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SCHOOLS IN

Federalism and the National
Education Agenda

PAUL MANNA

2006

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PART I

FOUNDATIONS

1

INTRODUCTION

AMERICANS GOVERN THEIR SCHOOLS WITH A SYSTEM AS COMPLICATED AS the country is vast. The nation's fifty states have created nearly 15,000 school districts to oversee roughly 90,000 public schools. For essentially the entire history of the United States, citizens and elected officials alike have considered the provision of elementary and secondary education to be the quintessential state and local function. With that fragmented system of governance—one strains to call it a system at all, actually—it is remarkable how much weight education policy presently carries in American national politics.

Events from 2001, for example, illustrate the growing role that K–12 education has come to play in the calculations of federal officials. During that year, President George W. Bush began his first term by noting that bipartisan education reform would be the cornerstone of his administration. Less than six months later, Senator James Jeffords of Vermont ended his life-long affiliation with the Republican Party in protest when the president and GOP members of Congress decided to use significant portions of the nation's budget surplus to cut taxes rather than increase special education funding. Jeffords's break with the party reverberated like a political earthquake and returned Senate Democrats to power for the first time since 1994. After the Senate reorganized, and Washington, DC, broke free from another humid August, the tragic events of September 11 riveted the country's attention on terrorism and national security. As they scrambled to respond to the devastation and shore up the nation's defenses, members of Congress still managed to pass with much celebration the No Child Left Behind Act (NCLB). NCLB extended the federal government's reach into the nation's public schools more deeply than ever before. Significantly, it was the only major piece of domestic legislation, other than laws to defend the homeland, to become law before the end of the year.

These three events from 2001—Bush's articulation of his administration's priorities, Senator Jeffords's declaration of independence to promote special education, and the passage of NCLB—illustrate how education policy has risen to the top of the nation's agenda like never before. Beyond the concerns of political elites, though, as figure 1.1 shows, Americans have increasingly identified educa-

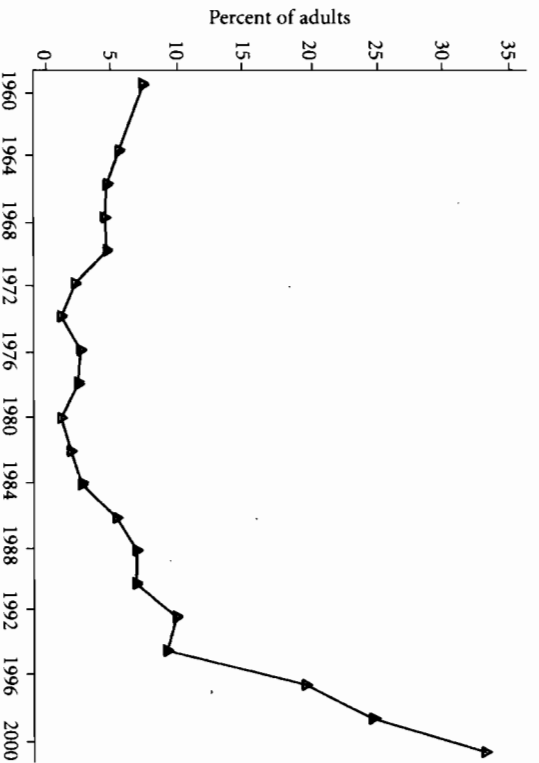


FIGURE 1.1
Adults identifying education as one of the most important problems in the United States, 1960–2000

Source: Author's analysis of National Election Studies data. This question was unavailable in the 1962 study.

tion as one of the most important problems facing the country. Even as terrorism and homeland security have risen to the top of the nation's agenda, public opinion polls continue to reveal that Americans remain concerned about education.¹

My goal in this book is to describe and explain the increasing status of education on the nation's agenda and, in the process, to show how federalism influences agenda setting in the United States. Two questions motivate the overall study. First, if states and localities are the primary caretakers of K–12 education, how have federal policymakers so expanded their reach into the country's schools since 1965, the year the first Elementary and Secondary Education Act (ESEA) became law? Second, and more generally, how does the American federal system create opportunities for policymakers across the country to advance their agendas even in areas where they may struggle to wield influence?

These questions suggest several puzzles that I address in the chapters that follow. Consider, for example, the education policy initiatives of Presidents Lyndon Johnson and George W. Bush. Why was Johnson's administration, which in 1965 was backed by wide congressional majorities and committed to a liberal activist federal approach in education, unable with the first ESEA to affect much more than the educational periphery of the nation's schools? In contrast, how was it that almost a decade after the Republican revolution of the mid-1990s, a conservative president and a Republican House of Representatives would help enact NCLB in 2001 and extend the federal government's reach more deeply into American schoolrooms than Johnson and his allies ever could have contemplated?

As another example, it is curious to note that during the 1980s, state governors became increasingly enthusiastic about the federal government's presence in education and even called for more federal monitoring of state educational progress. These calls occurred at the same time that real federal expenditures on K–12 schooling were decreasing or remaining relatively stagnant. Typically, state leaders do not invite federal intervention on their policy turf unless federal dollars are also forthcoming. What were these state officials thinking?

Finally, looking more broadly at general changes in American federalism, it is useful to consider the insights of Baumgartner and Jones (1993), who have examined policy agendas across several decades since World War II. These authors note that the American federal system provides multiple connected venues for policy ideas and initiatives to emerge. The states and the federal government provide important arenas of action in this venue mix. One of the authors' claims is that the "flow of policies across jurisdictional boundaries is stronger in periods of nationalization and weaker in periods of decentralization" (Baumgartner and Jones 1993, 217). Education appears not to fit this pattern, though, given that federal interest and involvement in K–12 education expanded rapidly in the 1980s and 1990s, the two decades after the trend toward nationalization in the American federal system was supposedly slowing. That result seems to clash with Baumgartner and Jones's (1993) more general claim about what causes policies to flow across jurisdictions. What explains how the dynamics in education unfolded, then? And do those dynamics suggest larger lessons about how agendas take shape in the American federal system?

In addressing these puzzles and others, I argue that the evolving relationship between the federal government and the states has produced major changes in the American education agenda since the 1960s. In other words, education has not become more important simply because presidents have said more about it or because Congress has passed more education laws, though, certainly, those factors have helped. More important have been state actions that, when studied alongside the federal role, allow one to better describe and explain how education agendas have developed at both levels of government. Although Washington's influence over American schools has increased, it is wise not to overestimate the expansion of federal power nor to underestimate the resiliency and continuing influence of state education agendas in the United States. Recognizing a key process that characterizes federal-state interactions is critical for understanding how federal and state agendas have unfolded. That process, which I call "borrowing strength," occurs when policy entrepreneurs at one level of government attempt to push their agendas by leveraging the justifications and capabilities that other governments elsewhere in the federal system possess. Borrowing strength is the conceptual anchor that organizes my analysis and enables me to integrate previous scholarship on federalism and agenda setting. In the process, it provides insights about how education agendas in the United States have changed and will likely unfold in the future.

This opening chapter orients the book by doing three things. First, it briefly describes why a focus on federalism is crucial for understanding how the American

education agenda has developed since the 1960s. Second, it provides a brief overview of major federal and state policy changes in education during this time. Finally, it previews the more general theoretical arguments that I use to explain changes in the nation's education agenda. I have two particular audiences in mind in this introduction and the chapters that follow: policymakers who are primarily interested in education and scholars or students of political science and public policy who are generally interested in the relationship between federalism and agenda setting.

EXPLAINING CHANGES IN THE AMERICAN EDUCATION AGENDA

Several previous works have documented the development of federal and state education policy in the United States. Considering the ESEA in particular, which is also my primary focus in this book, an extensive historical and policy-oriented literature exists that has explored changes in federal education policy since the 1960s (Sundquist 1968; Finn 1977; Kaestle and Smith 1982; Graham 1984; Brademas 1987; Jennings 1995, 1998; McLaughlin and Rouse 2000; Borman, Stringfield, and Slavin 2001; Cross 2004; Peterson and West 2003). Similarly, researchers have documented the march of state education reforms, especially since the early 1980s (Doyle and Hartle 1985; Educational Testing Service Policy Information Center 1990; Bacharach 1990; Murphy 1990; Goertz 1996; Evans, Murray, and Schwab 1997). But other than the handful of scholars who have examined specific changes in federal policy in the context of the nation's intergovernmental system (Fuhrman, 1994; Elmore and Fuhrman 1990; Mintrom and Vergari 1997; Posner 1998, chapters 6, 7), no one has attempted to explain long-term developments in the nation's education agenda by focusing explicitly and in depth on the interrelationships between the federal government and the states.

Wirt and Kirst note a parallel shortcoming in their well-known work on the politics of American education. In highlighting areas for future research, they explain that "Political scientists have examined the path of policy from ideas embraced by a policy community to policy outcomes. But these analyses are partial and preliminary, and do not focus on education" (Wirt and Kirst 1997, 332). I would add that no major study of federalism and American education has reached beyond the policy specifics to offer more general theoretical insights about how American federalism and agenda setting processes work. My effort to link the federalism and agenda setting literatures begins to remedy this theoretical shortcoming. Further, by using the case of education to develop new theoretical insights about these two fields, I also address a further call from Wirt and Kirst (1997, 333) that "the concept of policy communities within education needs more definition and more research on their operation and impact."

A careful look over time reveals how developments in state and federal education agendas are related to broader changes in American federalism that have

transpired during the last four decades. For example, since the 1960s, the nation's system of intergovernmental grants has mushroomed, and perhaps more important, but less appreciated, state governments have improved their policymaking capabilities. Shifts in federal and state education policy are related to these broader trends. Recognizing these dynamics in American federalism helps one to understand how and why the nation's education agenda has assumed its present form.

Scholars have sometimes used federal education efforts to make general theoretical claims about politics, including analyses of congressional behavior or government reorganization (Thomas 1975; Martin 1994; Radin and Hawley 1988). Researchers frequently describe intergovernmental relationships in education using top-down approaches that focus on how state agents respond to the preferences of their federal principals (Clark and Amiot 1981, 258; Guthrie 1983, 672-73; Chubb 1985b, 1985a; Hill 2000, 27; Volden, Cummins, and Woods 2000). This view tends to describe state behavior in reactive terms: the federal government shifts its policy priorities and the states respond in some way. Another perspective sees the federal government as relatively incapable of coming up with many good ideas on its own. Rather, Washington relies on states as laboratories of policy innovation, which in turn can provide fodder for federal law (Hedger 1998; Morehouse and Jewell 2004; Weissert 2000). This bottom-up perspective reverses the causal arrow and portrays the federal government as responsive to (but not necessarily controlled by) developments in the states. Members of Congress and presidents pick and choose from the range of policy initiatives available across the country, ensconcing some of them, in some form, into federal law.

In this book, I argue that one could characterize federal-state interactions in education as top-down and bottom-up, but neither of these approaches fully captures the complexity that has enabled the American federal system to influence education agendas in Washington and the states. Relationships between federal and state officials are much more pragmatic and fluid than either of these approaches, considered alone or together, would suggest. As Martha Derthick has argued, American federalism "is a highly protean form, subject to constant reinterpretation. It is long on change and confusion and very low on fixed, generally accepted principles" (Derthick 2001, 153). That constant reinterpretation means that perspectives on American federalism beginning with its dynamism as their organizing principle—rather than a one-way street approach looking down from the top or up from the bottom—will better explain both the central tendencies and variation in policy that federalism produces across time. Recognizing how federal policymakers and their counterparts in state governments influence each other's agendas not only produces better descriptions of how education policy has changed but it also explains more generally how leaders set agendas and make policy in what James Madison called America's "compound republic."

Madison used this term to describe the system the framers suggested for the nation's constitution. *Federalist No. 39* provides a concise description of the idea. In that article, Madison argued that the proposed document was "neither a national nor a federal Constitution, but a composition of both" (Rossiter 1961, 246). He ex-

tended this point in *Federalist No. 51* by noting how the government's arrangement would protect individual rights: "In the compound republic of America, the power surrendered by the people is first divided between two distinct governments [national and the states], and then the portion allotted to each subdivided among distinct and separate departments. Hence a double security arises to the rights of the people" (Rossiter 1961, 323). Madison emphasized that dividing power would frustrate leaders in any part of the compact who sought to control the nation. Interestingly, and most critical for my analysis in this book, that common view about federalism's roadblocks ignored the potential for leaders at one level of government to leverage officials in other levels to achieve their own political or policy objectives.

The compound republic does erect obstacles, as the authors of *The Federalist Papers* noted, but for creative policy entrepreneurs it also generates opportunities for them to build momentum for their ideas and to advance their agendas. Stated differently, at times the compound republic can stifle aspirations of federal or state policy entrepreneurs but at other times it can promote them. Despite the secular trend toward greater centralization that has characterized the American federal system since the New Deal, federal and state politicians have capitalized on opportunities that America's compound republic creates (Derthick 1987, 2001). The challenge of understanding changes in the nation's education agenda centers on explaining how officials across levels of government have leveraged those opportunities. For reasons I begin to describe in the next chapter, popular understandings of these federal-state interactions, which are frequently variants on the marble cake metaphor of cooperative federalism (Grodzins 1966), do not adequately meet this challenge.

DEVELOPMENTS IN AMERICAN EDUCATION POLICY

Later chapters will relate changes in federal and state education agendas since 1965 to the dynamic relationships in America's federal system. Before discussing those links explicitly, I first provide some context by briefly summarizing major federal and state education policies. This section will help to orient readers who are less familiar with the specific changes I will explain, but who are interested in the book's more general goal of providing insights about how American federalism influences agenda setting.

Federal Education Policy

Despite the federal government's limited role in education relative to the states, a complete accounting of federal involvement in K-12 education would easily run several volumes. I do not pretend to offer comprehensive coverage of that landscape in this book. Readers interested in important topics such as school desegregation and the federal courts or the expansion of federal laws that guarantee rights to disabled students should rely on other sources.² Some of those topics will

briefly appear in subsequent pages, but generally they do not occupy a central place in my analysis.

In an effort to delimit the book and simultaneously explore major policy changes that can reveal novel insights about federalism's impact on agenda setting, I focus on the ESEA, the primary law that federal policymakers have developed to influence the nation's schools. Despite the importance of the other policy areas that I noted in the previous paragraph, the ESEA of 1965 does represent the beginning of a dramatically expanded federal role in K-12 education. It also provides a powerful tool that federal and state policymakers have used to expand their education agendas. Experts commonly consider the ESEA a "milestone in federal aid to education" (Hartle and Holland 1983, 418). In his study of policymaking in the Dwight Eisenhower, John F. Kennedy, and Johnson years, for example, Sundquist (1968, 216) noted that after the ESEA became law, "The question would be, henceforth, not *whether* the national government should give aid, but *how much* it should give, for what purposes—and with how much federal control." A focus on the ESEA, then, is substantively useful and provides opportunities for expanding what researchers presently know about the relationship between federalism and agenda setting. Chapter 4 describes the ESEA's development in some detail. For now, as a brief introduction, I consider the law's original features as it emerged from the legislative process in 1965.

Lyndon Johnson signed the first ESEA into law in Johnson City, Texas, on the site of the one-room schoolhouse he attended as a boy. On that day, he had at his side Miss Katie Deadrich, the teacher that LBJ said had taught him his earliest school lessons. After noting the wide majorities by which the House and Senate had passed the law (263 to 153 and 73 to 18, respectively), the president predicted "all of those of both parties of Congress who supported the enactment of this legislation will be remembered in history as men and women who began a new day of greatness in American society" (*Congressional Quarterly* 1966, 293). Two months later, at a Democratic dinner, Johnson said the ESEA would be "the most important measure that I shall ever sign" (*Congressional Quarterly* 1966, 276).

The original ESEA, known officially as Public Law 89-10, contained six titles. Title I provided help to educationally disadvantaged children by sending federal aid to local school districts with high concentrations of low-income students. It was, and still is, the centerpiece of the ESEA. For fiscal year 1966, for example, expenditures on Title I comprised 86 percent of the ESEA's total appropriations directed to the states. In fiscal year 2004, spending on Title I absorbed over 23 percent of the entire discretionary budget of the U.S. Department of Education.³

Title II was composed of grants for purchasing instructional materials. The focus of Title III was funding for a broad array of programs, generally called supplementary educational services. It was basically a catch-all and included things such as counseling for elementary and secondary (and even adult) students, remedial instruction, and specialized instruction for students taking advanced science or foreign language courses, among other programs. Title IV focused on educational research and training and allocated funds to universities and other groups to con-

duct and disseminate the results of this research. Title V was specifically designed to help states develop their educational infrastructure by providing grants to up-grade state education agencies.

The final component, Title VI, included general provisions and a statement illustrating that federal officials, despite their enthusiasm for the new law, recognized that the ESEA could provoke fears of a federal takeover of the nation's schools. Specifically, Title VI "stipulated that nothing in the Act should be construed to authorize any Government department, agency, officer, or employee to exercise any direction, supervision, or control over the curriculum, program of instruction, administration of personnel of any educational institution or school system, or over the selection of library resources, textbooks or other instructional materials by any educational institution or school system" (*Congressional Quarterly* 1966, 279). Politically, this clause was important given the Tenth Amendment to the U.S. Constitution, which leaves to the states any powers not assigned to the federal government. Because education does not appear in the U.S. Constitution but is a common topic in state constitutions, the ESEA's original authors included Title VI to recognize this division of labor even as they increased the federal role in the nation's schools.

The ESEA is the centerpiece of federal policy involvement in K-12 education, but as I alluded to earlier, it does not represent the whole of federal efforts in education.⁴ Nor has the law remained static. Amendments to the ESEA have broadened its scope: most notably, these include important reforms in 1994 concerning educational standards, and changes in 2001 that introduced new accountability measures by requiring state testing in core subjects for students in grades three through eight. Subsequent chapters, especially chapters 4, 5, and 6, will describe and explain these changes in the ESEA in much detail.

State Education Policy

The development of comprehensive state education policy (not including laws mandating racial segregation in schools) really began to emerge in the 1970s. Before that decade, most state governments lacked effective analysts and full-time policymaking bodies that could innovate in a variety of substantive areas (Hedge 1998; Doyle and Hartle 1985). Education was no exception. Today, well-trained experts who are steeped in policymaking experience work in the states' legislatures, governors' offices, and agencies (Hedge 1998; Bowling and Wright 1998). These government employees also work in more mature bureaucratic systems and in state legislatures that tend to meet regularly throughout the year, rather than on part-time schedules. Without question, there is tremendous variation both across and within states in all these areas. Nevertheless, these advances in the nation's fifty states represent one of the major, yet often forgotten, developments in American politics since World War II.

Shifts in state education policy have occurred in what one might conveniently describe as three broad eras corresponding to the 1970s, 1980s, and 1990s. This

brief introduction will follow that pattern for now, mainly to provide a concise overview of major changes. A word of caution is in order, though. Labeling these time periods as eras blurs the reality that the changes I describe have occurred in various forms across almost all years since the 1960s. While these eras may sometimes describe central tendencies of particular periods, they can blind observers to variation and interesting dynamics within those periods, as well. In later chapters, I will focus on this variation in more detail and eschew the eras approach.

State policy changes in the 1970s began with the rise of school finance litigation and the school finance equity movement. The U.S. Supreme Court's decision in *San Antonio School District v. Rodriguez* (1973) was an important factor in this development. The case arose when Texas students challenged their state's education finance system, which generated significant spending disparities across districts. In the San Antonio area, spending ranged from \$356 to \$594 per pupil depending on the district a student attended. In a 5 to 4 decision, the Court held that the Fourteenth Amendment's equal protection clause did not guarantee a right to equal educational resources. The majority emphasized that state courts should answer funding equity questions because many state constitutions explicitly address the provision of education (Fellman 1976).

Although disappointed with the outcome of *Rodriguez*, critics of state funding systems heeded the Court's advice and shifted their activities to state battlegrounds. Many state-level contests over funding equity ensued, and, in fact, efforts to equalize education spending across districts by breaking its strong connection to local property taxes continue to occur (Minorini and Sugarman 1999; Goodnough 2001). Since the early 1970s, plaintiffs in these cases have enjoyed varying levels of success and include nineteen who have won at the state supreme court level and twelve who have lost before their state's highest court (Minorini and Sugarman 1999, 41). While equity is by no means the rule across the nation's districts, figure 1.2, which illustrates the shift in relative sources of revenue for K-12 education across federal, state, and local levels of government, shows how a stronger state role in school finance has developed since the 1960s. Disparities still exist within states, to be sure, but in the aggregate, states have consistently outspent local governments since the mid-1990s.

In addition to school finance, support for minimum competency testing also emerged in the 1970s. Minimum competency tests established floors that define the lowest levels of student proficiency in various subject areas (Educational Testing Service Policy Information Center 1990). By the end of the decade, thirty-nine states had adopted this policy in some form. The degree to which these tests carried so-called high stakes, or significant consequences for students and schools, varied by state. For example, Alabama used its tests to make high school graduation decisions and Connecticut relied on them to guide counseling and follow-up teaching efforts while the state of Washington let local school districts and parents determine their use (Pipho 1978).

During the 1980s, a movement focusing on educational quality took the states by storm. The reforms during this period were extensive and included expanding

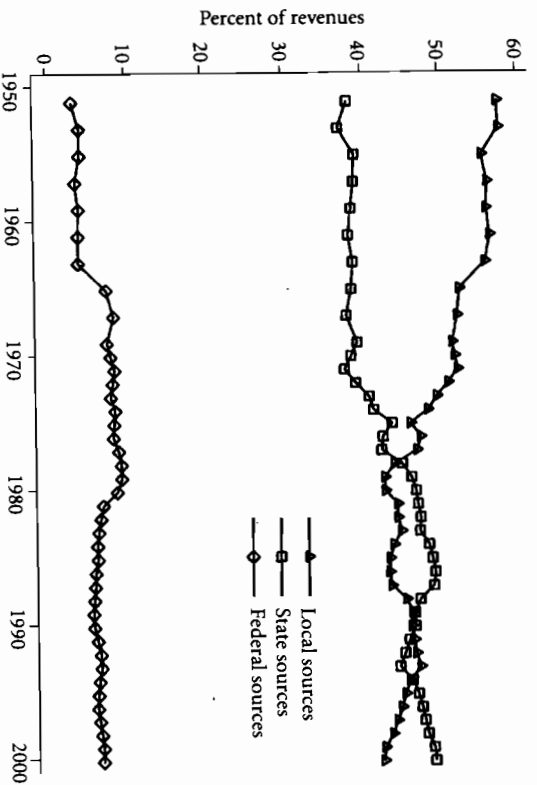


FIGURE 1.2

Revenues for K-12 education by source of funds, 1950-2000
 Note: Years correspond to the beginning of a school term (i.e., 1950 = 1950-51 school term).
 Data are not available for even-numbered years from 1950 to 1968.

Source: National Center for Education Statistics (2004, Table 156).

student testing, increasing high school graduation requirements, stiffening teacher certification requirements, and adopting measures to gauge school performance. Table 1.1 summarizes these changes. Many of the reforms resonated with recommendations in the National Commission on Excellence in Education's (NCEE) 1983 report, *A Nation at Risk*. In that publication, the Commission offered a startling and controversial assessment: judging by the success of American students relative to others around the world, the United States had essentially engaged in unilateral educational disarmament. Had another nation imposed the present system of American education on the country, the report argued, U.S. leaders might well have considered it an act of war (National Commission on Excellence in Education 1983). The blizzard of state reforms in the 1980s moved one review to call that period "the education reform decade" (Educational Testing Service Policy Information Center 1990).

During the 1990s, the standards movement became the primary engine driving educational reform in the United States (Ravitch 1995). During this time, states built on their work from the 1980s and extended efforts to write down explicitly what their students should know and be able to do. States linked those content standards to performance standards, which were designed to show how well students knew the material they were supposed to have learned. State assessments or exams were the tools that schools, districts, and state officials would use to measure student improvement.

TABLE 1.1
 Summary of major state policy changes in K-12 education during the 1980s

Reform Area	1980-89
High school graduation requirements	42 states raise standards
Student testing	47 statewide programs by 1990
Accountability	23 states go beyond test scores and use an integrated set of indicators
Teacher standards	39 states require passing a test to enter teacher education or begin teaching

Source: Educational Testing Service Policy Information Center (1990, 4).

By the end of the 1990s, the states' progress illustrated that moving to systems organized around standards and tests would not be easy. Just as President Bill Clinton's administration was leaving office in January 2001, the U.S. Department of Education reported on these efforts. As part of the 1994 reauthorization of the ESEA, called the Improving America's Schools Act (IASA), and another Clinton initiative known as Goals 2000, the department evaluated state progress. It found only eleven of the thirty-four states it reviewed had earned a mark of "full approval," indicating that these states had aligned their standards, curriculum, and assessments (Citizens' Commission on Civil Rights 2001, Figure 1). After conducting its own study, published later that same year, the American Federation of Teachers (AFT) concluded that twenty-nine states and the District of Columbia had made progress because they possessed clear and specific standards in core subject areas at the elementary, middle, and secondary school levels. Much work remained, however, to align state curriculum and tests with these standards (American Federation of Teachers 2001).

Not directly linked to standards but also growing in the 1990s was a movement for expanded school choice beyond the magnet school and within-district options that have existed for many years. During this decade, Wisconsin and Ohio began public voucher programs in Milwaukee and Cleveland. These programs channeled money directly to low-income parents to help them pay for education in private schools. Citizen entrepreneurs and charitable foundations also promoted this reform in other cities, creating privately funded endowments for this same purpose.

The Wisconsin and Ohio voucher laws have produced high-profile legal battles, but both have withstood court challenges. The Wisconsin Supreme Court upheld Milwaukee's program in *Jackson v. Benson* (1998), a decision that the U.S. Supreme Court did not review. In *Zelman v. Simmons-Harris* (2002), the U.S. Supreme Court turned back a challenge to a similar program in Cleveland. The law's opponents argued that the program was unconstitutional because parents could use their vouchers at religious schools. The Court disagreed in a contentious 5 to 4 decision.

Vouchers were not the only choice-based reform of the 1990s, though. Charter schools, which are public schools freed from many of the rules and regulations governing traditional public schools, have also expanded across the country. In fact, they are much more popular than voucher programs that involve private and public schools. By 2005, forty states and the District of Columbia had adopted charter school laws. According to the Center for Education Reform (2005), during the 2004–05 school year, there were roughly 3,000 charter schools serving nearly one million students in the United States.

KEY CONCEPTS AND THE THEORETICAL ARGUMENT IN BRIEF

This book develops a general theory of federalism and agenda setting to explain developments in the American education agenda. The overall theoretical argument is as follows: The level of interest and involvement that a government demonstrates in a particular policy area depends on the advocacy of policy entrepreneurs who mobilize the government's license and capacity to act. Lacking license or capacity at their level of government, entrepreneurs can acquire these ingredients by borrowing strength from other governments in the American federal system. This argument implies that federalism creates potential agenda setting opportunities for individuals who carefully size up their own weaknesses and then make up for them by leveraging the arguments or capabilities that exist elsewhere in the system. Borrowing strength thus enables policy entrepreneurs to advance their priorities, even in areas where, at first glance, they may struggle to wield influence.

I have crafted my borrowing strength theory of agenda setting in general terms. Thus, by government I mean national, state, or local governments. Interest and involvement, which I characterize as the two main components of a government's agenda, are straightforward concepts. Interest refers to the rhetorical commitment government officials demonstrate in a policy area. The number of legislative hearings devoted to a policy and the presence of the policy in major speeches, party platforms, or political campaigns all capture different aspects of this idea. Involvement refers to policy production. A government is involved in a policy area if it makes laws, issues regulations, constructs bureaucracies, and appropriates funds to address the area in some way. Unlike simply highlighting a problem through speeches or campaign ads, for example, involvement demonstrates that a government has committed itself to doing something about the problem.

License is the first key factor that influences government interest and involvement. It refers to the strength of the arguments available to justify government action. Clearly, some arguments are more persuasive than others, which means selecting compelling rationales for action is central to building an agenda. But if license justifies action, it by no means guarantees that policymakers will be able to act and to act effectively. That is why capacity, the second key factor, is critically important. Capacity refers to the ability to act once policymakers have decided

they want to act. Capacity exists in the form of financial resources, the coherence and presence of bureaucratic structures such as regulatory agencies of government, and the knowledge, experience, and expertise of government personnel.

Policy entrepreneurs are the individuals who mobilize license and capacity to foster government interest and involvement in particular policy areas. Previous scholarship has described these entrepreneurs in many ways, sometimes focusing on their work within specific government institutions, such as Congress, while at other times discussing policy entrepreneurship more generally (Walker 1977; Arnold 1990; Baumgartner and Jones 1993; Schiller 1995; Schneider, Teske, and Mintrom 1995; Kingdon 1995; Wawro 2000; Sheingate 2003; Mintrom 2000). I tend toward the broader conceptualization and define policy entrepreneurs as individuals inside or outside government who champion particular ideas and attempt to increase the agenda-status of policy areas they care about most.

Overall, I argue that policy entrepreneurs are most likely to promote a government's interest and involvement in an area when the government possesses high license and high capacity to act. Conversely, where both license and capacity are weak, it is extremely difficult for an entrepreneur to promote government interest and involvement in the favored area. More interesting combinations occur when the government lacks either license or capacity but not both. For example, if policy entrepreneurs in Congress possess license to act but the federal government lacks capacity to alleviate some social ill, how likely is it that government officials will demonstrate interest in the issue and then get involved? Must these entrepreneurs give up making a strong push for their position and simply stand by and test their ideas behind the scenes by "softening up" (Kingdon 1995) potential supporters? If both license and capacity are required to foster interest and involvement, then one might conclude that the issue will not rise very high on the federal agenda. But this need not be the case.

When these congressional entrepreneurs and their staffers survey their options in the nation's compound republic, they find that limited federal capacity need not stifle their ambitions. In a federal system, creative policymakers can borrow capacity from other levels of government to help achieve their objectives. Lacking the capacity to reform the nation's schools on their own, members of Congress may pass laws building on state efforts. In the process, they rely on, or borrow, state capacity to make these initiatives work and to push their own agenda priorities. The result is that state capacity can enable policy entrepreneurs in Congress to build agendas in federal venues, something they could not have done by relying on federal capacity alone.

The process of borrowing strength described in the previous paragraph can also apply to state officials. For example, a governor may find herself possessing only weak arguments (low license) to justify a particular reform agenda. That may prevent the governor from persuading her constituents and other state officials to endorse her idea. However, the governor's task becomes less onerous if federal officials, in particular the president and his advisers using the bully pulpit, have charted a similar course for the whole nation. The president's own investment of

political capital can become a valuable resource for a governor attempting to develop license to expand her own agenda in her state.

Over time, the process of borrowing strength can influence levels of interest and involvement that state and federal officials demonstrate in a policy area. The process also reveals how the American federal system can be a source of positive feedback that creates momentum and expands government agendas. This is unlike a view that sees federalism as replete with roadblocks that primarily foster negative feedbacks and allow the national government and the states to mutually check one another's ambitions.

Determining how to borrow strength is something members of Congress and other federal officials must ponder as they attempt to assert their influence. In other words, there is a fine line between borrowing capacity that effectively leverages state capabilities and imposing unfunded mandates that place unrealistic fiscal and programmatic expectations on state governments. Similarly, arguments that can justify action at one level of the nation's federal system may be less persuasive in another. In short, borrowing strength may sound easy in theory, but in practice it is not. Subsequent chapters will explain the source of these difficulties and how federal and state policy entrepreneurs have responded to them.

OVERVIEW OF THE BOOK

This chapter has provided a broad overview of the arguments to come. Chapter 2 completes part I of the book by describing in more detail the theoretical model that guides the study. The four chapters in part II are the empirical heart of the work. Collectively, they examine how the American education agenda has unfolded since the mid-1960s. Chapters 3 and 4 focus on the federal government. They include data from numerous sources that map out variation in federal interest and involvement in education during roughly the last half of the twentieth century. Chapter 5 analyzes that variation by using the theoretical model from chapter 2 to explain how federal and state attempts to borrow strength from one another have produced changes in federal and state agendas. I continue my analysis of change in chapter 6, which is an in-depth look at NCLB. In that chapter, I show how the borrowing strength model of agenda setting can explain policy development and implementation of that reauthorization of the ESEA.

Part III examines several overall implications about education, federalism, and agenda setting. Chapter 7 shows how developments in federal and state education agendas have affected politics in the American states and inside the Washington Beltway. Chapter 8 concludes by considering some general implications about education agendas in the United States since the 1960s. It also discusses some of the broader theoretical implications that my study suggests for scholars interested in the relationship between federalism and agenda setting.

I have written this book with two specific audiences in mind. For policy practitioners and other observers of American elementary and secondary education, the

insights I provide will help reveal how the nation's education agenda has taken shape and what it might look like in the future. Similarly, political scientists who care about how the nation's compound republic shapes government agendas will find this analysis helpful and see potential applications of its theoretical ideas in other policy areas. To serve that latter audience, in particular, the next chapter reviews relevant literature on federalism and agenda setting before developing my theoretical perspective in greater detail.

NOTES

1. For example, a *Washington Post-ABC News* poll from September 2002 reported that 74 percent of adults said the issue of education would be "very important" in deciding their vote for the U.S. House. That number equalled or exceeded the number responding "very important" on the following other issues: war on terrorism (74 percent), the economy and jobs (74 percent), the situation in Iraq with Saddam Hussein (71 percent), health care (70 percent), prescription drug benefits for the elderly (63 percent), and Social Security (60 percent). With the deepening American commitment in Iraq, concerns over education abated somewhat during the 2004 election season. However, that did not necessarily suggest lackluster interest (*Washington Post* and *ABC News* 2002). In January 2005, a poll from the Pew Research Center for the People and the Press found that 70 percent of adults believed "improving the educational system" should be a "top priority" for President Bush and Congress in 2005. That was slightly lower than, but close to, the same number of respondents who said "defending the country from future terrorist attacks" (75 percent) and "strengthening the nation's economy" (75 percent) should also be top priorities. It was equal to or higher than concern over reforming Social Security (70 percent saying it is a top priority) and Medicare (67 percent) and much higher than other issues such as protecting the environment (49 percent) and lowering taxes for the middle class (48 percent) (Pew Research Center for the People and the Press 2005).
2. There are dozens of books and shorter studies in both areas. On the history of federal policy in busing and school desegregation, examples include Bell (1980), Wilkerson (1979), and Orfield (1978; 1999). Many titles also appear in a collection of articles from political scientists that commemorated the fortieth anniversary of the Little Rock drama of 1957 (*Struggling toward Opportunity: 40 Years Since Little Rock* 1997). For useful work on special education, see Hehir and Latus (1992), Hehir and Gamm (1999), McLaughlin and Rouse (2000), and Finn, Rotherham, and Hokanson (2001).
3. For data on the original ESEA, see the *Congressional Quarterly* (1966: 292). Current figures are available from the U.S. Department of Education at <http://www.ed.gov/about/overview/budget/history/index.html> (accessed on June 13, 2005).
4. A federal role did exist prior to 1965, even though it was quite scattered. Some of the more well-known efforts affecting K-12 education before that year include the Northwest Ordinance of 1787, which provided land grants to support educational institutions in the new nation; the Smith-Hughes Act of 1917, which initiated specific federal support for vocational education; Impact Aid, which was designed to assist school districts in communities significantly burdened by the presence of federal facilities or lands [Impact Aid became law in 1941, and essentially amounts to revenue sharing for

local districts; it is still one of the most popular federal programs, primarily because its eligibility criteria guarantee funds to school districts in more than 250 of the nation's congressional districts each year (Wear 2003); and finally, the National Defense Education Act of 1958, which became law after the Soviet Union's Sputnik launch [NDEA was designed to increase the nation's stock of scientists, engineers, and foreign language speakers; among other things, it funded everything from the development of elementary and secondary science programs to fellowships for graduate study (Dow 1991)]. While some of the specific elements of these programs no longer exist, like many federal education programs, they have continued in other forms. Beyond the ESEA, perhaps the most significant federal education law affecting K-12 schooling is the Individuals with Disabilities Education Act, or IDEA (originally passed in 1975 as the Education for All Handicapped Children Act). This act helped to reverse the nation's long history of excluding students with special needs from educational opportunities that nearly all citizens take for granted.

2

BORROWING STRENGTH, FEDERALISM, AND AGENDA SETTING

IN THIS CHAPTER, I DEVELOP A THEORY TO DESCRIBE AND EXPLAIN HOW THE institution of federalism affects the process of agenda setting. My thesis is that a government's agenda, as measured by its level of interest and involvement in a policy area, depends on the efforts of policy entrepreneurs who mobilize the government's license and capacity to act. A lack of license or capacity need not limit a government's agenda, though, as long as entrepreneurs can make up for these deficits by borrowing strength from another level of government. This conceptualization proves quite useful in explaining how the nation's education agenda has unfolded since the 1960s. More broadly, it provides a generic tool for analyzing agenda development vertically across levels of the American federal system and horizontally into other policy areas.

The chapter proceeds in five sections. The first defines two key terms: agendas and federalism. The second describes some of the conceptual limits of previous research on federalism and agenda setting that prevent either field from shedding much light on the other. The third section examines three key concepts that are building blocks for my theory: policy entrepreneurs, license, and capacity. The fourth section develops a theoretical model that relates these concepts and the mechanism of borrowing strength to show how federalism influences agenda setting. The fifth section uses the theoretical model to derive predictions about how agenda dynamics are likely to unfold in a federal system. That final section also briefly describes the methods and diverse sources of evidence that appear in subsequent chapters.

DEFINING AGENDA SETTING AND FEDERALISM

For decades, political scientists have considered how policymakers, organized interest groups, and citizens determine the scope of government agendas (Dahl 1956, 1961; Schattschneider 1960; Bachrach and Baratz 1962; Olson 1965; Lowi 1967; Downs 1972; Cobb and Elder 1983; Riker 1993; Baumgartner and Jones 1993, 2006b; Kingdon 1995). In these studies, scholars have provided many an-

swers to the questions "What is agenda setting?" and "What is the agenda?" For example, Riker (1993, 1) introduces his edited volume by describing in broad terms "the agenda function of setting alternatives and priorities." Studying that process includes three general activities, he argues: considering where issues come from in the first place; examining what makes some issues political and thus fair game for policy debate; and analyzing the strategies that advocates use to manipulate agenda setting processes, what Riker calls "heresthetics" (Riker 1986), to increase the likelihood that their favored alternatives will win.

Cobb and Elder (1983, 14, 85–86) take a similarly expansive approach and define the agenda as "a general set of political controversies that will be viewed at any point in time as falling within the range of legitimate concerns meriting the attention of the polity." Under this definition, they see two separate but related agendas. The systemic agenda "consists of all issues that are commonly perceived by members of the political community as meriting public attention and as involving matters within the legitimate jurisdiction of existing governmental authority," while the institutional, governmental, or formal (all synonyms) agenda "may be defined as that set of items explicitly up for the active and serious consideration of authoritative decision-makers."¹

In his book on the president's domestic policy agenda, Light (1999, 2–4) characterizes the president's agenda as a "signal" that "indicates what the President believes to be the most important issues facing his administration. It identifies what the President finds to be the most appropriate alternatives for solving the problems. It identifies what the President deems to be the highest priorities." In short, in forming an agenda, presidents specify issues, alternatives, and relative priorities. In Kingdon's (1995, 3–4) classic work, originally published in 1984 and mostly unchanged in its new edition, the agenda is "the list of subjects or problems to which governmental officials, and people outside of government closely associated with those officials, are paying some serious attention at any given time." Like others, Kingdon recognizes the existence of more particular agendas including the specialized ones present in government agencies; the general governmental agenda, comprised of subjects getting some measure of attention from public officials; and the decision agenda, which is a subset of the governmental agenda that includes specific topics that public officials act upon such as a House floor vote, an executive order, or a regulation.

It is interesting that in perhaps the most comprehensive work on agenda setting, Baumgartner and Jones offer no pithy definition of the agenda. Rather, the authors argue that "The agenda-setting process is much more complicated than the comparison of issues that are 'on' or 'off' the public agenda would imply" (Baumgartner and Jones 1993, 36). That moves them away from the level of detail present in the Kingdon (1995) or Light (1999) books and toward a focus "on the long-term trends in interest and discussion for much larger policy questions" (Baumgartner and Jones 1993, 49). Baumgartner and Jones conceptualize a number of different agendas. Media coverage reveals the public agenda, and the number of congressional hearings and public laws map out the governmental agenda.

They use these indicators to "trace an issue as it moves from one venue to another (if it does) and track how public or elite understandings of the issue change (if they do)" (Baumgartner and Jones 1993, 50).

Even though these definitions vary, all agree on one basic idea: a topic is on the government's agenda if public officials give it some attention, and possibly act upon it. My analysis begins from that basic starting point and in subsequent pages refers to three different but related agendas, which I define as follows. The public agenda contains items that are salient in the mass public, the media, and popular culture. Using this definition, for example, one could consider education on the public agenda if many people identified it as an important problem facing the nation. Because this project focuses primarily on the attitudes and actions of policy entrepreneurs, not the general public, the public agenda will play a supporting rather than a leading role in my discussion.

The political agenda measures how frequently and specifically government officials—such as legislators, chief executives, and their staff members—talk about particular topics. The political agenda captures the level of government interest in a policy area, one of my key dependent variables. I consider press releases from elected officials, campaign advertisements and issue briefs, proceedings such as government hearings, and presidential speeches all indicators of the content of the political agenda. Chapter 3 makes these ideas concrete by describing how federal interest in education has varied during the latter half of the twentieth century.

Finally, an item is on the policy agenda if it is reflected in laws, budget appropriations, government bureaucracies, or regulations. The policy agenda is sometimes the next stop after public officials have demonstrated interest in an issue. After discussing the topic in hearings or during campaigns, they sometimes pass laws or spend money to address it. The policy agenda corresponds to this study's other key dependent variable, involvement. Chapter 4 describes variation in federal involvement in education since the first ESEA became law.

"Federalism" is the other key term that requires clarification. In its common usage, the word "federal" has many connotations. For students and scholars of American politics, federalism typically refers to America's divided system of government, which contains a national government based in Washington, DC, and fifty state governments (Grodzins 1966; Elazar 1984). Because local governments are technically creatures of the states, researchers often talk about the nation's "intergovernmental system" when they want to explicitly include local governments, along with the national government and the states, in their analyses (Walker 1995, 22; O'Toole 2000a).

Lay people, news reporters, and scholars often use the term "federal government" to mean only the national government based in Washington, DC, and its associated courtrooms or departments scattered about the nation. When people complain about their federal taxes, for example, they do not mean all the money they owe to the U.S. Internal Revenue Service and their state departments of revenue. Rather, they are speaking of the portion of their earnings they pay to Uncle Sam.

This book will follow a couple of simple conventions to distinguish between different meanings of the word federalism. Phrases like "federal system" or "federalism" will refer collectively to the governments in Washington, DC, and the states. Statements about the "federal government" or the "national government" will refer to the government comprised of the U.S. Congress, the presidency and executive departments, and the courts. Following these general rules will be tricky at times. For example, politicians sometimes distinguish between education as being in the "national interest," meaning all citizens and governments (federal, state, and local) should care about it, versus the degree to which it should be a federal responsibility for the government in Washington, DC. Context should clarify the intended meaning where this potential ambiguity arises.

These definitions of the agenda and federalism can also work together to describe the agendas of different governments. Most broadly, general references to the "government's agenda" or the "governmental agenda" will refer to the political and policy agendas of a particular level of government, be it the states or the federal government. Further, when I use phrases such as the "American education agenda" or the "national education agenda," as this book's subtitle suggests, I will be referring collectively to the education agendas of the states and the federal government. An item is on the "federal agenda" or the "federal government's agenda" if members of Congress or the president, for example, demonstrate some level of interest and involvement in it. I will use "federal interest" to refer to those items on the federal political agenda, while "federal involvement" will refer to the federal government's policy agenda. Similarly, "state interest" will capture the political agenda in the nation's fifty states, while "state involvement" will gauge the states' policy agenda.

DISCONNECTS BETWEEN THEORIES OF FEDERALISM AND AGENDA SETTING

Federalism researchers and those who study agenda setting have made important contributions to what we know about the American political system. Their advances have often proceeded in relative isolation from one another even though casual observation would suggest that the structure of federalism in the United States can influence which policy issues become ripe for discussion and potential action. With the literatures on federalism and agenda setting relatively far apart, then, the result is that political scientists lack a tight set of rich concepts that can unite these two lines of inquiry. The disconnect stems from issues in both areas, which I consider to be a collective missed opportunity rather than a specific failing of any particular group of scholars.

Three main issues prevent the American federalism literature from promoting sharp theoretical insights about how agenda setting processes work in the United States. First, the metaphors that scholars have used to analyze federalism can make it difficult to link this work with other fields. Federalism scholarship has become

somewhat overrun by labels and metaphors that describe the system's nuances. Walker's (1995) partial list of federalisms included more than twenty different variants; another study, which Anton (1989, 3) cites, identified 267. Walker (1995, 22-23) noted that these conceptions have been "diverse, discordant, and numerous" and have moved some researchers to "question their usefulness." While diverse perspectives can be good, this conceptual hubbub also can make it difficult at times for knowledge to accumulate in a theoretically elegant way. Anton (1989) has noted the field's general weakness at mobilizing powerful analytic concepts, in particular those that explore general mechanisms to explain change. The result, he argues, is that federalism studies have often been "empirically strong but theoretically weak" (Anton 1989, 2).

Even though scholars have identified many types of federalisms, any survey of American government texts would suggest that conceptualizations based on cooperation among governments enjoy much support. Ever since Grodzins (1966) coined the "marble cake" metaphor to extend the "layer cake" imagery of dual federalism, scholars have generally recognized that most policy areas in the United States involve actors from national and state (and increasingly local) governments (Elazar 1984; Zimmerman 1992; Peterson 1995; Conlan 1998; Derthick 2001; Agronoff and McGuire 2001; Gormley 2001). That swirl of activity, much like a marble cake, makes it hard to distinguish where one layer of government activity or authority ends and where another might begin. Without this perspective on federalism, Grodzins (1966, 8) argues, one "misses the most important fact of all: the system is, in effect, one government serving a common people for a common end."

If a cooperative take on federalism helps to simplify the conceptual landscape, it still leaves many theoretical avenues for others to explore. Arguably, the idea of cooperative federalism, and in particular its marble cake imagery, is more a metaphor than a model.² By that, I mean it provides a heuristic that can loosely characterize the system's broad features, but it does not necessarily specify the mechanisms that might enhance or retard cooperation. Because cooperation is often cast in very broad terms, the metaphor does not easily generate specific predictions that are amenable to empirical tests. For example, when Grodzins (1966, 11-12) describes various dimensions of federal-state "sharing," he notes that his claims are not "easy to test against actual events," which produces "difficulties of analysis that cannot be completely solved." Similarly, Elazar's (1984, 1991) elaboration of cooperative federalism as a matrix containing multiple centers of power may have enabled him to represent the system more precisely than previous authors. However, in contrast to his work on state political culture, which generates clearer predictions about the content of state policy, Elazar's explicit treatment of cooperation remains primarily descriptive.

Further, work on cooperative federalism tends to focus primarily on policy implementation and, in particular, implementation of federal policy rather than where policy ideas originate. That begs the question of why and how certain policy domains become ripe for cooperation and why others do not. Put another way,

just because "governments constantly intrude into one another's policy space" (Anton 1989, 231) does not mean that intrusions or cooperation are equally likely in all areas. And surely, constitutional issues aside, given the nation's ambivalence about empowering the national government (Dertnick 2001; Ellis 2000), federal officials often face major challenges when they consider embarking on cooperative ventures. So, even if one believed that ideas simply bubble up to Washington from the laboratories of innovation known as the American states, that still leaves unanswered how the bubbling up occurs and how the cooperation it might produce eventually takes shape.

To their credit, Grodzins and Elazar recognize how their work on cooperative federalism leaves much room for future theoretical development. The former reminded readers that the marble cake would not be the final word on American federalism: "The task of describing and analyzing the chaotic American government has been done many times by many hands in many ways for many purposes," Grodzins argued. "Yet it is a job that must always be done again. Circumstances are ever changing. New methods of observation supply new data. And most of all, the phenomena themselves are complex and baffling" (Grodzins 1966, 12-13). Elazar (1991, 69) made a parallel point twenty-five years later in responding to what he saw as pervasive simplistic assumptions about cooperative federalism; he noted that "the sum and substance of federal theory is not embodied in either dual or cooperative federalism, or in any of the other current slogans." More recently still, Zimmerman (2001) stressed a need for better theorizing that could account for the presence of dual, cooperative, and even coercive federalisms in the American system. Thus, forty years after Grodzins's (1966) work appeared, the labels and metaphors continue to proliferate, which certainly has provided more ways to describe the system's particular features. This crowded conceptual landscape has made it difficult, though, to build bridges across areas of study. Thus, opportunities for conceptual breakthroughs that can elegantly link the institution of American federalism and the process of agenda setting still remain.

A second aspect of federalism research that makes it difficult to integrate this work with agenda setting scholarship is more easily described but no less important. It stems from the understandable desire of scholars who aim to explain federal-state interaction in theoretically precise terms that reach beyond the descriptive or even normative metaphors of federalism that sometimes crowd the literature.³ Seeking more conceptually tight theories and explanations, several researchers have studied federalism by grounding their work in principal-agent models of federal-state interaction (Chubb 1985b; Hedge, Scicchitano, and Metz 1991; Hedge and Scicchitano 1994; Hill and Weissert 1995; Wood 1992, 1991; Nicholson-Crotty 2004). Generically speaking, these models attempt to analyze the strategic relationship between a principal, sometimes called the boss, and an agent, who is often portrayed as the principal's subordinate. In straightforward terms, principals hire agents to act on their behalf. Agents enjoy varying degrees of discretion as they work, and both principals and agents often possess dissimilar

information and divergent goals that can complicate the relationship. In the context of federal grants, for example, scholars frequently draw upon principal-agent models to examine the strategic interactions between policymakers in Washington, DC, (principals) who distribute funds to state actors (agents) who spend these dollars.

One can reasonably praise federalism research in the principal-agent tradition for its conceptual precision and ability to generate hypotheses that invite empirical tests. As a building block for bridging the theoretical gap between federalism and agenda setting, however, the principal-agent approach is limited. Like work on cooperative federalism, these analyses typically focus on policy implementation by addressing questions such as: Do states strategically alter policies that Washington has directed them to implement? Do states respond to federal oversight activity when they issue regulations? Do states divert funds from federal grants to support their own policy priorities? By focusing on how governments carry out policy, the quintessential issue for agenda setting scholars of how policies emerge receives little or usually no attention. Despite the formal principal-agent relationship that appears to exist with federal programs, it is debatable whether states would necessarily consider themselves agents of Washington in policy areas in which federal dollars are quite sparse and for various reasons overall federal responsibility remains relatively low.

A third point worth noting is that much federalism research proceeds from a top-down perspective that suggests changes in the system emerge as the priorities of national leaders change. A popular narrative trajectory of federalism's development frequently begins with the cooperative and creative federalism of LBJ. It then moves to the New Federalism of Richard Nixon, which, according to these accounts, Ronald Reagan extended and stamped with his own mark. These descriptions, then, conclude with the devolution phenomenon of the 1990s that turned power back to the states (Nathan 1990; Conlan 1998; Donahue 1997). The principal-agent approaches to federalism also typically work from top-down perspectives, as the questions in the previous paragraph suggest. Even work on cooperative federalism, which stresses the overlapping responsibilities for state and federal governments, usually explores those overlaps in the context of federal programs. The unstated assumption is that cooperative federalism emerges when leaders inside the Washington Beltway decide that cooperation would be a good idea. States themselves appear as reactive or at best as supporters of ideas or philosophies that presidents and national leaders articulate. That understanding of federalism provides an important perspective but it understates the importance of states' own priorities and how they affect federal agendas.

The top-down bias sometimes also suggests a zero-sum perspective on power in the American federal system. If the national government grows stronger, as during LBJ's era, the states appear weaker. Fast forward to the devolution period in the 1990s and the story is reversed. Some approaches often portray federalism's dynamics as a competition between levels of government or as a clock-like machine with cyclical rhythm where ascendance at one level signals decline in an-

other (Chubb 1985a; Nathan 1990; Walker 1995, chapter 11). These perspectives miss the ways federalism can enable actors at all levels of government simultaneously. Many authors have recognized the need to get past the zero-sum approaches (Grodzins 1966; Beer 1978; Elmore and McLaughlin 1983; Elazar 1984; Zimmerman 1992). But, in claiming that American federalism is not a zero-sum system, these authors and others usually offer ad hoc explanations rather than a powerful set of theoretical concepts that can explain how the system helps to set federal and state agendas.

The perspectives and approaches of agenda setting scholars also contribute to the limited integration between these fields, something that some have recognized for several years (Walker 1977, 424; Nelson 1984). Kingdon (1995, 229–30) suggests as much in the update to his original seminal work, but he also admits that “federalism complicates an analysis of agenda-setting, because there are multiple agendas possible for the same subject matter at a given time.” In particular, the agenda setting literature contains two limits that are worth considering here.

First, major studies of agenda setting have typically not explicitly examined the influence that state officials and other subnational actors can play in setting the federal agenda. The authors in Riker’s (1993) edited volume ignore the states completely and Light’s (1999) study of the president’s agenda does not identify the states as a possible source of ideas.⁴ Kingdon (1995) barely mentions the states in his classic study. In their book on agendas and national policy change, Baumgartner and Jones (1993) do include a chapter on federalism; however, they tend to emphasize a zero-sum view of the system, which I described earlier, where federal officials can use grants to change the priorities of state and local governments.

Beyond those authors, Berkman (1993) comes closest to articulating a careful theory that gets beyond the popular, but sometimes problematic, metaphor of states as laboratories for national policy innovation.⁵ Focusing on the years from 1978 to 1986, he explains how the tax agenda of the U.S. Congress emerged as legislators drew upon their experience with the politics of economic development in their home states. Those experiences affected members’ attitudes and the party coalitions in Congress that were essential to changing the nation’s tax laws. Thus, Berkman develops a bottom-up theory of agenda setting, what he calls the state-roots model, by exploring the “impact on national politics of subnational political change” (Berkman 1993, 5).

Berkman’s (1993) work is a useful departure from previous studies of agenda setting that I have just described. Given the nature of its research design, it still leaves many opportunities for other researchers interested in federalism and agenda setting. For one thing, Berkman focuses on the U.S. Congress rather than multiple institutions of state and national government, which Baumgartner and Jones (1993) argue are important to consider. Additionally, and perhaps more importantly, even though his model posits a dynamic process that allows state and federal agendas to influence one another, because he focuses his empirical work on congressional policymaking, he only conjectures briefly about these feedbacks

in his concluding chapter (Berkman 1993, 142–48). By concluding with these possibilities, however, it is clear he hoped that future work would consider feedback processes more deeply and explain how state and federal agendas can influence each other through time.

A second feature to note about agenda setting studies, and much federalism research, too, is how scholars have described how policy advocates take advantage of multiple policy venues in the United States. Venues are institutions that possess the authority to act on behalf of all citizens in a particular political jurisdiction (Baumgartner and Jones 1993). Because many governments and hundreds of state and federal agencies comprise the American federal system, policy entrepreneurs have numerous institutional venues where they can agitate for their interests. The availability of multiple venues has become more important since the 1960s as governments have become increasingly interdependent across policy areas (Chubb 1985b; Fesler and Kertl 1996).

Multiple venues are useful for policy advocates because if they find doors closed in one place, they might have more luck opening them elsewhere (Grodzins 1966; Anton 1989; Baumgartner and Jones 1993, 31–35; Burns 1994; Gray and Lowery 2000). This process of venue shopping is important to consider. But it is incomplete because it omits that officials at one level of government may seek advantages at another level not as an alternative to but as a complement for acting in their own. Baumgartner and Jones (1993, 232) briefly allude to this idea by noting that “the multiple venues of the states and the federal government sometimes coalesce into a single system of positive-feedback, each encouraging the other to enact stronger reforms than might otherwise occur.” Those authors tend to stress how policy entrepreneurs shift their battles from venue to venue. The research does not illuminate the mechanisms that can enable these entrepreneurs to promote agendas at a particular level of government by leveraging opportunities that exist elsewhere in the system.

Identifiable mechanisms are crucial, though, because, without them, it is impossible to explain how ties between multiple venues in the American federal system help to set government agendas. Focusing on American federalism’s centralizing tendencies has perhaps distracted scholars from such a search (Nathan 1990; Walker 1995; Conlan 1998). Admittedly, it is hard to dispute that the federal government has grown much stronger since the New Deal (Derthick 2001, chapter 10). However, if the American federal system tends toward centralization, emphasizing that feature downplays much of the system’s variation. Note, for example, that states have become more professional and capable policy actors during the same period that the gravitational pull toward Washington, DC, has increased. Explicitly recognizing these growing state capabilities can help explain how activity in state venues can affect the federal agenda (Anton 1989; Posner 1998; Beamer 1999; Gormley 2001).

The rest of this chapter develops a theory to address the two primary research questions that chapter 1 introduced. My borrowing strength model of agenda setting incorporates a handful of key concepts and processes that integrate major

findings from the literature on federalism and agenda setting. In the process, it offers the kind of crisp conceptualization that authors such as Anton (1989) and Kingdon (1995) have urged scholars to pursue.

CONCEPTUAL BUILDING BLOCKS

Building on the introductory discussion in chapter 1, this section describes in more detail three key concepts—policy entrepreneurs, license, and capacity—that I use to explain a government's level of interest and involvement in a policy area.⁶ The ensuing section develops a theoretical model that relates them to the process of borrowing strength. Together, these ideas and the model explain how federalism influences agenda setting.

Policy Entrepreneurs

Policy entrepreneurs help to set the political and policy agendas of government. They can be elected politicians, government employees, or workers in the idea communities of think tanks, universities, and interest groups (Walker 1977; Polsby 1984; Smith 1991; Mintrom 2000; Sheingate 2003). In Kingdon's model of agenda setting these entrepreneurs play a key role. The critical linking of problems, policies, and politics, which he argues must precede policy change, does not occur by chance, but when "entrepreneurs perform the function for the system of coupling the previously separate streams" (Kingdon 1995, 182). By implication, these entrepreneurs are not mere bystanders but advocates who fight to push their ideas onto the agenda or defend their turf against other rising concerns.

The best policy entrepreneurs do not limit their sights only on the immediate contexts where they work. True, a member of the U.S. Senate may try to influence the legislative agenda from inside a committee, the chamber, or the Congress as a whole. A Washington lobbyist may spend time with executive branch officials or in meetings with House and Senate committee staff. But entrepreneurs might also influence the federal agenda by capitalizing on opportunities that exist elsewhere in the American compound republic.

Since the early 1980s, especially, several governors known as education reformers have assumed high posts in the federal government. A short list of the most well-known officials includes former education secretaries Richard Riley and Lamar Alexander (who subsequently became a U.S. Senator), and presidents Bill Clinton and George W. Bush. Seeking a greater federal role in K-12 education, but recognizing Washington's inherent limitations in this policy area, these leaders and others have attempted to leverage the license and capacity of state governments to build federal education agendas. That does not mean that federal policy entrepreneurs, even those with state experience, always accurately assess what states can offer; nor do these entrepreneurs always protect state prerogatives (Posner 1998).

State leaders have been equally entrepreneurial in developing their own political and policy agendas. For example, while unfunded federal mandates are sometimes cast as great burdens on subnational units of government, Posner (1998, 217-18) argues they have "also served a political function for state and local governments in gaining leverage—in policy struggles within their own governments." He continues by noting that in some cases "state and local officials found mandates to be a useful tool to accomplish their own policy agendas in the face of recalcitrant local political actors." During the 1980s, for example, many governors developed license to expand their reach over their state education systems by invoking the principles contained in the federal report *A Nation at Risk*.

These examples underscore two important points about agenda setting in a federal system. First, policy entrepreneurs are key players in the agenda setting process. Ultimately, it is people, not faceless government institutions, that produce government agendas. Second, as entrepreneurs develop their agendas, they can seek advantages by leveraging the rhetorical arguments and capabilities (what I call license and capacity) that emanate from other governments.

License to Act

License refers to the strength of the arguments available to justify government action. Where do policy entrepreneurs find the license they need to support their proposals? Four main sources exist. First, and perhaps most generally, license resides in the wells of political capital that politicians cultivate, conserve, and spend at important moments in time. Second are the frames that entrepreneurs impose on issues that link them to other concerns, as when state administrative issues regarding drivers' licenses become connected to national security concerns about fighting terrorism. A third way to justify action is to draw on constitutional or statutory language that grants control over a policy area to a certain level of government. A final source of license is a track record of past policymaking that has withstood challenge over time. If a government has acted previously and rebutted serious criticism, this past experience may justify future efforts along the same, or a similar, path.

In sum, policy entrepreneurs, especially elected officials, are on the strongest ground when they can identify formal sources of license. Statutory or constitutional provisions that identify formal powers, or a track record of persistent policy action, can be quite persuasive. License is important because typically politicians must offer justifications when they assert their power. Scholars of agenda setting and federalism have addressed this general idea both directly and indirectly. Consider these examples from the literature.

Agenda setting scholars have argued that perceived crises can justify government action (Birkland 1997). Policymakers tend to agree and sometimes even assert that governments are essentially hamstrung unless a crisis exists (Kingdon 1995, 95). At least initially, as people turn to public officials for help, crises can boost a leader's stock of political capital and provide compelling frames to justify

action. Examples of this phenomenon include the security upgrades at public buildings after the Oklahoma City bombing in 1995; the heightened concerns over nuclear power after the Three Mile Island accident in 1979; the range of school safety measures introduced after the tragedy at Columbine High School in 1999; and the expansion of anti-terrorism activities following the September 11 attacks on the United States in 2001.

Crises may increase the potential for a government to expand its interest and involvement in a policy area, but they do not guarantee it. In crisis and noncrisis situations alike, policy entrepreneurs are most persuasive when they offer a narrative about a problem's causes and the probable effects of policy responses. One of the best explicit treatments of this topic is Stone's (1989, 1997) work on causal stories. She argues that issues only become problems when policy entrepreneurs convince others that problems are amenable to government action. Baumgartner and Jones (1993, 25–30) discuss this idea and note how policy entrepreneurs craft “policy images,” which the authors describe as the “way that policy is understood and discussed.”⁷ Relevant stakeholders and the public need to believe there exists a lever the government can pull to create positive results (Weiss 1998; Majone 1989). Similarly, Polsby (1984, 2) alludes to the importance of license, without actually using that word, by arguing that because needs are essentially ubiquitous—all people feel like they need something—there must also exist “a doctrine, or theory, or idea, or notion, or attitude, or custom, that legitimates governmental activity with respect to this need.”⁸ Developing these causal stories can be especially challenging when problems are unfamiliar or multidimensional.

Sometimes a federal policy entrepreneur becomes interested in expanding the federal government's role onto the turf of state governments. This complicates the narrative and search for license even more. Not only does the entrepreneur need to link the problem to positive government action, but she must also justify why the federal government should undertake this effort at all. Indirectly, work on federalism has addressed the latter part of this entrepreneur's challenge in discussing how to justify the allocation of policy responsibilities in a federal system.

Using a functional approach, federalism scholars sometimes divide policy into two broad categories: developmental and redistributive (Peterson 1995; Peterson, Rabe, and Wong 1986). Developmental policies are designed to improve the quality of life of particular communities and most frequently focus on economic issues. For example, infrastructure enhancements, such as bridge and road construction, would be developmental activities. Redistributive policies try to benefit needy groups including the poor, unemployed, elderly, or disabled. Welfare and other social service programs are examples in this category.

Scholars using this classification system reason that levels of government closer to citizens have greater license to design and administer developmental policies, while higher levels of government can more easily justify redistribution. State and local governments are more attuned to their own particular economic needs, so the argument goes, and therefore are best able to assess what developmental policies they should enact. The federal government, conversely, should

target redistributive policies. Burdening state or local governments with redistribution would force them to raise taxes, which can harm their overall development and undermine their attractiveness compared to other jurisdictions (Tiebout 1956; Hirschman 1970).

In applying this typology, it is sometimes hard to distinguish between developmental and redistributive policies.⁸ Education policy provides a case in point. On one hand, it is clearly developmental. Mayors, governors, and industry leaders regularly argue that state and local economies depend on well-educated work forces to attract high-wage employers (Goldberg and Trainan 2001). In addition, businesses often court potential employees by describing how strong the public schools are in the communities where their firms reside. On the other hand, education policy also has redistributive elements. One of the original and ongoing missions of the ESEA Title I program has been to channel resources to communities with large concentrations of poor children in order to improve their life prospects (Jennings 2001). Advocates of school vouchers or charter schools make a parallel point when they argue that school choice already exists in the United States for children of affluent families but not for poor ones. A way to remedy that inequity, they argue, is to provide impoverished families with access to schools of their choice, which, over time, can help disadvantaged students escape poverty (Peterson and Hassel 1998).

Deciding whether education is a developmental or redistributive policy area may tie federalism scholars in analytical knots. But its ambiguity can help federal policymakers to develop license as they attempt to extend Washington's role in America's schools. It can also empower state officials who simultaneously call on the federal government to stay off their turf in some areas of education but beg Washington for help in others. Put another way, because education is both developmental and redistributive, it offers creative policy entrepreneurs opportunities to develop license to act regardless of formal statutory or constitutional provisions that, on their face, appear to demarcate authority over the nation's schools.

Capacity to Act

Capacity refers to the ability to act once policymakers decide they want to act. Concretely, it includes the human, budgetary, and institutional resources or infrastructure that governments possess. Simply because policy entrepreneurs can muster license to justify government involvement in an area does not necessarily mean the government can act and be effective. Capacity is therefore a key variable contributing to the development of government agendas.

Sometimes, low capacity is related to dwindling tax revenues due to a slow economy. For instance, nearly all state budgets were pinched in 2001 and 2002 as the national economic expansion of the 1990s ended (National Conference of State Legislatures 2001b). At other times, politicians may purposefully create a capacity deficit as a strategy to restrain government activity. That line of argument appeared frequently during the 2000 American election season as some candidates

called for tax cuts as the best way to use the (apparent) federal budget surplus. When money stays in Washington, they claimed, politicians will undoubtedly spend it on programs. Finally, the structure of ongoing government commitments can also affect capacity. From a local perspective, once school districts pay employee salaries and benefits, maintain the physical infrastructure of school buildings, and put gas in their buses, there is usually little money available for other initiatives.

The presence of government capacity can increase the probability that jarring events will expand government involvement in a policy area. Budgetary expansion of a relevant agency is one example that Nelson (1984, 44) provides in her book about the rise of child abuse as a public concern. "The [Children's] Bureau was able to give so much attention to child protection, physical abuse, and ultimately child neglect," she argues, "because the problems emerged on the agenda exactly, and fortuitously, at the same time that the Bureau was infused with resources for research."

In addition to money, capacity also depends on the quality of a government's workforce and its bureaucratic structures. Improvements in these areas have enabled state governments to become vital players in the American policy system (Hedge 1998; Van Horn 1996). At least up until the 1960s, their ranks lacked professionalization. Legislative and gubernatorial staff members tended to possess minimal knowledge and lacked policy analysis skills. The modernization of the states led the U.S. Advisory Commission on Intergovernmental Relations to remark in a 1985 report, which Nathan (1990, 242) quotes, that "state governments have been transformed in almost every facet of their structure and operations." In addition to better political staff and institutions, state administrators in executive departments have become increasingly skilled, which better positions states to respond to policy challenges (Bowling and Wright 1998).

One can portray the relationship between federal and state capacity as a one-way street that runs either in a federal-to-state or a state-to-federal direction. The former approach characterizes some of the principal-agent analyses of federalism that I noted earlier in which national policymakers attempt to leverage state capabilities and even change state priorities. The second version of the federal-state relationship portrays the federal government as copying ideas from the states and incorporating them into federal law. That bottom-up model reflects the view that states can be laboratories that test diverse solutions to the problems confronting the country.

These top-down and bottom-up perspectives capture some elements of the relationship between federal and state capacity, but they are incomplete. Federal-state interactions are rarely just top-down or bottom-up. At any point in time within a policy area federal and state entrepreneurs may interact in both fashions. Thinking dynamically, federal policy that may appear driven by ambitions of changing state priorities at one moment may in fact develop and unleash forces that foster greater independent state capacity in later periods. State capacity, in turn, can create feedbacks that then promote or retard the development of future

federal license or capacity. These interactive dynamics in the American federal system have implications for how policy and political agendas develop. Thus, a model that adopts this dynamism as its central organizing principle will be better able to describe and explain changes in government agendas than the top-down and bottom-up views working together or alone.⁹

SETTING THE AGENDA IN A FEDERAL SYSTEM

When policy entrepreneurs mobilize license and capacity, they can promote government interest and involvement in a policy area. In this section, I develop a general model that relates those concepts. I then embed the model in a federal context to explain how policy entrepreneurs can borrow strength from elsewhere in the system to overcome license or capacity deficits that may otherwise block the development of their agendas.

The Borrowing Strength Model of Agenda Setting

Figure 2.1 presents a simple model of agenda formation that relates the key concepts I have discussed so far. The arrows create three pathways that represent the activities policy entrepreneurs engage in when they want to develop a government's agenda.

The top path shows entrepreneurs leveraging government license to craft the persuasive arguments that can justify action. The bottom path shows entrepreneurs mustering pre-existing government capacity that can produce concrete policy. The middle path illustrates how policy entrepreneurs use an ongoing strategy known as "softening up" (Kingdon 1995) to promote their agendas. By definition, entrepreneurs are passionate policy advocates. Thus, they do not abandon their goals if a government lacks license and capacity. Nor do they stop test marketing and refining their proposals with key policy players and groups even when license and capacity are high. That constant promotion helps them to hone their ideas. Overall, then, considering these three paths, one could state the model as $L + C + S \rightarrow A$, which means the entrepreneur's efforts to combine license (L) and capacity

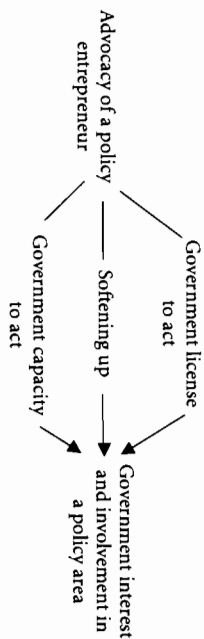


FIGURE 2.1

A model of agenda formation

Note: This figure corresponds to the following symbolic representation $L + C + S \rightarrow A$, which appears in the chapter text.

(C) and the effects of softening up (S) generate a government's agenda (A) in some policy area.

Figure 2.2 presents a typology characterizing the scenarios policy entrepreneurs would face given different configurations of license and capacity at their particular level of government. License is on the horizontal dimension and capacity on the vertical. Even though the figure creates four combinations, which I discuss here, each dimension really varies continuously. Further, given that entrepreneurs are passionate and persistent advocates, I assume that softening up is present in all four scenarios even though it does not appear explicitly in the figure.

Predicting a government's level of interest and involvement in a policy area is perhaps not difficult for situations falling into quadrants I and III. The former depicts government possessing high license and high capacity to act in some area. In other words, the arguments for government action are clear and the capabilities adequate. Government officials can strive to expand their interest and involvement because they can provide a solid rationale and they possess adequate resources to act. Symbolically, $L_1 + C_1 + S_1 \rightarrow A_1$, where the capital letters represent high license (L), high capacity (C), and the ongoing softening-up strategy (S). The subscripted number "1" signals a focus on a particular level of government and the subscripted numeral "1" indicates that the government's agenda scenario re-

	Government capacity to act	High	Low
Low	II. "Straining"	I. "Striving"	IV. "Staking"
	High	High	High
	Low	Low	Low
		Government license to act	
			High

III. "Standing by"
Agenda status likely low.
Entrepreneurs discuss their ideas with key individuals, but stand by waiting for a window of opportunity to open up.

IV. "Staking"
Agenda status ambiguous, but likely middling. Entrepreneurs stake claims on the policy area even if they fail to move forward with concrete plans.

FIGURE 2.2
Predicting agenda status of a policy area based on a government's license and capacity to act in that area

sembles quadrant I from figure 2.2. An example of this is the American military response in Afghanistan to the events of September 11. Few people would deny that a nation has the right to defend itself when attacked. License to act was clear. And, despite some concerns about Afghanistan's climate and terrain, nearly all American officials and the general public were confident that the American military possessed the capacity to oust the Taliban regime, which had provided Al Qaeda with a safe haven for its operations.

Quadrant III illustrates the opposite scenario. Here, both license and capacity are low. One would predict that policy entrepreneurs would be unlikely to increase a government's interest and involvement in a policy area of this sort. Amidst the range of potential issues that might make the government agenda, policy entrepreneurs would tend to continue softening up potential supporters for their ideas but would largely be in standby mode in this case. If the government lacks license to justify action and the capacity to carry it out, it would make little sense for an entrepreneur to expend resources to mount a significant effort beyond the softening up strategy that I described earlier. In symbolic terms, $L_1 + C_1 + S_1 \rightarrow A_{III}$, where the lowercase letters represent low license and low capacity. Continuing with the September 11 example, a city council could pass a war resolution supporting or opposing a military response to the attacks in New York, Washington, DC, and Pennsylvania. While some city governments may have created a small amount of agenda space for such a symbolic gesture, it is highly unlikely that city officials spent many weeks or months discussing its official position on how to respond overseas. Local governments have no formal say over the conduct of U.S. foreign policy primarily because the U.S. Constitution provides the national government with overwhelming power in this area. Thus, other than expressing sympathy for the victims of the attacks and supporting the nation's troops, city governments lacked license to develop military strategy and tactics for overseas interventions. Furthermore, because city governments do not have the money, military forces, or diplomatic corps needed to prosecute a foreign war, their capacity to act in anything but a symbolic way was extremely limited.¹⁰

More ambiguous cases occur in quadrant II and quadrant IV. In the former, license is low and capacity high ($L_1 + C_1 + S_1 \rightarrow A_{II}$), whereas the latter illustrates high license and low capacity ($L_1 + C_1 + S_1 \rightarrow A_{IV}$). If policy entrepreneurs need license and capacity to promote interest and involvement, then what would the government's agenda look like in these cases?

In quadrant IV, high license may allow policy entrepreneurs to stake a clear claim that the policy is important and resides in the government's domain. The intersection of license and capacity in quadrant IV implies there is a good chance government officials will at least discuss the issue, regardless of whether they eventually act. Quadrant II represents a scenario where capacity is high but license is low. Simply because capacity exists does not mean entrepreneurs can mobilize it to accomplish any imaginable objective. That may frustrate policy entrepreneurs who strain to identify persuasive arguments to justify action, which they believe the government is fully capable of executing.

Depending on the particular intersection of license and capacity, the probability that a government would demonstrate interest and involvement in some policy area might resemble the possibilities described in figure 2.2. However, those predictions only serve as a convenient starting point. The reason is that so far I have not incorporated into my discussion the possibility that policy entrepreneurs may borrow strength from other governments in the nation's federal system to ameliorate their own deficits in license or capacity. The quadrant in figure 2.2 where a policy entrepreneur ultimately finds himself, then, depends in part on the stock of license and capacity at the entrepreneur's level of government. Crucially, it also depends on the entrepreneur's ability to mobilize license and capacity that resides elsewhere in the American federal system. For creative individuals, federalism thus opens up additional agenda building possibilities.

Stated concretely, federal interest and involvement in an area does not depend only on what license and capacity are available to federal officials. Policy entrepreneurs at the federal level may seek license or capacity from other levels of the nation's compound republic to help them build policy agendas in Washington. Similarly, limits on license and capacity at the state level may minimize a state government's agenda, but state policy entrepreneurs can overcome this problem by seeking these ingredients from the federal level. Borrowing strength is the mechanism that characterizes these efforts.

Figure 2.3 extends the model from figure 2.1 by incorporating the process of borrowing strength. This adjustment shows how policy entrepreneurs working at one level of government can convert the agenda scenarios in quadrant II ("straining") or IV ("staking") into scenarios more like quadrant I ("striving"). Part A of figure 2.3 presents a case where Government 1 possesses high capacity and low license to act. The thick arrow shows how a creative policy entrepreneur working at this level of government can sidestep Government 1's license problem by borrowing license from Government 2. In so doing, the entrepreneur can promote Government 1's interest and involvement in the area, rather than straining to do so as quadrant II of figure 2.2 predicts. Stated symbolically, $(L_1 + L_2) + C_1 + S_1 \rightarrow A_1$.

As an example, consider the case where a state acts as Government 1 and the federal government plays the role of Government 2. A governor might possess low license to justify a particular school reform agenda, which may prevent her from persuading constituents and other state officials to endorse her idea. However, the governor can attempt to leverage license from federal officials who may be considering a similar course for the entire nation. Presidents or members of Congress investing political capital like this become valuable resources for an enterprising governor seeking license to expand her own agenda. "If it's good for the nation, why isn't it good enough for our state?" a governor might argue. One could imagine other examples, too, with the states assuming the Government 2 role and the federal level becoming Government 1. In that case, policy entrepreneurs in Washington, DC, could adapt state arguments for their own purposes. Borrowing li-

ense would help them push federal interest and involvement in their favored policy area.

Part B of figure 2.3 shows a situation where entrepreneurs are borrowing capacity. In this case, the equation $L_1 + (C_1 + C_2) + S_1 \rightarrow A_1$ captures the borrowing process. For an example, imagine federal entrepreneurs, acting as Government 1, who lack the capacity to reform the nation's schools on their own. They can overcome that barrier by developing laws that leverage state efforts already underway. In the process of borrowing state capacity, they can ensconce their own interests and priorities on the federal agenda.¹¹

It is possible that a policy entrepreneur stuck with quadrant III of figure 2.2 might borrow license and capacity to promote a government's interest and involvement in some policy area. The logic of this final borrowing scenario is not present in figure 2.3 but can be stated symbolically as $(L_1 + L_2) + (C_1 + C_2) + S_1 \rightarrow A_1$. In practice, it is doubtful that policy entrepreneurs would have much luck converting the agenda scenario in quadrant III into the one that quadrant I represents. That effort would represent a massive attempt at borrowing strength and

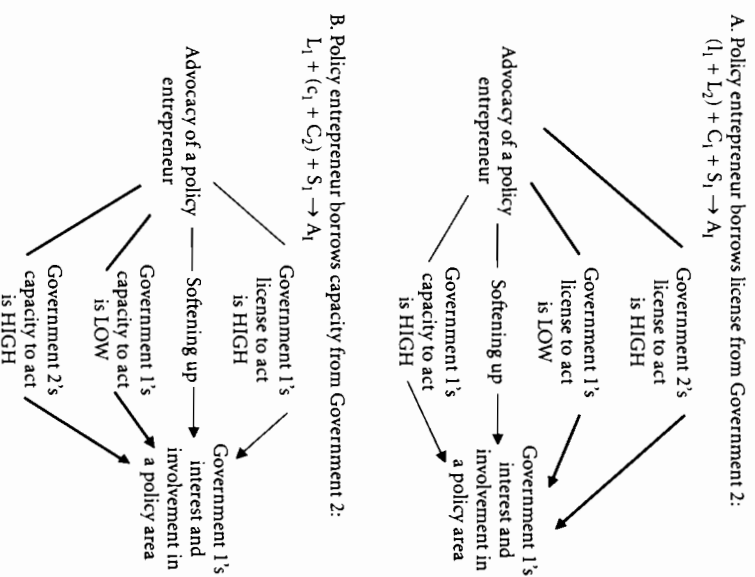


FIGURE 2.3
A policy entrepreneur borrowing strength to promote Government 1's agenda

the demands on the policy entrepreneur would simply be too great. "Standing by," as quadrant III predicts, appears to be the most likely outcome.

Borrowing Strength and Policy Feedbacks

Notice that both parts of figure 2.3 represent the process of borrowing strength from the perspective of one level of government at a particular moment in time. Without sketching a new diagram, it is also possible to imagine policy entrepreneurs at federal and state levels attempting to borrow strength from each other simultaneously and across time. As those relationships unfold, much like a strategic dance between federal and state actors, feedback effects become apparent and agendas take shape.

Activities at one level of government that drive political and policy agendas in another illustrate how feedback mechanisms can influence agenda setting. Scholars have generally characterized feedbacks in two ways (Baumgartner and Jones 1993, 2002a). Positive feedback accelerates trends already in motion and can produce bandwagon effects when an idea becomes popular and spreads. The literature on policy diffusion in the states offers examples of this process (Walker 1969; Gray 1973; Mintrom and Vergari 1998). Conversely, negative feedback processes promote stability. To borrow examples from Baumgartner and Jones (2002a, 9), negative feedback works much like a thermostat that kicks out heat when a room drops below a specified temperature, the Federal Reserve that attempts to jumpstart a sluggish economy by lowering interest rates, or a social service agency whose budget expands when unemployment rises.

Scholars of federalism and even casual observers of American government often emphasize the power of negative feedback by arguing that federalism tends to frustrate rather than promote policy action. Anton (1989, 8) identifies this scholarly tendency, which Derthick (2001, 39) describes this way: "Fragmentation of authority in the federal system is often portrayed, at least in academic literature, as a severe handicap to the federal government's pursuit of its goals." Arguably, this is what James Madison and the other founders had in mind. In Madison's view, dividing control between the states and the national capital would prevent any one elected official or small group from consolidating power. As long as leadership of the nation's policymaking institutions remained dispersed, the nation's citizens could rest assured that tyrants would not trample on their rights. This was the advantage of what Madison, in *Federalist No. 51*, called the nation's compound republic.

A slightly different version of the founders' view is implicit in functional theories of federalism, which I outlined earlier, that claim the federal government should handle distributive policies and governments closer to the people should stress developmental ones. If a government's agenda were based only on the capabilities at its immediate disposal, then that might be a reasonable approach (assuming one could identify policies as clearly distributive or clearly developmental). But, because policy entrepreneurs can reach across the federal

system to leverage other levels of government, the developmental-redistributive allocation framework is too limiting.

Focusing on federalism's arresting tendencies understates how the compound republic can facilitate policy action. Conceptualizing negative feedback and positive feedback processes in a theoretical model with clearly stated mechanisms is needed to overcome the disconnects between current scholarship on federalism and agenda setting. The borrowing strength model of agenda setting is my attempt to do just that. As policy entrepreneurs in Washington, DC, and the states leverage their own supplies of license and capacity and also borrow strength from one another, they set feedback processes into motion that can increase their chances of successfully building their agendas. License or capacity that exists at one point in time may produce interest and involvement, which, over many years, helps to promote subsequent license and capacity to expand agendas even more. Modeling that process is theoretically tractable as long as one carefully considers the timing and sequencing of events (Pierson 2000a, 2000b).

Overall, the dynamics of positive and negative feedback essentially capture one of E. E. Schattschneider's (1935) classic insights, that new policies create new politics. Considering how policy feedbacks play out in the American federal system is an essential component of explaining agenda development across time (Skocpol 1994). In education specifically, feedbacks have influenced the scope of federal and state agendas since 1965. During the last two decades in particular, positive feedback from state education reforms has expanded the ability of federal policymakers to leverage change. State actions have allowed federal officials to extend their reach over the nation's schools in new and unexpected ways. Simultaneously, though, assertive states have also beaten back the federal hand or redirected its reach in other areas more consistent with state prerogatives. Over time, federal policy dating to the first ESEA has cultivated in states the very capabilities that have allowed states to expand their own reform agendas while challenging Washington officials who seek greater involvement in schoolrooms across America. Many of these positive and negative feedback processes in education will become more concrete in later chapters. For now, consider the following general expectations that my borrowing strength model suggests.

Expected Agenda Dynamics in a Federal System

The processes presented in figures 2.1, 2.2, and 2.3 suggest several predictions about how governments in a federal system build their agendas. I discuss those predictions here, and, for the reader's convenience, I reproduce them in table 5.1 of chapter 5 where I explore them in further detail. The first expectation articulates the basic relationship between policy entrepreneurs, license and capacity, and government interest and involvement in a policy area.

1. Policy entrepreneurs operating with high license and high capacity will tend to promote a government's interest and involvement in a policy area.

These next two expectations describe how borrowing strength can promote positive feedback processes, which can help entrepreneurs to build government agendas. They also underscore a point that Anton (1989), Kingdon (1995), and others have made: policy agendas emerge when individuals, not simply abstract government institutions, make choices and then act. In my terms, that means that borrowing strength occurs when policy entrepreneurs make strategic choices to increase government interest and involvement in particular areas.

2. Lacking license or capacity, policy entrepreneurs may bolster either or both, and thus develop their government's interest and involvement in a policy area, by borrowing strength from another level of government.
3. Policy entrepreneurs will be more likely to borrow strength to promote agendas when they think it will help them achieve political gains and make good policy.

The borrowing strength model produces a third set of expectations that considers some of the consequences occurring when federal officials attempt to borrow strength from the states. These statements illustrate how borrowing apparent strengths can produce negative feedback processes and subsequent adjustments to federal agendas. These statements also underscore the interactive qualities of the American federal system. States are not passive agents who simply respond to the wishes of domineering federal principals. Rather, they can use federal interest or involvement in policy matters to promote their own agendas.

4. Federal officials who borrow strength from states will be more likely to enjoy political and policy success if they accurately assess the license and capacity of state governments.
5. State officials will attempt to extract concessions from federal officials if they think that, in borrowing strength, federal officials have overestimated state license or capacity.
6. Federal officials will modify policies that depend on borrowed strength if they are persuaded they have overestimated state license or capacity.

These final expectations emphasize that borrowing strength is neither easy nor costless. Federal officials, in particular, cannot simply copy the arguments that governors or state legislators develop and then apply them to federal efforts in a related area. They must adapt. Similarly, and perhaps more challenging still, is that these federal officials need to assess accurately the strengths that states possess. Overestimating state capabilities, and thus attempting to borrow license or capacity that seems to exist but actually does not, can generate federal policies that overburden state governments and distort their priorities. That can produce outcries from disgruntled state policymakers while simultaneously undercutting the effectiveness of federal policy. Furthermore, overestimating state license or capacity can have devastating political consequences for federal officials who were hoping to make good policy and score political points by seeking this leverage in the first place. Future

chapters will describe some of these ill-fated attempts at borrowing and how states have responded. These chapters will also show, however, that states themselves have sometimes been guilty of encouraging these behaviors. By promoting their own successes and maneuvering to borrow strength from the federal government, states sometimes foster conditions that encourage federal officials to overreach.

Overall, the borrowing strength model of agenda setting provides an appealing way to study agenda development in the American federal system. The mechanism of borrowing strength is a powerful analytical tool that forges a conceptual link between the federalism and agenda setting literatures. The overall model uses a handful of powerful concepts to capture federalism's fluid and dynamic nature and, in the process, to relate the institution of federalism to the process of agenda setting.

The model outlined in this chapter is especially useful for addressing the two main research questions introduced in chapter 1. Despite an apparent creeping federalization in education that has supposedly minimized state power, my analysis will show how state leaders have also leveraged the federal government to promote their own education agendas, sometimes with great success. Because these interactions are necessarily back-and-forth, it becomes clear that approaches considering primarily top-down or bottom-up relationships will omit much of the story. Empirically, then, the "protean" reality of American federalism, to use Derthick's (2001) term again, makes the borrowing strength model of agenda setting a strong tool for explaining changes in education agendas in Washington and the states.

The theoretical and empirical approaches that guide future chapters also align well with one of Baumgartner and Jones's (1993, 40) primary contentions; namely, that to understand an issue's agenda status, one needs to consider many different agendas across time. On that point in particular, the borrowing strength model is attractive because it allows analysts to consider policy and political agendas across issues, time, and levels of government. The model can reveal links between federal and state agendas in specific aspects of K-12 education and show how those relationships have unfolded. By considering the diverse menu of state and federal education policies that have developed since the 1960s, and by remaining sensitive to the timing of key events, the borrowing strength model enables me to describe and explain the "patterned disorder" (Orren and Skowronek 1994, 330) that has characterized the evolution of American education policy during the last four decades.

STUDYING THE EVOLVING AMERICAN EDUCATION AGENDA

This book uses a political development approach to describe and explain how federalism has affected the nation's education agenda. The study aligns most closely with the work of political development scholars who have emphasized how feedbacks influence policy change. Whether those feedbacks spawn opportunities or constraints depends much on the creativity of policy entrepreneurs.

Especially in the context of American federalism, the condition of past federal and state policies at particular moments can limit the future choices of officials at either level of government. However, because policies have unintended consequences, those limits may not prevail over the long term and may actually become opportunities as creative policy entrepreneurs discover how to use old policies in new ways. Thus, even though prevailing paths may limit where most policymakers dare to tread, policy entrepreneurs often find ways to shift agendas onto new trajectories. Borrowing strength is one strategy they can use to produce this result. In short, paths channel action but they do not absolutely constrain it. Nor is change simply the product of broad sweeping forces that remain present and relatively constant across time (Orren and Skowronek 1994; Pierson 2000b; Thelen 2002).

Beyond considering policy feedbacks, the political development approach also possesses some general strengths that are ideal for addressing this book's key questions. First, the development approach encourages scholars to consider contextual factors that contribute to policy change. Accounting for and learning from the details of history helps make comprehensible the array of forces that may be cross-pressuring or confusing policymakers who struggle to understand complicated policy processes (Lowi 1994; Orren and Skowronek 1994). Second, the approach can accommodate developments that include both incremental and rapid change (Baumgartner and Jones 1993). This is crucial in education policy, especially, where federal and state agendas can develop at different speeds, sometimes in concert and sometimes not. Breakthroughs at one level can be both leading and lagging indicators of more incremental activity elsewhere and may not even become completely apparent until many years after they have occurred.¹² Finally, the development approach emphasizes that in analyzing political change, scholars need to study carefully the timing and sequencing of events (Pierson 1994, 2000b; Baumgartner and Jones 1993, 2002b; Skocpol 1994). The evidence in this project will show that education analysts and pundits have been insensitive to some of these dynamics because they have allocated greater causal weight to major events that are breakthroughs in conventionally understood ways but may actually be more revealing for other reasons.

Overall, the political development approach is well-suited for investigating changes in the American education agenda since the 1960s. It is very supple methodologically and amenable to many empirical techniques and sources of evidence. To leverage that strength, and to study the multiple agendas that Baumgartner and Jones (1993) have reminded scholars to consider, my analysis draws on several quantitative and qualitative sources. I describe these sources here briefly and provide additional details in the appendix.

The quantitative data include content analyses of major presidential speeches, congressional hearings, and public laws. Public opinion and election-related sources include the biennial National Election Studies and two databases on political advertising, one that focuses on presidential ads across time and another that provides comprehensive coverage of the presidential race in 2000. Other quantitative measures are from the annual *Digest of Education Statistics* and various other

government publications. I also analyze qualitatively these same presidential speeches, hearings, and public laws to provide key contextual details regarding particular events or policy decisions. This analysis draws on the work of historians who have compiled accounts of major events in education policymaking.

Sixty elite interviews with members of the education policy community in Washington, DC, which I conducted from April 2001 through May 2002, also inform my analysis. They include current and former congressional staff members (both personal and committee staff); current and former appointees and career officials from the executive branch of the federal government; lobbyists who represent the states and other governmental and nongovernmental organizations; analysts from think tanks that study education; and members of the trade press and popular media who cover education issues. These interviews serve many purposes. They provide an important validity check on my broad theoretical arguments and claims that emerge primarily from other sources of evidence. My interview respondents have also helped me understand the details of federal and state policy change that are central to this analysis but are not often present in published sources.

THIS CHAPTER HAS DEVELOPED A THEORY TO EXPLAIN HOW FEDERALISM AFFECTS government agendas. As policy entrepreneurs mobilize license and capacity, and borrow strength to ameliorate their shortcomings, they can expand government interest and involvement in their favored policy areas. The borrowing strength model of agenda setting offers a conceptually tight way to unify scholarship on federalism and agenda setting and simultaneously to generate predictions about how government agendas in a federal system are likely to unfold. The next four chapters use this model to describe and explain the development of the American education agenda since the 1960s.

NOTES

1. Nelson (1984) builds on this approach in her work on child abuse as a public agenda item.
2. Elazar (1991, 69) noted as much in arguing that the "'marble cake' is not a theory. Grodzins never used it as a theory but only as a metaphor."
3. A popular normative perspective on federalism, which I discuss later in the chapter, appears in Peterson, Rabe, and Wong (1986) and Peterson (1995). Those authors argue that the national government should assume responsibility for "redistributive functions" and lower levels of government should take on "developmental functions." See also Anton (1989, chapter 2), who argues why federalism research focusing on fiscal federalism, hierarchy, and public choice is also an essentially normative approach to the subject.
4. That is not entirely true. Riker's own substantive chapter in this volume does explore federalism; namely, the debates over the topic that occurred during the ratification of the U.S. Constitution. However, his analysis does not explore how the institution of

- federalism affects the process of agenda setting. Rather he studies how the debate over federalism reveals insights about what he calls the Dominance Principle and the Dispersion Principle, two concepts he uses to explain the dynamics of agenda formation.
5. The laboratories of innovation metaphor suffers from many of the same limits as the metaphors of federalism that I just reviewed. In particular, it is short on identifying clear mechanisms and causal processes. Put another way, if states are indeed laboratories of policy innovation, how is it that some of their innovations become ensconced into federal law and others do not? The laboratory metaphor itself does not tackle that question head on.
 6. It is worth noting that Anton's (1989, 101) terms "authority" and "power" loosely parallel my notions of license and capacity.
 7. To use one of Baumgartner and Jones's (1993) running examples, if citizens associate pesticides with an image that evokes agricultural production and the maintenance of an abundant food supply, then they will tend to favor more lenient approaches to pesticide regulation and use. Alternatively, if policy entrepreneurs frequently discuss how pesticides cause toxic runoff that pollutes streams and leads to birth defects, then this new policy image will likely produce public support for stricter regulatory strategies.
 8. Anton (1989, 23) makes a parallel point about research on fiscal federalism in which scholars assume one can clearly distinguish between allocation, distribution, and stabilization functions of government. The problem, he argues, is that the real world rarely fits neatly into this framework.
 9. Other examples of that focus on dynamic relationships include Gornley (2001), who writes from the federal perspective, and Beamer (1999), who considers these issues from the perspective of state governments.
 10. That does not mean local governments did not spend time discussing ways to prevent future attacks. Local law enforcement agencies are directly related to securing the homeland; however, conversations about foreign policy and war fighting are different domains altogether.
 11. The logic of borrowing capacity parallels Salamon's (2002) discussion of how policymakers often use indirect tools of government when they lack "automaticity" to accomplish their objectives.
 12. Jones-Correa (2000-2001) describes this idea in the context of state-level restrictive covenants.

PART II

EVIDENCE AND EXPLANATIONS