

# 1. Spencer Foundation Proposal Cover Sheet

## Administering Organization Information

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**Name of organization:** College of William and Mary, Office of Grants and Research Administration

**Legal name, if different:** n/a

**Address:** Rowe House, 314 Jamestown Road, PO Box 8795

**City, State, Zip:** Williamsburg, VA 23187

**Website:** <http://www.wm.edu/grants/>

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## Proposal Information

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**Project Title:** Governing the schoolhouse in the American states: How institutions and money affect state policy outputs and student outcomes

**Requested Amount:** \$33,078

**Duration:** 12 months

**Start date:** January 1, 2007

**Primary Focus Area:** Social opportunity

**Additional Focus Area(s):**

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## Principal Investigator Information

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## **2. Proposal narrative**

### **Governing the schoolhouse in the American states: How institutions and money influence state policy outputs and student academic outcomes**

#### **Overview and relevant literature**

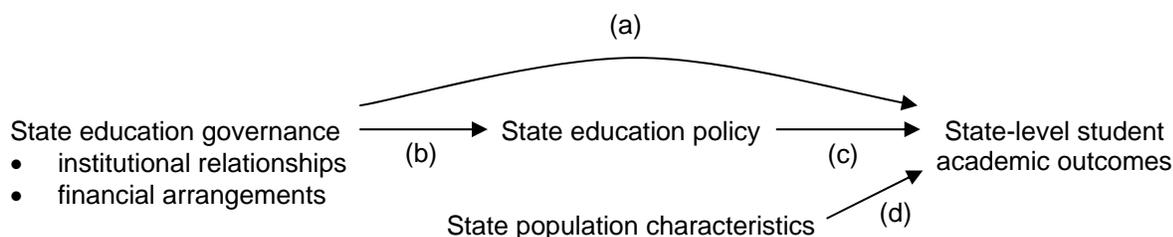
This project examines how state governance of K-12 education has influenced state policy and student academic success from 1975 to 2005. Specifically, the study addresses two questions: How do the institutional relationships between governors, state legislators, state education departments, and state boards of education influence K-12 education policy outputs and student academic outcomes? How do state education finance systems, comprised of revenues from state, federal, and local sources, influence these same policy outputs and student outcomes?

Even with the arrival of the federal No Child Left Behind Act, states wield tremendous power over K-12 education (Masters, Salisbury, and Eliot 1964; Murphy 1982; Doyle and Hartle 1985; Murphy 1990; Conley 2003; Epstein 2004; Wirt and Kirst 1997; Erpenbach, Fast, and Potts 2003; Malen 2003; Fast and Erpenbach 2004; Manna 2006a, 2006b). States can create, destroy, and take over school districts; establish systems that fund local schools; define, through standards, what students should know and be able to do; and serve as gatekeepers into the teaching profession. Thus, understanding the states' role in education governance is absolutely crucial.

Figure 1 describes the context for this study. Much previous work has investigated path "c," which relates state education policy to student outcomes (Berger 1994; Lee 1998; Goldhaber and Brewer 2000; Grissmer et al. 2000; Koretz and Hamilton 2000; Jacob 2001; Swanson and Stevenson 2002; Grissmer and Flanagan

2001; Carnoy and Loeb 2002; Schiller and Muller 2003; Hanushek and Raymond 2005). Additionally, following path "d," research has highlighted links between inequality and student academic success (Coleman 1966; Jencks and Phillips 1998).

Figure 1. Relationships between state education governance, policy, and student outcomes



Fewer works have considered paths "a" and "b," which the proposed study examines. Researchers have studied how state education finance systems, which combine state, federal, and local dollars, influence student outcomes (Odden 1992; Burtless 1996; Ladd, Chalk, and Hansen 1999; Ladd, Sobol, and Hansen 1999). However, this work has typically ignored the link between financing arrangements and state policy content. Further, no longitudinal quantitative studies have considered how institutional relationships between governors offices, state legislatures, state education agencies, and state boards of education influence state education policy or student academic outcomes.

Since the 1970s, governors have complained that state boards and state departments are too powerful even as board members and department chiefs have defended their institutional independence. Policymakers across these institutions have argued about which arrangements will produce the best policy (path "b") and the most successful students (path "a"). Remarkably, no large-scale quantitative analyses have

examined such competing claims, even though authors assume that institutional arrangements matter (Cohen 1987; Swanson 1989; NASBE Study Group on Education Governance 1996; Cowell 2002; Boyd and Miretzky 2003; Rogers 2004); some historical, qualitative, or descriptive studies have probed these links (McGivney 1984; Lusi 1997; Timar 1997; Stout and Stevens 2000; Kirst 2002; McDermott 2002; Hamann and Lane 2004); and other quantitative studies of higher education have examined how state governance influences public universities (Knott and Payne 2004; Krause 2006). The most detailed analysis of state K-12 governance is now over thirty years old, which predates several education reform waves (Campbell and Mazzone 1976).

Previous research has considered the financial aspect of governance, as path "a" describes, by studying how funding arrangements influence student outcomes. But researchers have barely examined the relationship between finance and policy outlined in path "b" (Chubb 1985). For example, some states have highly centralized finance systems where state sources provide over two-thirds of K-12 education revenues (National Center for Education Statistics 2005). Others rely on local funding, which districts generate primarily through property taxes. Debates over finances can sometimes reverberate into more general policy discussions, so it is important to understand how the contexts that education finance systems create can influence state policy (Conley and Goldman 1995; Evans, Murray, and Schwab 1997; Carr and Fuhrman 1999). Additionally, as NCLB's implementation illustrates, state officials often complain about how requirements accompanying federal education dollars can distort state policy priorities. True, federal contributions are typically small, but still range from under 5 percent in some states to over 15 percent in others (National Center for

Education Statistics 2005). Overall, few studies have used rigorous empirical methods to assess politicians' competing claims about how the financial dimension of governance affects state policy.

In two recent pilot studies, which received funded support from the College of William and Mary, I have examined how the institutional and financial dimensions of governance influence the quality of state accountability systems and teacher credentialing policy, and student achievement on the National Assessment of Educational Progress (NAEP) (Manna 2004; Manna and O'Hara 2005). Those results indicate that variation in the institutional dimension of state governance can help explain policy outputs and student outcomes. Further, greater state reliance on federal funds, even when controlling for student socioeconomic characteristics, is associated with lower quality policy and lower student achievement. The findings, though tentative, provide a solid foundation for an expanded study of state governance. Further, these pilot studies have received praise from audiences at academic conferences of political scientists and policy scholars, in a recent presentation to the Government Accountability Office (GAO), and in conversations with current and former education policymakers who possess experience working in federal and state venues. They have all encouraged me to pursue the project further.

### **Conceptual framework, data, and methods**

Conceptually, the project is grounded in what researchers call "network theory" (Mintrom and Vergari 1998; Heinrich and Lynn 2000; Lynn, Heinrich, and Hill 2001; Milward and Provan 2000; O'Toole 2000; O'Toole and Meier 2000; Salamon 2002; O'Toole and Meier 2004). Generally speaking, policy networks are environments that

involve several institutional actors who are linked in formal or informal ways. Network theory suggests several hypotheses about how state education governance might affect education policy outputs and student outcomes.

Overall, network theory predicts that more fragmented state governance of K-12 education is likely to produce less coherent policy (Fuhrman 1993; Rogers 2004). Considering the institutional dimension of governance, it becomes harder to orchestrate the policy process when governors, legislatures, state boards, and state education agencies operate relatively independently. Considering the financial dimension of governance, the theory predicts similar results. Variation in the mix of state, local, and federal dollars in a state should help explain the coherence and content of policy. As more actors in a network contribute money, the ensuing battles for control may produce less coherent results. A parallel logic extends to student outcomes (Newmann et al. 2001). If greater fragmentation in governance produces less coherent policy and challenging political contexts, then there may be direct (path "a") and indirect effects (paths "b" and "c") on student academic success.

During calendar year 2007, which includes my pre-tenure research leave in the spring, I will construct a quantitative database to track institutional and financial aspects of state education governance, state policy outputs, and student outcomes from 1975 to 2005. Studying this time period is advantageous because many changes in governance and policy started emerging in the 1970s and early 1980s. Thus, examining long-term changes is particularly attractive because it incorporates the tremendous variation in the institutional and financial aspects of state governance that has existed over time.

What motivates my grant application is that constructing over-time state-level data bases with comparable measures is a major task. Data exist for many years, but often reside in fragmented sources and print archives. I have already examined several easily accessible publications including the *Digest of Education Statistics* and the Common Core of Data from the U.S. Department of Education, the Council of State Governments' *Book of the States*, and *Education Week's* "Quality Counts" reports. Those sources provide some measures of institutional and financial measures of governance, state policy outputs (such as standards and accountability policies, and graduation and teacher licensing requirements), and student outcomes (including NAEP scores, graduation rates, and participation in college entrance exams.)

However, these sources frequently have more robust collections of state-level variables beginning in the mid-1990s. Reaching back to the 1970s will require consulting archival and specialty sources, especially to locate comparable student outcomes measures, which can be difficult to find. In conversations with archivists or staff, who have enthusiastically offered me access to their materials, I have already identified valuable resources at the following organizations: the States' Impact on Federal Education Policy Project (SIFEPP) at the New York State Archives in Albany; and the National Association of State Boards of Education (NASBE) and the Council of Chief State School Officers (CCSSO) in Washington, DC. Two federal sources also in Washington, DC, the National Library of Education at the US Department of Education, and the National Archives, also contain items that track state policymaking and student performance.

With a rich dataset covering 1975-2005, I will use descriptive and advanced statistical methods to analyze how the institutional and financial dimensions of state governance influence state policy outputs and student outcomes. These methods include fixed-effects regression and survival analysis. The former approach enables one to examine the relationship between variables while accounting for other unmeasured state effects. The latter technique, which a reviewer suggested for extending analysis in my book (Manna 2006b), will help me determine whether institutional and financial dimensions of governance attenuate or accelerate state policy change. These analyses will produce at least two papers for peer-reviewed journals. They will also serve as the foundation for a book project on state education governance.

I will lead and participate in all aspects of the data collection, management, and analysis for this project. A Spencer Foundation grant would fund five major expenses: (1) salary for two part-time research assistants during 2007; (2) six weeks of salary and benefits for me during summer 2007; (3) travel of my assistants and myself to document collections; (4) purchase of a laptop and scanner for use at document collections; and (5) purchase of publications containing relevant data.

### **Significance and relationship to Spencer Foundation focus areas**

This project supports the Education and Social Opportunity focus area. A desire to address educational inequity often motivates state education governance reforms. One reason why governors have craved greater control, for example, has been to address stagnating student achievement and persistent achievement gaps. Further, battles over state education finance or federal aid often turn on arguments about how to help educationally disadvantaged students succeed. As you note in this focus area,

research is needed to address how social structures, including law and government, influence educational outcomes. Probing the institutional and financial dimensions of state education governance addresses that concern head on. Further, the project will contribute to policy and scholarly discussions about the most effective ways to govern education. Arguments over these topics have animated state education debates for three decades, but empirical studies have not examined the competing claims with systematic, longitudinal evidence. That work is long overdue, and I hope you will agree that it merits your support.

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