show that as the percentage of a state's legislature that is Republican increases, so too does the probability of a state changing its higher education governance system. For the reasons we outlined earlier, we believe this finding probably says more about the tendency of newer principals to modify the means of bureaucratic oversight established by older ones than it says about the preferences of Republicans toward higher education, per se.

Finally, the results reported in Table 4 indicate that gubernatorial tenure is negatively associated with reform legislation, meaning that the longer governors occupy office, the lower the probability of their states enacting structural changes. Conversely, states whose governors are newer to office appear more likely to undertake such reforms. We believe that new governors might have stronger incentives for reforming the governance regimes of their predecessors. As one noted scholar of political institutions has put it:

> The goal of leaders is to have their policy preferences institutionalized. That is power. Equally, it is the goal of leaders to inherit a blank slate. But because that cannot happen, leaders seek to deinstitutionalize the status quo when they want to change it. Put differently, most individuals in leadership roles most of the time want to maximize their discretion. (Rockman, 1994, p. 156)

A turnover in administration could present the most opportune time for a governor to seek to maximize control over executive branch agencies, leading to the changes in higher education governance we have documented.

A complementary explanation would consider the benefits and costs for new chief executives of pursuing governance change in higher education relative to the benefits and costs associated with policy change in other areas. As compared with the challenges confronting governors on such seemingly intractable issues as health care costs and K-12 reform, structural change in higher education might hold for governors the promise of a relatively simple political victory early in their terms of office. While our model does not allow us to do more than speculate on the nature of the finding, our analysis provides rare empirical evidence of the policy impact of governors in the area of higher education.

In sharp contrast with this first set of findings, concerning the impact of political system dynamics, our analysis yielded no evidence linking passage of governance legislation with the economic conditions of states, the characteristics of their college and university systems, or regional diffusion. The coefficient estimates for the measures of state economic climate, tuition and enrollment growth, accountability pressures, and existing governance structures (existence of a coordinating board) are not statistically significant in our model. Notably, our analysis also shows no evidence of a diffusion effect. In other words, a given state's decision to enact a governance change for higher education appears to be unrelated, statistically, to the prior policy behavior of the state's neighbors, defined as those with whom the state shares membership in a regional higher education compact.

In sum, our analysis of higher education governance reform suggests that reforms are driven more by shifting political conditions than by economic circumstances, conditions within higher education, or policy pressures exerted among states. The roots of governance change, in other words, seem more political than socioeconomic, structural, or emulative.

Conclusion

This study began as an effort to better understand the conditions under which states adopt governance reforms for higher education. Building on the policy innovation and diffusion literature and on research in the field of higher education, we developed a somewhat unconventional explanation for this kind of policy activity in the states—what we termed the political instability hypothesis. Using event history analysis, we examined the proposition that reform is driven primarily by changes on the macropolitical landscape of the states, rather than by state economic or demographic climates or by pressures within higher education systems. Our analysis revealed rather striking support for the political instability hypothesis. Because these findings have few parallels in the higher education literature, the discussion that follows focuses primarily on the conceptual implications of our research.

At a very broad level, our work suggests the value of additional research into the relationship between state political institutions and public policy outcomes in the arena of higher education. Too infrequently have studies taken systematically into account the politico-institutional contexts of the states as factors influencing the higher education policy postures of states. The literature has tended to focus on state demography, economic climates, and the organizational ecology of higher education to the exclusion of the role that formal political institutions might

play in shaping state policy choices for higher education. Indeed, higher education policy studies often have treated state political institutions disparagingly, rather than viewing "politics" as providing researchers a set of measurable concepts and constructs and a rich source of hypotheses with which to drive social-scientific inquiry.

However, the political institutions of the states are the primary venues within which most policies for higher education become adopted, reformed, or repealed. Each of the 50 states is distinctive in its own right, but collectively the states share much in common, and it is the constrained variance of these institutional contexts that makes the American states such an ideal setting for testing social-science theories concerning policy formulation, design, and implementation. Clearly, demography and economics matter in determining some state policy outcomes for higher education, but the oft-neglected sphere of politics clearly also matters because political institutions help structure social choices. The results of our study—and of the larger empirical literature that is accumulating—indicate that there is much value to be derived from incorporating data on political institutions into comparative state study of policy outcomes in higher education (Doyle, 2006; Doyle, McLendon, & Hearn, 2005; Hicklin & Meier, 2004; Lowry, 2001; McLendon & Hearn, 2007; McLendon, Hearn, & Deaton, 2006).

Critically, our investigation points also to the value of studying political system influence in terms of *change over time*. The central question we have explored is the extent to which fluctuations in state political institutions might produce policy change in higher education. A once-conventional perspective on U.S. policymaking emphasized gradualism and gridlock. This outlook influenced higher education research toward models emphasizing incrementalism (McLendon, 2003b). By contrast, "neoinstitutional" scholars more recently have argued that political institutions tend to change quite a lot over the longer run, as do the stable-seeming policy agendas of those institutions (March & Olsen, 1989; Riker, 1980; Rockman, 1994).[19] Some leading scholars in fact have argued that *disequilibrium* is the defining characteristic of American politics (Riker, 1980). Although the structures created to respond to the problems of an earlier day may retard policy change in the near term, over time incremental policy responses of the past fail to satisfy current demands, voters shift allegiances, newer actors step to the fore, and institutions change hands. As these institutional pressures build and new principals, preferences, and politics begin exerting control, policy monopolies crumble and opportunities emerge for policy reform (Baumgartner & Jones, 1993; Rockman, 1984; True, Jones, & Baumgartner, 2007).

Of course, political instability can take a variety of forms other than the ones we have examined in this article. In particular, we would urge greater conceptual and empirical attention be given to the relationship between changing *legislative* institutions and public policy outcomes for higher education in the states. Writing over a decade ago, Mooney noted, "In the past 30 years, state legislatures have undergone what is perhaps the most dramatic metamorphosis of any set of U.S. political institutions in living memory" (1995, p. 47). The advent of term limits, rising careerism among legislators, legislative professionalization, and exogenously driven changes in legislative organization (e.g., popular referenda limiting the power of committees and leaders) have made legislatures comparatively and dynamically ripe for study. For example, scholars might examine how the changing demography of legislators (e.g., growing numbers of women, African American, and Latino legislators) has influenced policy outcomes for higher education. Some studies find that states with the highest percentages of female and African American representatives introduce and pass more legislation dealing with education and other issues of particular interest to those communities (Squire & Hamm, 2005). Do such relationships between minority legislative representation and policy choice—termed *descriptive representation*—hold in the context of higher education? To what extent do these relationships help explain variation in the funding of aid programs targeting low-income students or the spread of merit scholarship programs benefiting middle-income students, issues of high salience to many minority constituents? And to what extent does the rapidity with which legislatures undergo transition influence public policy agendas and outcomes for higher education?

Similar kinds of questions could also be asked regarding policy impacts of changes in other governmental institutions. How do patterns of turnover among state higher education executive officers (SHEEOs) influence policy change in higher education? Because the power of appointment is an important mechanism by which governors exert control over state agencies, one might wish to examine how shifting patterns of trustee selection in public higher education may be shaping policy choice at the board level. This line of inquiry seems acutely relevant in light of criticisms pointing to increasing "politicization" and partisan "gamesmanship" of board appointments by governors (Johnson & Clark, 2003). Moving toward popular preferences, to what extent do shifts in citizen ideology, which scholars believe has changed significantly over the past 40 years (Berry et. al, 1998), help explain states' policy choices in the area of higher education? Each of these areas represents fertile soil for conceptual and empirical tilling.

Notably, one needs comparisons both across space and time to address these questions, yet the data and analytic demands that accompany such an approach can prove quite challenging. For example, the time-sensitive nature of certain hypothesized influences suggests the need for data sets capable of incorporating *annual* indicators of the states and their policy choices. Multi-state, longitudinal data sets on higher education policy are naturally ideal. Constructing these data sets can pose formidable costs, and even when many data elements are readily available, via reliable secondary sources, the tasks of organizing and validating data across states and over time can be quite labor intensive (McLendon & Hearn, 2007). Despite these challenges, broadening the scope of inquiry to include temporal relationships promises distinctively new insights.

One final observation involves the absence in our analysis of a statistically significant diffusion effect. It is quite plausible that, in the context of governance policy for higher education, states simply do not emulate one another's behavior. In support, we note the findings of a similar study by McLendon, Hearn, and Deaton (2006), on the emergence of new state accountability mandates for higher education between 1979 and 2002, which also failed to find diffusion pressures at work. On the other hand, research on adoption of merit aid, college savings, and prepaid tuition programs has documented statistically significant diffusion effects (Doyle, 2006; McLendon, Heller, & Young, 2005). This divergence in findings naturally raises questions about the conditions under which states are likely to look to their neighbors for cues in making policy choices. Do such differences across studies accrue to the different kinds of policies studied, or to the methods or data they have employed, or to the explanatory factors they have considered? More work is needed in deciphering these relationships.

Future research should also pay close attention to what is perhaps a more fundamental issue, involving the operationalizing of *diffusion*. The question of which states are relevant to another's policymaking depends on the underlying relationships believed to drive the policy behavior in question. In the domain of higher education, precisely why would policies diffuse and along what lines? On some issues, the regional compacts might plausibly serve as a conduit for the spread of policies along regional lines. Scholars increasingly, however, are considering other spatial relationships not typically modeled, including certain politico-geographic connections (e.g., distances between state capitols), cultural connections (Utah and Idaho, which share common religious ties), and economic connections (e.g., the Dakotas and Montana, which are closely tied to Minnesota economically via trade but are considered to be in different regions). Thus, the question, "Who is one's neighbor—and why?" is not necessarily clear cut.

Our research represents an initial analytic effort aimed at understanding a complex and persistent phenomenon too long neglected in higher education studies. The evidence we have presented of the factors leading to governance reform suggests that higher education governance patterns likely will continue shifting as long as state governments continue undergoing change. Given the political fluctuations underway in many American states, it would appear that governance reform may have become a permanent fixture of the higher education landscape.

Endnotes

[1]Notably, while the New Public Management and other so-called neoliberal reforms have substantially altered the *rhetoric* surrounding public sector governance in the United States and elsewhere (e.g., New Zealand, Canada, the United Kingdom), evidence is less clear concerning the actual impact of these reforms on the performance of public institutions (Brudney, Hebert, & Wright, 1999; Thompson & Riccucci, 1998).

[2]We use the term *reform* in referring to a substantive change in a state's governance posture for higher education. We do not take it to mean that a change necessarily improved (or worsened) the state of higher education governance in a particular jurisdiction.

[3]Comparative works include, for example, Glenny (1959); Berdahl (1971); and Richardson, Bracco, Callan, and Finney (1999). Recent empirical studies of governance effects include Hearn and Griswold (1994); Hearn, Griswold, and Marine (1996); Lowry (2001); McLendon, Heller, and Young (2005); Volkwein (1987); and Zumeta (1996).

[4]For example, Lowry (2001) found that universities located in states with coordinating boards charged significantly lower prices than did those operating under different arrangements. Hearn and Griswold (1994), McLendon, Hearn, and Deaton (2006), McLendon, Heller, and Young (2005), and Doyle (2006) found that governance structures influence state adoption of certain higher education finance and accountability policies.

[5]*Advisory* coordinating boards make recommendations to political authorities about academic programs and budgets, while *regulatory* coordinating boards approve budgets and programs.

[6]For information on the examples we cite in this section, see Bastedo (2005), MacTaggart (1996, 1998), Marcus (1997), McGuinness (1997), and McLendon (2003b).

[7]McGuinness does not specify which changes he believes might influence governance reform, but the 1980s and 1990s did witness substantial turbulence in state political institutions. In a subsequent section, we explore in depth some of the changes that we believe are most relevant.

[8]By linking governance changes in higher education with turbulence on the state political landscape, McGuinness blurs ostensibly important distinctions among different *kinds* of governance activity (e.g., ones that enhance gubernatorial power, consolidate separate systems, or decentralize authority). All governance change can be understood in relation to the (in)stability of a state's political order, but it is unclear why instability in itself would preference one kind of governance initiative over another. Why states move in a *particular* direction is an interesting question, but it is not central to testing our core hypothesis. Such an approach also would present steep challenges given the crosscutting nature of many of the reforms of the past 20 years and the small number of observations that could comprise any one analytic subgroup.

[9]By "new," Walker meant a policy that was new to the state adopting it.

[10]We considered also one-year *reversals* in legislative party control, a shift from Republican to Democrat control of the legislature. The number of such occurrences during our study period (four) was too small for inclusion in the analysis.

[11]In 1986, Democrats controlled 28 assemblies; Republicans held nine. In 1994, Republicans gained control of a majority of legislatures for the first time since 1954. In 2004, Republicans claimed 21 legislatures, Democrats 16 (http://www.ncsl.org/ programs/legman/elect/partycomp).

[12]Controlling explicitly for enrollment also permits us to account for its effects independent of other potentially confounding influences (e.g., state economic conditions and tuition pressures).

[13]By 2002, 23 states had adopted a performance-funding program to more closely monitor, reward, or punish performance by public higher education institutions.

[14]An earlier version of this data set was employed in McLendon, Hearn, and Deaton's (2006) analysis of performance accountability. Consistent with similar studies, we excluded Nebraska from our analysis because the state's unique nonpartisan legislature prevents our testing of several core hypotheses.

[15]Marcus's mail survey of the nation's 49 SHEEOs identified 49 proposals in 29 states. Our mail survey identified 57 governance proposals in 28 states.

[16]For example, only one third of the measures we identified were enacted. Other measures failed to meet our threefold definition of *reform*. Thus, while introduction of governance reform bills is not uncommon, enactment of substantive governance legislation is less prevalent.

[17]There are three reasons underlying our decision not to differentiate analytically between "centralizing" and "decentralizing" initiatives. First, as noted, many of the governance changes of the 1980s and 1990s contained elements of centralization and decentralization; thus the policy activity in question defies neat categorization. Although some states moved more in one direction than in the other, overall there are few archetypal cases. Second, as we indicated in note 8, the distinction between centralizing and decentralizing legislation is not an especially relevant one for us conceptually. Finally, methodological constraints underpin our decision not to attempt disaggregating governance enactments on the centralization dimension as the "pure" cases would be so few in number as to challenge the validity of the analysis.

[18]The intercorrelations among our variables are quite low, posing little threat to the interpretations of our results. The highest intercorrelations are those between performance funding and coordinating board (.30) and between performance funding and regional diffusion (.23). All other intercorrelations reside near or below .10.

[19]Neoinstitutionalism holds that institutions matter because they can exert an independent causal influence on political behavior and policy outcomes. This renewed focus on political institutions has taken a variety of research approaches, including historical-comparative, organization-theoretic, and rational-choice perspectives (see Rockman, 1994).

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