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**The Politics of College Affordability:  
A Multiple Streams Analysis of Financial Aid Policymaking in Texas**

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**The Politics of College Affordability:  
A Multiple Streams Analysis of Financial Aid Policymaking in Texas**

**by**

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**The Politics of College Affordability:  
A Multiple Streams Analysis of Financial Aid Policymaking in Texas**

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This multiple case study (Yin, 2014) applied Kingdon's (1984) multiple streams approach (MSA) to the examination of how politics in Texas shapes state financial aid policymaking. I analyzed three bills considered by the Texas Legislature between 2011 and 2015, each affecting a different type of student aid: a need-based grant, forgivable loan, and tuition exemption. The bills that comprise my cases each sought to alter or eliminate one of these programs. I conducted 50 stakeholder interviews, collected 135 documentary sources, and used pattern matching (Yin, 2014) and constant comparison (Merriam, 2009) data analysis techniques. The purpose of my study was to understand how politics shaped the development and outcome of each bill, and consequently the financial assistance available to help Texas students afford higher education. Findings revealed ambiguity and political opportunism surrounding the issue of college affordability; the influence of conservative political culture, partisanship, electoral politics, leadership changes, and policy entrepreneurs; and the use and misuse of data to shape policy. In conclusion, I offer implications for policy and practice and present an adapted multiple streams model of college affordability policymaking.

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## **Chapter One: Introduction**

College is more expensive and comprises a greater share of median household income than at any point in the last 40 years (Delaney, 2014). Rising costs and growing student debt levels have attracted increasing political attention to higher education (U.S. Department of Education, 2012). These trends have tangible implications for students and families: as scholar Jennifer Delaney commented, “affordability as measured by tuition is not just an abstract concept but one that directly shapes an individual’s likelihood of enrolling in college” (p. 63).

Data show that the enrollment and persistence rates of minority and low-income students are particularly sensitive to tuition and aid changes (Chen & St. John, 2011; Heller, 1997, 1999). While escalating tuition costs can limit postsecondary participation (Heller, 1997, 1999; Leslie & Brinkman, 1987), financial aid has the ability to counteract this effect by lowering the cost to students and families (Dynarski & Scott-Clayton, 2013; Long, 2004). However, national trends in student financial aid show an increase in merit aid – grants and scholarships awarded based on academic achievement – that primarily benefits more affluent white students (Dynarski, 2000; Ness, 2010), and growing reliance on student loans to finance college (Chen & St. John, 2011). These changes over the past several decades underscore the need for states to balance declining appropriations and tuition increases with need-based financial aid for middle- and low-income students (Flores & Shepherd, 2014; Heller, 1997, 1999; Long & Riley, 2007).

The complex dynamics surrounding college affordability are heavily shaped by state-level political and policy contexts. According to Gittell and Kleiman (2000), state

political context consists of “political history and lasting social factors and state values” (p. 1059). Such a combination of factors makes Texas a unique setting for the study of politics and policy: a strongly Republican political history; the influence of the business community; changing state demographics, and the interaction of multiple public university systems and a statewide coordinating agency (Gittell & Kleiman, 2000; Perna & Finney, 2014). The presence of key political figures who have influenced higher education, such as Texas Senators Judith Zaffirini and Kel Seliger (Hamilton, 2012; Taliaferro, 2011), also suggests the utility of applying Kingdon’s (1984) concept of “policy entrepreneurs” – “advocates for proposals or for the prominence of an idea” (p. 122) whose political acumen enables them to draw attention and inertia to issues they support. These individuals play a powerful role in the political environment and in shaping the policy agenda, making their interests and strategies valuable to understand.

The Governor and Texas legislators increasingly view higher education as a critical state priority (Hamilton, 2014). Improving college affordability and degree productivity is crucial for Texas’s economic prosperity and for the quality of life of Texas residents: Texas lags behind the national average on college completion and outranks nearly all states on the percentage of students in poverty (Creusere et al., 2015). However, research indicates that the Legislature’s 2003 decision to deregulate public university tuition may have compounded this problem by limiting access to public four-year institutions among low-income and nonwhite students – a growing majority of the educational pipeline (Flores & Park, 2013; Flores & Shepherd, 2014). These findings reveal the potential for unintended policy consequences that hinder rather than help state

efforts to increase college attainment, as well as the importance of examining the broader social, political, and economic context surrounding higher education policy decisions.

Without doubt, politics matter in higher education policymaking. Scholars have established that political context, culture, and governance structure influence appropriations, tuition, and aid (Hearn & Griswold, 1995; Hearn, Griswold, & Marine, 1996; Perna & Finney, 2014; Richardson & Martinez, 2009). Political leadership and political dynamics often contribute to the design and success or failure of policy efforts (McLendon, Deaton, & Hearn, 2007; McLendon & Ness, 2003). Interest groups and political competition also affect policy outcomes for higher education (Tandberg, 2010; Tandberg & Ness, 2011). McLendon (2003a) described the nuanced political processes surrounding higher education governance reform in three states; Ness and Mistretta (2009) showed the role of politics in shaping state decisions about financial aid. These studies underscore the need for continued investigation of how politics contributes to policy decisions – particularly decisions affecting college affordability.

While student financial aid can offer clear benefits to students and support states' economic interest in college degree attainment, political factors can also interfere with the design and availability of programs designed to make college more affordable. Scholars (see McLendon & Perna, 2014; Perna & Finney, 2014) have established the critical role of state context in shaping policies that increase college access, affordability, and attainment in the U.S. Researchers and analysts have also shown that qualitative research and case study methods can be invaluable tools for examining the influence of



contextual factors on policy development (Perna & Finney, 2014; Richardson & Martinez, 2009).

This study employed the multiple case study method (Yin, 2014) and applied Kingdon's (1984) multiple streams approach (MSA) to the examination of how politics in Texas shape state financial aid policy. I analyze three bills considered by the Texas Legislature since 2011, each affecting a different type of student aid and state program: TEXAS Grants (need-based grant aid established by the 76th Legislature through HB 713 in 1999); B-On-Time Loan (forgivable loans established by the 78th Legislature through SB 4 in 2003), and the Hazlewood Tuition Benefit (financial subsidy for veterans established by the 38<sup>th</sup> Legislature with HB 182 in 1923, renamed by the 38<sup>th</sup> Legislature through SB 81 in 1943). I focused on legislation within the last five years in order to increase the accessibility of firsthand testimony from those directly involved with these policies. The bills – SB 28 (2011), SB 1775 (2015), and HB 700 (2015) – that comprised my case studies each sought to alter or eliminate one of these programs. Two were passed into law. The purpose of my study was to understand how politics shaped the development and outcome of each bill, and consequently the financial assistance available to help Texas students afford higher education.

In the remainder of this chapter, I provide contextual background on the issue of college affordability; offer an overview of student financial aid in the U.S. and in Texas; introduce the aid programs and bills that form the cases for my study, and provide an overview of my research design, the significance of my study, and key terms.

## **Policy Context/Background**

### **Defining College Affordability**

As this study examined how politics shapes policies related to college affordability, it is important first to acknowledge the difficulty of defining “affordability” in higher education. The term lacks a clear definition and is subjective by nature, as institutions and students vary widely (Baum & Schwartz, 2012). Delaney (2014) stated that affordability broadly means “the share of income required to pay the net price of college” (p. 57). Institutions commonly refer to a student’s amount of unmet need, or how much more the student has to pay beyond what he or she can realistically afford. But as Baum and Ma (2014) noted, this approach relies on the student’s Estimated Family Contribution (EFC) – an imperfect number based on just one year of family income.<sup>1</sup> The Lumina Foundation has suggested the Rule of 10: at most, students should pay no more than the equivalent of saving 10% of discretionary income for 10 years, and the earnings from working 10 hours per week while in school (Lumina Foundation, 2015). Rather than claiming to define what constitutes an appropriate amount for students and families to contribute, for this study I rely on Delaney’s broad concept of affordability as the share of income required to pay for college.

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<sup>1</sup> Beginning in 2016, an executive action by the Obama Administration permitted families to complete the Free Application for Student Financial Aid (FASFA) using prior-prior year (two fiscal years preceding the application date) tax data, rather than prior year (the most recent fiscal year). This change may improve financial planning for college by allowing families to apply earlier for financial aid and to receive aid packages at the time of an admissions decision (National Association for College Admission Counseling, 2015; National Association of Student Financial Aid Administrators, 2015).

## **College Affordability in Texas**

The issue of college affordability has become particularly contentious in Texas over the last decade, as seen in the state's higher education policy environment. The 78<sup>th</sup> Texas Legislature deregulated tuition with House Bill 3015 (2003), which shifted tuition-setting authority from the Legislature to institutional governing boards (Flores & Shepherd, 2014). HB 3015 also allowed institutions to set differential tuition rates across programs. Along with decentralized tuition authority, the Legislature required institutions to set aside 15% of their total amount of resident undergraduate tuition revenue in excess of \$46 per credit hour, and to use those set-asides for student financial aid (Texas Higher Education Coordinating Board, 2010).

This study is situated within a policy context heavily influenced by the deregulation of Texas public university tuition in 2003. While the impetus, process, and dynamics of that policy change are not the focus of my work, the results of deregulation play an important role in the legislation I will examine; because deregulation allowed institutions the authority to set their own tuition rates, I argue that it has heightened public interest in and concern for college affordability.

The effects of tuition deregulation have received significant attention from researchers, higher education leaders, and legislators. Flores and Shepherd (2014) examined the effects of the policy change and demonstrated that tuition and fees increased more rapidly per student after deregulation. Their analysis revealed that rising tuition corresponded with declining enrollment, particularly among minority and low-income students. Republican Texas Senator Charles Schwertner has adopted a vocal

position against deregulation, arguing that it creates “a perverse incentive to increase tuition and fees as the simple means of expanding their own operating budgets” (Schwertner, 2014). Democratic Texas Senator Rodney Ellis also argued that tuition deregulation has caused excessive tuition increases and enabled state underinvestment in higher education (Ellis, 2015). Both current and former Republican Lieutenant Governors Dan Patrick and David Dewhirst criticized tuition increases following deregulation, citing interest among legislators in regaining control of college prices (Hamilton, 2012; Root, 2009; Price, 2015).

State public policy organizations have issued their own statements regarding deregulation. A report from the Texas Public Policy Foundation, an organization committed to conservative values such as free enterprise and individual responsibility (Texas Public Policy Foundation, 2016), concluded that deregulation has reduced incentives for institutions to control spending and shifted costs from taxpayers to students (Young, 2010). Alternatively, the Texas Conservative Coalition Research Institute argued that enrollment growth has continued at the same rate as before deregulation and corresponded with increasing support for financial aid, warranting continued institutional authority over tuition rates (Texas Conservative Coalition Research Institute, 2008). The Center for Public Policy Priorities, an organization focused on progressive ideals such as opportunity and equity (Center for Public Policy Priorities, 2016), argued that deregulation has enabled tuition increases and contributed to declining college affordability for middle- and low-income students, particularly in light of state disinvestment in higher education (Helmcamp, 2012; Strayer & Helmcamp, 2012).

These statements from legislators and policy analysts reveal that while conservative leadership in the Legislature may most loudly, perspectives on tuition authority do not necessarily follow partisan lines: deregulation has inspired both concern and support from liberals and conservatives alike.

While tuition doubled in the 10 years after deregulation, many Texas higher education leaders disagree that deregulation caused these increases. Senior administrators at the University of Texas at Austin and the University of Houston, for example, have argued that tuition increases in Texas are part of a national trend and exacerbated by declines in state appropriations (Cardona, 2012; Kever, 2008). University officials point to data showing that tuition and fees for most schools across the state have increased less rapidly after deregulation than before (McCrimmon & Blanchard, 2015; Wermund, 2015b). Ultimately, perspectives on tuition authority and cost trends clearly vary by stakeholder group: legislators prioritize institutional accountability to the state, while institutions seek to preserve their autonomy and tuition flexibility, particularly amidst growing enrollment and lower appropriations per student (Delaney, 2014). To provide context, it is worth noting that the average cost of tuition at a public university in Texas has traditionally fallen below the national average; in 2013-2014, one year of tuition and fees at a four-year public university in Texas cost \$7,660, compared to \$8,516 nationally. Texas two-year institutions also cost less than the national average – two full-time semesters at a Texas community college cost \$3,310 in 2013-2014, compared to \$3,701 nationally (Creusere et al., 2015).

The policy debate surrounding tuition deregulation has profoundly shaped the political environment around college affordability and financial aid in Texas. In allowing institutions greater control over price, the Legislature has also increased its scrutiny of those prices and of the expenditures that some view as driving cost increases (see Helmcamp, 2012; Young, 2010). With less direct authority over tuition but continued interest in degree production and workforce development, the Legislature's influence over college affordability shifts toward governance of state financial aid programs that help students and families pay rising tuition prices. I argue that deregulation has not only increased political scrutiny of higher education institutions, but also increased the state's emphasis on financial aid programs to offset increasing tuition costs. The following section will further examine the state of student financial aid and need in Texas.

### **Financial Aid in Texas**

Regardless of whether deregulation has contributed to tuition increases, the need to support financial aid and college completion in Texas is increasingly important. U.S. Bureau of Labor Statistics data show that college graduates earn more over the course of their career and are more likely to be employed than high school graduates (Creusere et al., 2015). However, the bachelor's degree completion rate in Texas falls below the U.S. average – 29% of Texans 25 or older, compared to 32% nationally. Texas has the 11<sup>th</sup> highest poverty rate in the nation, including over 25% of Texas children. Approximately 120,000 students applied for but did not receive financial aid in 2013; 50% of these students' families earned less than \$40,000 per year (Texas Higher Education Coordinating Board, 2014b). Finally, population trends show that the state's nonwhite

population, particularly the Hispanic population, is increasing more rapidly than its white population. Based on demographic forecasts, the state's economic future depends on the success of nonwhite students who have traditionally demonstrated more financial need and been underrepresented and underserved by higher education (Creusere et al., 2015).

Compared to students in other states, Texans have less access to state financial aid and are more heavily dependent on federal aid (Creusere et al., 2015). Nationally, 73% of financial aid comes from the federal government. In Texas, this amount is 85% (however, it is worth noting that this percentage may also result from the lower net price of Texas higher education in relation to other states, which allows federal student aid to meet a larger proportion of student costs). Texas institutions also provide less than half as much aid as institutions in other states – 10%, compared to 22%. In addition, students in Texas borrow more than the national average: Texas direct aid is comprised of 60% loans, 40% grants, and 1% work study. Nationally, 50% of direct aid comes from loans, 49% from grants, and 1% from work-study. Overall, Texas students rely more on federal aid and loans to finance college than those in other states, and research shows loans can negatively impact students' long-term financial stability (Creusere et al., 2015; Klepfer, 2015). These statistics underscore the need to examine Texas financial aid policies and consider ways in which students might benefit from the availability of additional need-based grant support (Creusere et al., 2015).

The Texas Higher Education Coordinating Board administers seven primary financial aid programs across the state. These include the need-based TEXAS Grant program, College Access Loan Program, Tuition Equalization Grant Program for private

institutions, Texas B-On-Time Loan program and Top 10% Scholarship Program, both funding only renewing students following their discontinuation during the 84<sup>th</sup> Legislative Session, the Texas Educational Opportunity Grant for two-year institutions, and the Texas College Work-Study Program (Texas Higher Education Coordinating Board, 2014b). Table 1 presents these state programs with a brief description. Table 2 provides state appropriations and recipients for each program in fiscal years 2010 through 2014, the timeframe including the case bills considered in this study.

TEXAS Grants comprises approximately half of all state financial aid expenditures. From 2009-2013, TEXAS Grants served 77,268 students with an average award amount of \$3,786 and total expenditures of over \$292 million. In fiscal year 2013, average financial aid per recipient at a public university was approximately \$12,000 per year, and average unmet need per recipient at public universities was approximately \$5,000 (Texas Higher Education Coordinating Board, 2014b). As the student population grows, meeting statewide need becomes increasingly important – and increasingly difficult (Long & Riley, 2007; Perna & Titus, 2004; Titus, 2006).

Table 1	
<i>Texas Student Financial Aid Programs</i>	
<b>Program</b>	<b>Description</b>
TEXAS Grant Program	Need-based grant (public 4-year)
College Access Loan (CAL)	Need-based loan
Tuition Equalization Grant Program (TEG)	Need-based grant (private)
B-On-Time Loan Program	Need-based forgivable loan
Top 10% Scholarship Program	Merit-based scholarship
Texas Education Opportunity Grant (TEOG)	Need-based grant (public 2-year)
Texas Work-Study Program	Work study assignment
<i>Note:</i> Data from Texas Higher Education Coordinating Board (2014b).	



Table 2					
<i>State of Texas Financial Aid Appropriations, Dollars and Recipients, Fiscal Years 2010-2014</i>					
	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>FY 2010</b>
TEXAS Grants	\$349,426,724 (87,341)	\$292,547,705 (77,268)	\$286,381,606 (75,966)	\$338,099,297 (71,726)	\$274,147,885 (68,119)
CAL	\$98,929,074 (7,493)	\$100,598,999 (8,063)	\$97,461,277 (8,626)	\$87,564,863 (8,354)	\$90,761,895 (9,318)
TEG	\$89,422,566 (27,089)	\$84,197,706 (24,906)	\$84,301,494 (25,474)	\$102,106,482 (27,736)	\$103,687,898 (27,998)
B-On-Time	\$47,724,215 (7,651)	\$52,733,274 (8,130)	\$54,606,635 (9,291)	\$57,566,462 (10,216)	\$41,870,684 (8,163)
Top 10%	\$25,814,617 (15,633)	\$38,176,497 (18,239)	\$32,571,124 (15,916)	\$25,602,052 (12,778)	\$20,286,449 (10,191)
TEOG	\$13,701,911 (7,842)	\$11,554,030 (6,563)	\$9,198,531 (5,801)	\$11,300,090 (6,826)	\$11,880,118 (7,489)
Work-Study	\$7,975,527 (4,763)	\$5,926,922 (3,970)	\$7,096,453 (4,645)	\$9,348,999 (5,624)	\$6,365,572 (4,458)
<b>Total</b>	\$632,994,634 (157,812)	\$585,735,133 (147,139)	\$571,617,120 (145,719)	\$631,588,245 (143,260)	\$549,000,501 (135,736)
<i>Note: Data from Texas Higher Education Coordinating Board (2015b; 2014b; 2013; 2012a; 2011).</i>					

### **Student Loan Debt in Texas**

Student loan debt poses a serious concern for Texas policymakers. Loans comprise over half of average financial aid packages for Texans (Creusere et al., 2015; Texas Higher Education Coordinating Board, 2014b). When grant aid is limited, first-generation and low-income students are disproportionately likely to rely on loans. These students are more likely to default, resulting in damaged credit history and loss of federal aid eligibility, among other consequences (Klepfer, 2015). In response to these challenges, the state's new 2015 strategic plan for higher education, *60x30TX*, sets a new goal around affordability: by 2030, undergraduate student loan debt will not exceed 60%

of first-year wages for graduates of Texas public institutions (Texas Higher Education Coordinating Board, 2015a).

Lowering loan debt is difficult with tuition on the rise. Not long after release of the plan, the Texas A&M University System Board approved a 2.2% tuition increase for 2015-2016, and the University of Texas at Austin proposed a 3.1% increase for 2016-2017 (Chahalan, 2015; Watkins, 2015). Lieutenant Governor Dan Patrick strongly condemned these initiatives, stating “If universities across Texas continue to ignore the increasing financial burden on students and families, and do not look for ways to reduce costs and pass those savings on to students, I have no doubt the Legislature will” (Price, 2015). The environment surrounding affordability is clearly complex, as policymakers expect higher education institutions to do more with less, or pay a political price (Blankenberger & Phillips, 2014; Dar, 2012; McLendon & Perna, 2014).

### **The Politics of Affordability in Texas**

Patrick’s response to tuition increases reveals a belief that higher education institutions are responsible for ensuring affordability. Patrick implies that the Legislature will intervene if institutions neglect this responsibility. His official statement continued: “I believe the Legislature, in a bi-partisan effort, will take a serious look at re-regulating tuition” (Price, 2015). These statements followed the 84<sup>th</sup> Session, which saw stronger bipartisan support for tuition re-regulation than at any time since deregulation occurred in 2003. The *Houston Chronicle* quoted Dr. Mark Jones, a Rice University political scientist who nimbly explained the political dynamics of tuition regulation: “It marries

together Democrats, who want to make higher education more affordable, and Tea Party conservatives who are inherently suspicious of higher education” (Wermund, 2015a).

This political pressure around affordability and minimizing loan debt places Texas colleges and universities in a difficult bind. State appropriations to higher education have dramatically declined: in 2014, UT-Austin received 12% of its budget from the state, compared to 47% in 1984 (McCrimmon & Blanchard, 2015). Without additional state support for financial aid or recovery of lost appropriations revenue, institutions’ capacity to maintain low tuition amidst increasing enrollment is limited. To support its student debt goal, *60x30TX* calls on institutions to reduce expenses, the state to provide adequate funding for institutions and state grant programs, and for students to make informed loan decisions (Texas Higher Education Coordinating Board, 2015). These strategies highlight the importance of financial aid programs in supporting state goals, and therefore the value of understanding the politics shaping state aid policies.

As higher education increasingly becomes politicized (Doyle, 2007; Sabloff, 1997), scholars (see McLendon, 2003b; McLeondon & Perna, 2014; Tandberg, 2010) have called for further research on the politics of higher education – particularly work that considers the nuance and complexity of individual state contexts. In response, this study examined the role of politics in shaping financial aid policy in Texas. I applied Kingdon’s (1984) multiple streams approach (MSA) to the analysis of three bills related to financial aid policy considered by the Texas Legislature since 2011. I selected Kingdon’s theory because of its ability to illustrate the ambiguous, dynamic, and complex nature of the policy environment (Zahariadis, 2014). Other scholars (see McLendon,

2003a; Ness, 2010) have also established a precedent for applying MSA to the study of higher education policy. Through a multiple case study (Yin, 2014), I investigated the interaction between politics, problems, and policies – Kingdon’s three streams – in Texas and the ways in which politics shapes the financial aid policies that affect college opportunity across the state.

### **Areas of Study**

My study examined three areas of Texas financial aid policy. Each case study bill addressed a unique type of student aid in Texas: a need-based grant, forgivable loan, and veteran tuition benefit. This section introduces each program and the related bill.

**TEXAS Grants.** Established by the 76<sup>th</sup> Legislature through HB 713 (1999), need-based TEXAS Grants provide tuition assistance to students with demonstrated financial need based on the Free Application for Federal Student Aid (FAFSA) or the state’s corresponding Texas Application for Student Financial Aid (TASFA). Eligible students have an Estimated Family Contribution (EFC) of \$5,088 or less (Texas Higher Education Coordinating Board, 2016b). Students must graduate from a Texas public or private high school and complete the state’s Recommended High School Program or higher, and they must enter public higher education in Texas within 15 months after high school graduation. Grants do not require repayment, therefore helping to alleviate the financial burden of student debt for students and families. To earn grant renewal, students must maintain a 2.5 grade point average, complete 24 credit hours per year, and complete at least 75% of the credit hours they attempt (Texas Higher Education Coordinating Board, 2012d; Texas Higher Education Coordinating Board, 2016b).

TEXAS Grants is the state's largest financial aid program and provides widespread support to increase college access among lower-income students. Without aid, these students might lack the financial means to enroll in college and would ultimately contribute less to the state's economy and tax base (Berger & Fisher, 2013). Grants must be used toward Texas public higher education, and the grant amount may not exceed the statewide average for tuition and fees. The state increased funding for the program in 2009, resulting in awards for approximately 75% of eligible students; in 2011, a decrease in state funding resulted in only 33% of eligible students to receive grants in 2012 and 2013. With less overall to award, the Coordinating Board recommended institutions award smaller grants in order to serve the most students (Texas Higher Education Coordinating Board, 2012d).

**SB 28.** Democratic Senator Judith Zaffirini authored SB 28 during the 82<sup>nd</sup> Legislature in 2011. Also known as the TEXAS Grant College Readiness Reform Act (2011), this bill established new criteria for the Coordinating Board's distribution of TEXAS Grants. Since TEXAS Grants' creation by the 76<sup>th</sup> Legislature (HB 713, 1999), the Coordinating Board and higher education institutions were required to award grants based on level of financial need. SB 28 created a new merit-based priority model for the awards, requiring TEXAS Grants first be awarded to students who: 1) demonstrated the greatest financial need; 2) graduated from a public or accredited private school in Texas on or after May 1, 2013; 3) completed the state's recommended high school program, and 4) demonstrated academic excellence through test scores, class rank, grade point average, and dual college credits earned in high school. After students meeting these criteria

received grants, remaining funds could be awarded to other applicants. SB 28 passed both houses and became law in September 2011 (House Research Organization, 2011).

**B-On-Time Loans.** Repealed during the 84<sup>th</sup> Legislature in 2015 (Cobler, 2015), this program also sought to address the state's interest in postsecondary degree completion. B-On-Time was designed to increase state return on investment in financial aid: at the program's inception, less than 50% of Texas students graduated within six years of entering college (Shook, 2012). Created by Democratic Senator Judith Zaffirini through SB 4 (2003) during the 78<sup>th</sup> Legislature, B-On-Time offered zero-interest loans eligible for full forgiveness if students graduated in four years with a B average. Eligible students demonstrated financial need based on the FASFA or TASFA, completed at least the Recommended High School Program and graduated from high school in or after the 2002-2003, or earned an associate's degree from a Texas institution in 2005 or later. To maintain eligibility, participating students met their institution's satisfactory academic progress requirements, maintained an overall 2.5 grade point average, and completed at least 75% of attempted hours each academic year (Shook, 2012).

Determined by the Coordinating Board each year, the amount of a B-On-Time loan was equal to the average amount of tuition and fees for a resident full-time student. For 2014-2015, the final year for new loans, this amount was \$8,000 per year for four-year public and private institutions (Texas Higher Education Coordinating Board, 2016a). B-On-Time's funding structure relied on tuition set-asides from institutions across the state. When Texas deregulated tuition with HB 3015 (2003), the Legislature also required public colleges and universities to set aside a portion of their tuition revenue for

institutional financial aid. That session, SB 4 (2003) created B-On-Time and required institutions to return 5% of tuition revenue to the Coordinating Board to fund the B-On-Time program (Texas Legislature Online, 2016). Finally, despite data showing the four-year graduation rate among BOT borrowers more than doubled that of non-borrowers, the program remained underutilized: in 2011, 36% of available funds went unawarded, and just five of 36 institutions fully disbursed their allocations (Shook, 2012).

**HB 700.** Democratic Representative Helen Giddings authored HB 700 (2015) during the 84<sup>th</sup> Legislature. HB 700 discontinued the B-On-Time program and permitted the Texas Higher Education Coordinating Board to award loans only to students who participated in the program prior to 2015-2016. The bill phased out the “underutilized, inequitable, and ineffective” (House Research Organization, 2015a, p. 3) B-On-Time program over five years, eliminating the loan account in 2020. Any balance in the account would be fairly distributed to institutions where the program had previously been underutilized. HB 700 also abolished the requirement that institutions set-aside a portion of their tuition revenue to fund the program. HB 700 passed both chambers and became law in September 2015 (House Research Organization, 2015a).

**Hazlewood Exemption.** The Hazlewood tuition exemption requires higher education institutions to absorb the cost of tuition and fees for eligible veterans and their dependents up to a certain number of credit hours. This commitment to veterans is long established: Texas has exempted honorably discharged veterans who are Texas citizens from educational fees since the passage of HB 182 (1923) during the 38<sup>th</sup> Legislature. During the 48<sup>th</sup> Legislature, Senator Grady Hazlewood passed SB 81 (1943), which

extended benefits to children of veterans killed in military service. The veteran tuition benefit has since been known by Hazlewood's name (Legislative Budget Board, 2014).

The state has considered various amendments to the Hazlewood program over the subsequent seven decades. In 1953, the state restricted benefits to veterans who were legal residents of Texas when they entered the service and excluded those already receiving any federal benefits. In 1993, Hazlewood benefits were expanded to children of veterans missing in action or who died related to their service. A financial need requirement was added, but removed shortly after and replaced with a maximum of 150 credit hours exempted through the benefit. Hazlewood was extended to dependents of disabled veterans and surviving spouses of veterans missing in action, disabled, or killed in service. In 2009, the Hazlewood Legacy Act permitted veterans to designate a dependent under 26 years old to use some or all of their tuition benefit; this age limit was later removed, as were restrictions on simultaneous use of federal and state benefits. Also notable is a lawsuit filed in 2014 against the University of Houston, challenging the Texas residency requirement at the time of enrollment; a verdict overruling the residency requirement would require Hazlewood to serve a wider population of veterans. In sum, the breadth of the Hazlewood Exemption has significantly expanded over time, and this growth is projected to continue if left unchecked (Legislative Budget Board, 2014).

The state provides minimal financial support for the program, and higher education institutions are required to absorb the cost of veteran tuition and fees. The program has grown most dramatically since the implementation of legacy benefits following the 2009 Hazlewood Legacy Act. Program growth increased from a



percentage change of 11.2% from 2008-2009, to 39% from 2009-2010 and 109.7% from 2011-2012. Legacy students now also comprise a greater share of beneficiaries than veterans themselves: in 2010, 94.1% were veterans, 3.8% were legacy, and 2.1% were dependent/spouse. In 2014, these statistics were 44.4% veterans, 5% dependent/spouse, and 50.6% legacy. Higher education institutions waived nearly \$170 million in tuition and fees for 38,946 awards during fiscal year 2014, with more than half supporting legacy students (Legislative Budget Board, 2014).

*SB 1735.* Republican Senator Brian Birdwell authored SB 1735 (2015) during the 84<sup>th</sup> Legislative Session. To help institutions control the rising cost of subsidizing veteran students and their dependents, SB 1735 proposed to narrow eligibility for Hazlewood benefits by requiring that (1) recipients live in Texas for at least one year before the academic term enrolled in Texas higher education; (2) recipients be Texas natives or residents for eight consecutive years before use of the exemption; (3) veterans have served on active military duty for at least six years; (4) no more than 60 unused credit hours transfer to dependents; and (5) children receiving a parent's benefit maintain a minimum course load, cumulative GPA, and be 25 years of age or less at first use of the benefit. This bill died in conference committee and did not pass, leaving the Hazlewood program unaltered after extensive debate (House Research Organization, 2015b).

### **Problem Statement**

As each of these programs illustrates, Texas faces a variety of challenges related to supporting postsecondary attainment across the state. Through TEXAS Grants, the state strives to provide low-income students with financial assistance in order to advance

economic prosperity: college graduates make more and contribute more to the state's tax base (Berger & Fisher, 2013). With B-On-Time, the state sought a stronger return on investment for its financial aid funds; incentivizing completion could move more students through higher education, more efficiently. Finally, with Hazlewood, Texas maintains its longstanding commitment to veterans and enables them to find new pathways toward contributing to the state's economy. Fundamentally, the objective of each program is to support the economy through educational attainment and workforce development.

The goals of each bill also reveal that these programs faced challenges related to the state context. TEXAS Grants became unable to meet the needs of a growing statewide population. B-On-Time encountered difficulties in its design and administration, and funds intended to support students remained unused. Hazlewood continued to expand its breadth and eligibility, becoming financially unsustainable for higher education institutions and for the state. SB 28 (2011), HB 700 (2015), and SB 1735 (2015) sought to address each of these challenges by adapting TEXAS Grants eligibility criteria; discontinuing the B-On-Time program; and amending Hazlewood eligibility. Yet Kingdon's (1984) multiple streams framework suggests that policy decisions are driven by interaction among not only problems and policies, but politics as well. As McLendon, Tandberg, and Hillman (2014) acknowledged, "state decisions regarding the financing of public higher education are not made in a vacuum... these decisions are inherently political ones" (p. 159).

This study examined the ways in which these three bills were, as McLendon and colleagues suggested, "inherently political" (p. 159). I sought to uncover the politics

behind a priority model that valued some students over others, a bill discontinuing a program aligned with state interest in degree completion and fiscal responsibility, and a failed effort to prevent the state and its higher education institutions from an unsustainable commitment to subsidizing children of veterans. As the policy outcome of each bill would affect college access and affordability across the state, the political dynamics shaping these bills have profound consequences.

### **Overview of Study**

As noted, the purpose of my study was to understand the ways in which politics in Texas shaped the development and outcomes of three bills related to college affordability, and consequently the financial assistance available to Texas students. Using a multiple case study design (Yin, 2014), I examined three bills considered by the Texas Legislature between 2011 and 2015 that sought, both successfully and unsuccessfully, to alter existing student aid programs. I focused on this five-year period in order to maximize my access to stakeholders with direct involvement, and also to illustrate the most recent political dynamics affecting college affordability in Texas and shaping state policymaking moving forward. I addressed three research questions:

1. How have policy stakeholders defined the problem of college affordability in Texas within the last five years?
2. Why did SB 28 (2011), HB 700 (2015), and SB 1735 (2015) emerge as policy solutions to the problem of college affordability in Texas during this time?
3. How did politics in Texas affect the development and outcomes of these bills?

My data sources included participant and stakeholder interviews, as well as archival data from state higher education agency reports, legislative records, and committee recordings. As my data collection encompassed only three bills and spans only the last five years, this study was not designed to be generalizable across all financial aid policies or all years. Case study emphasizes depth rather than breadth (Merriam, 2009), and I have focused on how these three bills illustrate the role of politics in shaping Texas higher education policymaking for financial aid.

I drew upon Kingdon's (1984) multiple streams approach (MSA) to frame my research. MSA identifies three distinct but interactive streams flowing through the policy system – problems, policies, and politics – and argues that policy decisions result from the interaction between and among these streams. MSA depicts a nonlinear policy process in which politics may trump substance. Its emphasis on the ambiguity and dynamism of the policy environment aligned with my interest in understanding how political context affects policymaking. I provide further background and rationale for my use of this framework in Chapter Two.

### **Significance of the Study**

While many environmental factors may influence higher education policymaking related to access and attainment, politics is particularly important to understand because it can be “altered and influenced by interest groups and policymakers” (Tandberg, 2008, p. 3). Consequently, studying the influence of politics on policy decisions can provide valuable practical implications for higher education advocates looking to increase funding and support for students (Tandberg, 2008).

This work aimed to inform both theory and policy in an era of growing emphasis on college cost and completion for states, institutions, and students. Researchers (see McLendon, 2003b; Perna, Klein, & McLendon, 2014; Tandberg, 2008, 2010b) have called for continued investigation of the political forces shaping higher education policy. Existing literature primarily examines the factors that affect funding, tuition, and the adoption of new policies; I aimed to expand conceptual and practical understanding of how politics contributes to changes in existing policies. Situated within a broader context of increasing college costs and declining affordability for students and families (Delaney, 2014), my work sought a deeper contextual understanding of the political dynamics influencing legislation related to student financial assistance for college. I anticipated that my findings would reinforce the explanatory power of Kingdon's (1984) multiple streams approach – particularly the presence and influence of key policy entrepreneurs within the higher education policy arena. I also anticipated an underlying tension between Texas's conservative, individualistic political ideology and the economic imperative of increasing degree attainment among a growing low-income population.

While I specifically examined a Texas context and do not claim to offer findings applicable to other states, I do believe this research can provide valuable insight into questions and patterns to examine elsewhere. This study was intended not only to advance academic literature and theory, but also to provide higher education institutions, policymakers, and organizations with greater insight into the contextual factors that influence state financial aid policies and their implications for college affordability.

## **Definition of Key Terms**

Kingdon's (1984) framework provided three definitions critical to my study. First, MSA describes "politics" as "electoral, partisan, or pressure group factors...politicians' attention to voter reactions, their skewering of members of the opposite political party, and their efforts to obtain the support of important interest group leaders" (p. 145). Second, a "problem" is a "change in an indicator" (p. 97) that becomes a problem when triggers such as focusing events or evaluative feedback cause policymakers to believe it must be addressed. Third, MSA describes a stream of "policies" that ebb and flow within communities of policy experts, rising and falling through a natural selection process. Policies develop within a fragmented system of "policy primeval soup" that often produces slow, unstable policy change.

Lastly, when using the phrase "college affordability," I chose not to adopt a specific definition of the exact price at which higher education may be considered affordable. I relied instead on Delaney's (2014) broad definition of affordability as "the share of income required to pay the net price of college" (p. 57). My use of the term "affordability" is intended to refer to the accessibility of college for all students, regardless of financial background.

In the following chapter, I provide a comprehensive literature review covering the history and role of financial aid, followed by a more extensive synthesis of research on politics in higher education policymaking. I conclude Chapter Two with a discussion of my theoretical framework, then address my research methodology in Chapter Three.

## **Chapter Two: Literature Review**

To provide the foundation for this study, the objectives of this literature review are threefold. I first offer background and prior research on student financial aid and its role in college access and completion. I then proceed to review literature on the relationship between state politics and higher education policymaking. I conclude with an overview of Kingdon's (1984) theory and address the ways in which my work applying this theory contributes to existing higher education policy literature.

### **Why Financial Aid Matters**

#### **Trends in College Affordability**

College affordability and state appropriations per student have declined markedly over the last four decades (Delaney, 2014; Doyle & Zumeta, 2014). As tuition costs and debt burdens rise, these trends have generated increasing national political attention and public concern (U.S. Department of Education, 2012; Camera, 2015). Delaney observed that college is more expensive and comprises a greater share of median household income than at any other point in the last 40 years. While enrollment has increased, state funding has declined; as appropriations fall, institutions replace lost subsidies with higher tuition, shifting an increasing cost burden onto students and families. Researchers and analysts (see Delaney & Doyle, 2011; Hovey, 1999) have indicated that higher education provides a "balance wheel" for state budgets because of its ability to generate self-supporting revenue. As a result, higher education may be more susceptible than other areas to budget cuts in times of economic downturn. Resulting appropriation declines and subsequent tuition increases have real implications for students and families. As

Delaney commented, “affordability as measured by tuition is not just an abstract concept but one that directly shapes an individual’s likelihood of enrolling in college” (p. 63).

Students may receive several categories of government financial assistance for college. “Gift aid” generally describes all grants and scholarships, allocated based on financial need and/or academic merit. Students may also receive loans or work-study packages that require repayment or employment (Hossler et al., 2009). States have doubled gift aid grant expenditures over the preceding three decades, but these increases have failed to keep pace with tuition, inflation, and enrollment (Delaney, 2014; Dynarski & Clayton, 2013). Long and Riley (2007) observed growing unmet need among U.S. college students; at the time of their study, 60% of all undergraduates had unmet financial need after accounting for all sources of aid. This figure was particularly staggering among low-income students – 79% of whom still had unmet need. For high-income students more likely to attend higher-price institutions, 13% of students still had unmet need. Dynarski and Scott-Clayton noted that most students receive some form of grant aid, even though the purchasing power of such grants has declined relative to tuition.

The issue of college affordability is particularly salient in Texas. In 2003, Texas deregulated tuition with House Bill 3505, allowing institutions to set their own tuition rates rather than reserving that authority for the Legislature. Flores and Shepherd (2014) examined the effects of this policy change and found that tuition and fees increased 13% with the implementation of deregulation in 2004 – \$604 per student more than anticipated based on previous trends. Their analysis showed that rising tuition corresponded with declining enrollment, particularly among minority and low-income students. Flores and



Shepherd suggested that additional need-based aid should accompany tuition increases in order to counter these disproportionate negative effects.

Other scholars have studied student price response in higher education and produced similar results. Leslie and Brinkman (1987) authored an influential literature review on the relationship between price and enrollment in higher education. Their meta-analysis showed that a \$100 increase in tuition price is associated with a .6% decline in participation among 18-24 year olds, and a 1.8% decline in total enrollment. They noted that student price sensitivity should be greatest in the lowest cost and least selective institutions, which disproportionately enroll lower-income and more cost-sensitive students. To improve access, Leslie and Brinkman argued that state policies should focus on targeted, need-based financial aid. In an article updating Leslie and Brinkman's findings, Heller (1997) conducted a meta-analysis and found similar results: a .5-1% enrollment decline with every \$100 tuition increase. Again, the magnitude of this effect increased for low-income and minority students and less selective institutions. Noting that most studies examined data from the 1980s and earlier, Heller concluded that the trend of increasing higher education costs would likely make students' price sensitivity more dramatic as tuition grew. Heller (1999) again showed that the demand curve for public higher education slopes downward: enrollment responds negatively to higher prices, and minority and low-income students are particularly sensitive to changes in cost.

Perna and Titus (2004) demonstrated that enrollment at in-state public institutions is related to both state appropriations for higher education and state support for need-based aid. Their analysis showed that a larger gap between tuition at private and public

institutions in the same state increases the likelihood that a student will attend a public in-state institution. Similarly, a greater difference between public two-year and four-year tuition costs increases the likelihood that low-income students will enroll in two-year institutions. Long (2004) also found that students are enticed by lower prices; her analysis showed that state appropriations strongly encourage students to attend public, rather than private institutions. She suggested that without state subsidization of public higher education, enrollment in public institutions would fall 24%. State subsidies and financial aid increase enrollment in more selective, four-year institutions.

The design of state financial aid programs affects enrollment patterns. Dynarski (2000) demonstrated that the Georgia HOPE Scholarship – the first and best-known state merit-aid program in the US – increased traditional college-aged enrollment from 30% to 37.8%. For each \$1,000 of merit aid, the college attendance rate of 18-19-year-olds increased by 3.7-4.2%. However, Dynarski’s analysis revealed notable differences by race and income; increases were heavily concentrated among upper class White students, widening the gap in attendance between Black and White students and between low- and high-income families. HOPE has primarily benefited students already likely to attend college, encouraging them to stay in Georgia to receive free tuition at public institutions.

While financial support may be available to abate some of the increasing cost of tuition, students and families who lack access to this information may instead view college as increasingly inaccessible (Perna & Steele, 2011). Perna and Steele showed that cost and aid availability influence where students choose to attend and how well they prepare academically. They found that high school students were more likely to view

college as affordable if they were aware of financial aid programs, and they invested more effort in high school if they knew merit aid was available. Similarly, Long and Riley (2007) discovered that students who believe college is affordable are more likely to perform at higher academic levels in high school.

The findings discussed here offer important implications for my study. First, students respond negatively to increases in tuition and positively to increases in financial aid (Dynarski, 2000; Heller, 1997). Second, financial aid has not kept pace with increases in tuition, widening the gap between the cost of higher education and what students and families are able to pay (Dynarski & Scott-Clayton, 2013; Long & Riley, 2007). These trends in college affordability underscore the importance of state policies that narrow the gap between tuition costs and what families can afford. As Flores and Shepherd (2014) showed, the effects of tuition deregulation in Texas make support for financial aid particularly critical.

### **History of Financial Aid in the U.S.**

Financial aid is an expansive topic and the subject of an immense and growing body of higher education literature. To provide context for my study, this section will focus on the history and research most relevant to politics and financial aid policy.

As Goldrick-Rab, Harris, and Trostel (2009) noted, human capital theory predicts that financial aid will increase college participation and completion. Numerous studies offer evidence to confirm these theorized effects (see Heller, 1987; Leslie & Brinkman, 1987). To expand participation and completion, the federal and state governments operate a variety of large and complex programs that support postsecondary students

(Dynarski & Scott-Clayton, 2013). These programs are generally categorized as grants, loans, or work-study (Hossler et al., 2009). The federal government maintains the Pell grant and Perkins, Stafford, and PLUS loan programs, the Federal Work Study Program, and offers other incentives such as the Hope and Lifetime Learning Tax Credits for families of college students (Long & Riley, 2007). In most states, state aid offers about half of the amount provided by federal sources (Delaney, 2014). As higher education enrollment has increased, state aid expenditures have grown significantly: state grant programs tripled from 1990-2010 (Dynarski & Scott-Clayton).

McLendon, Tandberg, and Hillman (2014) outlined three primary strategies by which states finance higher education. Through direct appropriations to public institutions of higher education, states offset the cost of attendance for all students. Second, need-based financial aid increases access for low-income students. Finally, merit-based aid recognizes academic achievement and encourages talented students to attend in-state institutions. Some evidence indicates that spending in each of these areas may influence the others. Analyzing state spending on appropriations, need, and merit aid from 1990-2010, McLendon, Tandberg, and Hillman discovered an inverse relationship between spending on aid based on merit and need. In an earlier study, Nora and Horvath (1989) also demonstrated that policy cycles alternate between concerns for quality and concerns for access, with an emphasis on quality often accompanied by a reduction in need-based aid. However, a study by Doyle (2010) found no significant effect of merit-based aid on the availability of need-based aid.

Federal and state financial aid priorities have shifted over time. For most of the 20<sup>th</sup> century, public aid for higher education was primarily comprised of need-based grant aid for lower-income students (Dynarski & Scott-Clayton, 2013). Historically, states maintained low-tuition policies through government subsidies that offset the cost to students. In the later 20<sup>th</sup> century, need-based aid developed as a way to equalize opportunity across income groups. The Higher Education Act of 1965 created the federal subsidized loan program, and the 1972 Education Amendments created the Basic Education Opportunity Program, renamed the Pell Grant in 1980 Act (Dowd, 2004). In 1978, the Middle Income Student Assistance Act increased the income threshold for these grants. This change resulted in more funding for middle-class students, and less aid available for those from poor families (Chen & St. John, 2011). In the 1980s and after, the U.S. continued an ideological shift away from equity and toward individual financial responsibility. Subsidized loans increased in prevalence, and declining state appropriations to institutions have resulted in students and families paying for a greater portion of higher education costs (Chen & St. John, 2011; Heller, 1999).

Beginning in the 1990s, states shifted emphasis from need-based to merit-based aid (Dynarski & Scott-Clayton, 2013; Ness, 2010). Most states still allocate more to need-based aid, but increases in merit aid have outpaced need-based aid (Long & Riley, 2007; Dynarski & Scott-Clayton, 2013). At the same time, data show increased demand for need-based aid: from 1999-2000 to 2011-2012, the share of four-year public university students receiving Pell grants grew from 24 to 38%, and the average grant amount increased from \$2,000 to \$3,8000 (NCES, 2015). Scholars (see Flores &

Shepherd, 2014; Long & Riley, 2007) have argued that states need more aid targeted to low-income students. This is particularly salient in light of Heller's (1997) argument that the increasing political popularity of merit aid and availability of loans relative to grants exerts a disproportionately negative impact on low-income and minority students.

Yet as state appropriations decline and institutions recover costs by raising prices, tuition is increasingly beyond the reach of middle-income students as well. The Obama Administration has outlined national efforts to ensure college affordability for the middle class (see White House, 2010). Family income level aside, most students now receive some form of financial aid for college (Dynarski & Scott-Clayton, 2013), and the middle class in particular faces a growing student debt burden (Miller, 2012). As Dynarski and Scott-Clayton observed, "student aid is no longer just for poor students" (p. 84).

### **History of Financial Aid in Texas**

With state-subsidized public higher education and low tuition, state financial aid in Texas remained largely absent until the later 20<sup>th</sup> century. In the 1950s, in-state tuition at Texas public colleges and universities was \$4 per semester credit hour. The Legislature increased this amount to \$12 in 1987, and tuition increased \$2 annually until 1997. The Legislature then capped tuition at \$32 per credit hour for undergraduates, but allowed professional and graduate programs to charge higher rates (Cardozier, 2010).

The Legislature established the Texas Commission on Higher Education in 1955 to coordinate the state's growing higher education system, but this entity initially lacked regulatory authority and had little impact. In 1965, Governor John Connally took office and successfully recommended that the Legislature establish a stronger regulatory body.

The Texas Legislature created the Texas Higher Education Coordinating Board (THECB) in 1965 (originally as the Coordinating Board, Texas College and University System, renamed in 1987) to provide leadership and coordination of higher education. THECB continues to serve an advocacy and regulatory role, and its responsibilities include managing the state's financial aid programs to ensure all Texans can access quality higher education. THECB makes biennial recommendations to the Legislature for the formula funding of state public higher education institutions and for the allocation of funds to student financial aid programs. The Board also administers these aid programs, supporting both student aid recipients and institutional financial aid officers (Ashworth, 2010; Texas Higher Education Coordinating Board, 2014a).

Financial aid programs in Texas developed following the surge in postwar enrollment and creation of the Coordinating Board. The Legislature established the Tuition Equalization Program in 1973 to provide need-based grants for Texas students attending in-state private institutions (Texas Higher Education Coordinating Board, 2012f). The Texas Public Educational Grant program followed in 1975, providing need-based aid to students funded through designated set-asides from institutional tuition revenue (Texas Higher Education Coordinating Board, 2012e). In 1989, the Legislature established the Texas College Work-Study Program, creating state-funded part-time jobs for students with financial need enrolled at Texas public and private institutions (Texas Higher Education Coordinating Board, 2012b). In 1999, the Legislature established TEXAS Grants (Towards Excellence, Access, and Success) to provide need-based aid for students in public higher education (Texas Higher Education Coordinating Board,

2012d). Texas also administers student loans under the Hinson-Hazlewood College Student Loan Program, the largest of which is the College Access Loan program (Texas Financial Aid Coordinating Board, 2014b).

Several new programs arose in the early 2000s. In 2001, the state established the Texas Educational Opportunity Grant program to support the growing number of students in public two-year institutions (Texas Higher Education Coordinating Board, 2012c). The B-On-Time Loan Program was established in 2003 and offered forgivable loans contingent on graduating in four years; however, this program was discontinued in 2015 (Texas Higher Education Coordinating Board, 2016a; Watkins & McCullough, 2015). In 2007, the Legislature created the Top 10% Scholarship to encourage Texas high school students graduating within the top 10% of their class to enroll in Texas higher education (Texas Higher Education Coordinating Board, 2016c). After declines in funding led to small scholarships of just \$500 per student, the Legislature voted to phase out this program beginning in 2015 (Watkins & McCullough, 2015).

Lastly, Texas has demonstrated a significant commitment to supporting veteran students through tuition and fee exemptions for Texas residents honorably discharged from the military. While not explicitly a student financial aid program, the Hazlewood Act allows veterans, spouses, and dependents 150 credit hours exempt from tuition and most fees at in-state public higher education institutions (Texas Veterans Commission, 2016). In 2013, Texas four-year public institutions exempted over 384,000 semester credit hours from tuition through the Hazlewood Act, and approximately 44,000 students



were projected to utilize these benefits in 2015 for a total cost to institutions of over \$200 million (Legislative Budget Board, 2014).

Few studies specifically investigate student financial aid policy in Texas. Nora (1990) studied the role of institutional aid in supporting retention among Hispanic students in Texas community colleges. Nora found that students with higher financial aid earned higher grade point averages and enrolled in and completed more hours, leading to higher likelihood of earning their degree. Andrews, Ranchhod, and Sathy (2010) studied patterns of student applications to Texas universities and found that Texas students in the top 10% of their high school classes were significantly more likely to apply to the University of Texas at Austin and Texas A&M University if they knew they would receive scholarship aid through one of the schools' targeted recruitment programs for top-ranked high school students, the Longhorn Opportunity Scholarship or the Century Scholarship. These two Texas-specific studies demonstrate the role financial aid can play in promoting college participation and completion.

Dougherty, Nienhuser, and Vega (2010) studied the passage of Texas HB 1403 in 2001, which established Texas as the first state to authorize in-state tuition rates for undocumented students. Dougherty et al. (2010) discovered that the bill achieved near-unanimous support, driven primarily by minority caucuses in the Legislature, the business community, Texas Higher Education Coordinating Board, and higher education institutions – all of whom shared a vested interest in college opportunity and an educated workforce. Examining the effects of tuition deregulation in 2003, Flores and Shepherd (2014) concluded that deregulation has exerted a differential impact on public four-year

university enrollment by racial group: Hispanic students are less likely to enroll in these institutions following deregulation of tuition, with mixed results for black students and no effect on white students. They asserted that Hispanic students became more likely to attend lower-cost two-year institutions or to forego higher education altogether. As these two studies show, tuition politics and policy have an impact on college affordability and access for Texas students – particularly Hispanic students. These scholars studied Texas in part because of the state’s ability to provide a unique and interesting context due to its diverse population, its tuition policies, and its conservative politics. The same forces make Texas an ideal context for the study of how politics shapes financial aid.

### **Aid and Enrollment**

Studies have shown that aid availability and aid levels influence enrollment. Heller (1997) demonstrated that enrollment responded negatively to declines in financial aid, with differing effects by aid type: enrollment was more sensitive to changes in grant amounts than in loans or work-study availability. Heller (1999) showed that postsecondary enrollment grew when states increased grant aid. Alternatively, decreases in state grant spending corresponded with enrollment declines. As with tuition, minority students were more sensitive to aid increases than white students. Similarly, Perna and Titus (2004) demonstrated that students were more likely to enroll in public higher education in states with greater need-based aid. Long (2004) showed that higher state in-kind tuition subsidies through appropriations were associated with a higher percentage of students enrolled in public higher education. Alon (2011) found that aid increased the likelihood of college attendance for students from the poorest families.

Perna and Steele (2011) discovered that awareness of merit-based aid in Florida, Georgia, and Maryland increased students' academic efforts in high school. Students who knew such aid programs existed were more likely to make college plans. Those from middle- and low-resourced schools, however, were less likely to understand aid availability and therefore less likely to view college as affordable. Also studying merit aid, Dynarski (2000) examined the enrollment effects of the Georgia HOPE Scholarship and found that while enrollment increased following the policy's implementation in 1993, growth occurred primarily among white and high-income families. College enrollment by white students increased 12.7% more in Georgia than in other states, with no significant change for Black students. Dynarski and Scott-Clayton (2013) conducted an extensive literature review and concluded that aid increases enrollment, but type of aid matters: grants appear most effective, while the benefit of loans remains unclear. These studies demonstrate the positive effects of financial aid availability on enrollment and underscore the importance of state policies supporting such programs – particularly need-based grants and scholarships, and particularly for low-income and minority students.

### **Aid and Persistence**

Research offers evidence that aid supports student progress through college. Cabrera, Nora, and Castaneda (1992) demonstrated that financial aid increased student engagement and integration by reducing the need to work. Perna (1998) found that students who completed degrees within five years were more likely to have higher amounts of aid than those who did not persist. Aid packages favoring grants were associated with the highest persistence rates, while rates were lower for students with

loan-heavy packages. DesJardins, Ahlburg, and McCall (2002) also showed that aid reduced stop-out over time. In their study, scholarships produced the largest positive impact on retention, followed by work-study, then loans. Bettinger (2004) found that need-based aid increased persistence from first to second year, with stronger effects for larger aid amounts. Increases in financial aid after enrollment also decreased a student's likelihood of withdrawing – a \$1,000 increase in Pell award correlated with an 8.6% decrease in odds of stop-out. Chen and DesJardins (2008) established that receipt of Pell grants narrowed the persistence gap between low- and middle-income students, and that both loans and work-study were associated with lower stop-out risk.

Hossler et al. (2009) reviewed studies on aid and persistence and noted that all forms of grants showed modest positive effects. Loans were negatively associated with persistence for low-income students, but had no effect on the persistence of middle- and high-income students. Chen and St. John (2011) found that students were more likely to persist through college in states that provided more aid (need-based and non-need-based). Decreases in aid corresponded with declining persistence; again, minority students were more sensitive to aid changes than white students. Similarly, Alon's (2011) analysis demonstrated that an increase in need-based grants in a student's first year increased odds of persistence, with the greatest effects for students in the lower-middle income quartile. Alon suggested that while aid might prevent low-income students from dropping out, middle-class students on the margin of need-based aid eligibility could be more sensitive to increases in aid. As these studies demonstrate, financial aid can promote not only participation in higher education, but progress to degree as well.

## **Aid and Completion**

In addition to documenting positive effects on enrollment and persistence, a growing body of research examines the influence of aid on student graduation. Titus (2006) argued that financial aid is increasingly critical to both college access and degree completion. His analysis showed that a student's probability of completing college was negatively related to unmet financial need and with working more than 10 hours per week. Alternatively, completion was positively associated with state funding of financial aid as a percentage of total spending for higher education, and with need-based grant dollars per resident aged 18-24. Financial aid mattered more for student outcomes than state general support for higher education; however, completion was unrelated to state general appropriations to institutions.

Alon (2007) discovered that financial aid helped equalize differences in completion by race and income. He suggested that aid might mediate any negative impact of students' socioeconomic or educational backgrounds on their likelihood of graduation. In their literature review on financial aid effects, Goldrick-Rab, Harris, and Trostel (2009) affirmed that more aid increased both enrollment and completion. Similarly, Dynarski and Scott-Clayton (2013) observed that lowering college costs through financial aid improve both access and completion. The positive effects demonstrated by these studies underscore the value of financial aid to state and national college completion efforts (McLendon & Perna, 2014; The White House, 2011).

## **Summary**

Taken together, the evidence discussed in this section on the role of financial aid shows that while escalating tuition costs may limit postsecondary participation (Heller, 1997, 1999; Leslie & Brinkman, 1987), financial aid can counteract this effect and increase enrollment, persistence, and completion by lowering the cost to students and families (Dynarski & Scott-Clayton, 2013; Long, 2004). Data show that minority and low-income students are particularly sensitive to tuition and aid changes (Chen & St. John, 2011; Heller, 1997, 1999). These findings are particularly relevant for Texas, where institutions have the authority to set their own tuition rates that may deter low-income and minority students (Flores & Shepherd, 2014). In addition, trends in student financial aid show an increase in merit aid that primarily benefits more affluent white students (Dynarski, 2000), and growing reliance on student loans to finance college (Chen & St. John, 2011). These changes over the past several decades underscore the need for states to balance declining appropriations and tuition increases with need-based financial aid for middle- and low-income students (Flores & Shepherd, 2014; Heller, 1997, 1999; Long & Riley, 2007). This need for greater need-based aid makes understanding the forces shaping the development and outcome of financial aid policies particularly salient. Environmental and other factors inevitably influence policy decisions, but are outside human control; alternatively, examining the role of politics in shaping these policies can provide valuable insight for higher education leaders and advocates looking for effective strategies and policy levers (Tandberg, 2008).

## **State Politics and Higher Education Policymaking**

Borrowing from political science literature and theory, a small but growing body of work examines how and why states make policy decisions about higher education. Much of this research focuses on the factors influencing state higher education appropriations and tuition; relatively few studies examine the factors shaping financial aid policy. To provide a comprehensive foundation for my study, I discuss the broader body of research on political factors shaping all areas of higher education policy. I also include significant related studies from K-12 education policy and political science literature, as these areas have influenced the more nascent study of higher education policy (McLendon, 2003b; McLendon & Perna, 2014).

### **State Political Context**

Research indicates that state political context influences higher education policy. This section examines the role of political culture, governance structure, economy and demography, and political dynamics in shaping state higher education efforts.

**Political culture.** Elazar (1966) identified three political cultures in the United States: individualistic, moralistic, and traditionalistic. Individualistic cultures emphasize the marketplace; moralistic cultures prioritize the commonwealth; and traditionalistic cultures combine the former two into a system characterized by a paternalistic and hierarchical approach to government. Both political science and education researchers have applied Elazar's political cultures to the study of policymaking. Garland and Martorana (1988) studied the relationship between state political culture and legislation affecting community colleges. They found that traditionalistic and individualistic states

responded positively to community college legislation, while moralistic cultures were relatively less supportive of two-year college issues. In a study of state expenditures, Miller (1991) discovered that individualistic states invested more on local issues and less at the state level, while moralistic states invested less locally and more statewide. In traditionalistic states, political systems tended to maintain the status quo and keep state expenditures low. According to Miller, Texas reflected a combination of traditionalistic and individualistic culture – indicating that the state was more likely to invest in local issues, keep overall state expenditures low, and resist major changes to the status quo.

Hearn, Griswold, and Marine (1996) determined that regional differences affected state tuition and aid policies. Tuition levels were lowest in the Southwest, while the Northeast and Midwest maintained high tuition, high aid policies. Hearn et al. found a smaller difference between two- and four-year institutions' pricing in the Midwest and in more highly educated states. They saw the greatest difference in pricing by sector in states with higher income levels, decentralized governance, and a weaker private higher education sector. The authors concluded that state financing of higher education was driven in part by factors outside state control, such as the pricing of regional peer institutions and the broader state environment.

Gittell and Kleiman (2000) examined the political cultures of Texas, California, and North Carolina with regard to higher education and developed the concept of a “higher education regime” – key state legislators, the governor, and higher education officials who comprised the inner circle for higher education. These regimes mirrored the states' political cultures: individualism in Texas contributed to its decentralized



higher education system, while populist tradition shaped the universal access to higher education in California's master plan. North Carolina's segmented system of higher education reflected its divided political culture. In Texas, a lack of unifying political interests afforded the business community more influence over the state agenda. Texas legislators saw higher education institutions in their districts as a source of local wealth, and they fiercely protected those institutions' interests at the Capitol. In another study based on Elazar's framework, Koven and Mausolff (2002) found that states in the South and Southwest – Texas included – were most likely to be categorized as traditionalistic. These states emphasized functions that maintained order, such as corrections or police, over redistributive functions, such as education and welfare. Koven and Mausolff concluded that public expenditures were based not only on political and economic factors, but also on culture.

Through case studies of five states – New Mexico, California, South Dakota, New York, and New Jersey – Richardson and Martinez (2009) illuminated the underlying “rules in use” that governed state decisions regarding higher education. Individual states' rules varied, but all related to the state's basic beliefs about six areas: system design, state leadership, information, access and achievement, fiscal policies, and research and development. Richardson and Martinez found that states' cultures and rules in use shaped their policy decisions and, therefore, their educational performance and outcomes.

Ness and Mistretta (2009b) applied Kingdon's (1984) multiple streams analysis to their study of North Carolina and Tennessee's decisions regarding lottery-funded merit aid. Kingdon's framework views policy outcomes as the result of three independent but

interconnected streams: politics, problem, and solutions. Ness and Mistretta concluded that the two states' constitutions contributed to distinctive political cultures and approaches to higher education. The states' views of lottery programs and concern over student departure to out-of-state schools differed, creating unique policy contexts. Similarly, Bastedo (2009) studied higher education governance in Massachusetts and noted that the state's rationalist ideology played a critical role in shaping state policy. He concluded that examining both institutional behavior and state culture allowed a richer understanding of the policy change process. Tandberg (2010b) studied the relationship between political variables and state appropriations; he found that moralistic or traditionalistic states spent more on higher education relative to other areas, while states with a more liberal political ideology appropriated more to higher education.

Dougherty et al. (2013) studied the development of state performance funding policies and found that state political culture affected policy adoption. In particular, California and Nevada's emphasis on autonomy and immunity for their higher education sectors contributed to those states' decisions not to adopt performance funding. Heck, Lam, and Thomas (2014) studied relationships between state political culture, higher education spending, and educational outcomes; they found that individualist states had lower average appropriations than traditionalist or moralistic states. Traditionalist states had higher appropriations, and families in traditionalist states carried a smaller share of higher education costs than in moralist states. Moralist states had the highest graduation levels; individualist states had the lowest, and their outcomes saw the smallest improvement over time. Heck et al. concluded that differences in political culture

mediated the relationship between the state economic context and higher education appropriations. Policy choices resulted from a complex mix of societal values, individual value preferences, and a dynamic policy environment.

Perna and Finney (2014) conducted a major study of state policies promoting postsecondary degree completion in Georgia, Illinois, Maryland, Texas, and Washington. Their study emphasized the role of social and cultural context in shaping governmental policies, as well as the critical importance of considering state-specific context when developing such policies. Based on their findings, the authors developed a conceptual model for understanding the role of public policy in improving state higher education performance. The first tenet of their model holds that the relationship between policy and performance must consider local context, “as defined by a state’s historical, demographic, economic, political, and other state-specific characteristics” (p. 203). Their model also assumes the centrality of state policy leadership; the use of various policies to promote both the demand for and supply of higher education; the emphasis on promoting equity as well as attainment; and the need for regular progress assessment and policy adjustment. Perna and Finney’s work emphasized the interdependent nature of policy and context in higher education. Taken together, the studies discussed here reveal the influence of political culture, values, and traditions on state higher education policy.

**Governance structure.** The ways in which states structure their systems of higher education can also influence policy decisions. Hearn and Griswold (1994) studied the relationship between state higher education governance arrangements and policy innovations. Applying Kingdon’s (1984) multiple streams approach, they viewed

governance as one of multiple intersecting streams that might shape state decisions. They discovered that states with strong higher education coordinating boards were slightly more likely to adopt policies new to their state, while states with planning agencies or weak coordinating boards were less likely to do so. Governance did not affect all policies, however: Hearn and Griswold discovered that structure influenced policies related to teaching and research, but not finance policies.

McGuinness (1997) developed an influential typology of state governance for higher education based on six categories: consolidated governing boards, coordinating boards, planning/service agencies, multicampus institutions and systems, and community college and vocational/technical institution governance. His model acknowledges that differences in state structure are “related directly to differences in state policy, culture, and tradition” (McGuinness, p. 18). This framework has influenced many studies of governance and politics. For example, Lowry (2001) studied the relationship between public university pricing and spending and selection of board trustees. Net revenue was lower at universities in states with statewide coordinating boards, lower in states with fewer governing boards, and lowest at universities governed by trustees selected by government officials or voters. He concluded that trustees appeared to prefer lower spending overall. Lowry found lower prices and cost in states with more political control over institutions and where nonacademic stakeholders selected trustees.

Nicholson-Crotty and Meier (2003) also studied the relationship between governance structure and policy. They demonstrated that states with coordinating boards had lower costs for higher education delivery and lower tuition costs; appropriations and

financial aid were not related to structure, however. In states with consolidated governing boards, greater legislative professionalism – the extent to which a state legislature resembled Congress – correlated with lower tuition. The opposite was true for states with coordinating boards: greater legislative professionalism correlated with higher tuition. States whose chief higher education officer was a cabinet member had higher costs per student, higher tuition, and lower appropriations, as did states granting legal authority to higher education boards by statute. These states also had significantly higher financial aid allocations. States with elected boards were associated with lower tuition per student and lower state appropriations. Nicholson-Crotty and Meier concluded that the relationships between structure and politics were complex and varied; politics affected higher education differently across varying structural contexts.

McLendon, Hearn, and Mokher (2009) studied variations in state funding for higher education from 1984 to 2004 and found no relationship between governance structure and appropriations. However, Tandberg (2010a, 2010b) discovered that more centralized governance structures correlated with less funding. McLendon et al. showed a significant positive relationship between legislative professionalism and appropriations, as well as between legislative term limits and appropriations. Tandberg (2008; 2010a; 2010b) demonstrated that legislative professionalism predicted stronger funding. Doyle (2012) discovered that financial aid was higher in states with more professionalized legislatures. Studying factors leading to the development of performance funding, Dougherty et al. (2013) revealed that state coordinating boards played a major role in advocating for the policy as a way to secure new funding for higher education. The

studies discussed here indicated that characteristics of state governance – particularly higher education oversight, governing board composition, and legislative professionalism – influence appropriations, tuition, and aid policies.

**Economy and demography.** Numerous studies show that state financial landscape and population characteristics influence higher education policy. Peterson (1976) argued that socioeconomic, environmental, and political variables affected public higher education, and current research provides ongoing evidence that state demographics and economic conditions are relevant. Lowry (2001) demonstrated that public university outputs and revenues depended on both political and economic factors. Higher education appropriations were positively related to tax revenue and postsecondary public enrollment, and appropriations were lower in states with larger elderly populations and higher private institution enrollment. Doyle (2006) determined that state educational context produced a stronger effect on adoption of merit aid policies than state politics. In his study, states with more high school graduates and higher median family income were more likely to implement merit aid.

Doyle (2007b) studied the relationship between state-level income inequality and state tax appropriations for higher education. He found that state subsidies for higher education were higher when inequality was lower – results that contradict the prevailing view of support for higher education as a redistributive subsidy. By implication, a smaller, wealthier middle class could result in lower appropriations, despite greater need among a larger, lower income population. McLendon, Hearn, and Mokher (2009) showed that unemployment correlated with lower appropriations, as did higher

proportions of college-aged and elderly residents. Testing Hovey's (1999) theory of higher education as a "balance wheel" for state budgets, Delaney and Doyle (2011) analyzed state appropriations over time and concluded that during and after recessions, states were more likely to cut higher education than any other major spending category in order to balance investment in other priorities. Doyle (2012) showed that the economy influenced appropriations more strongly than politics; Dar (2012) also noted that higher education's ability to compete for state resources shifted in response to the economy.

Building on previous work by Doyle (2006), McLendon, Tandberg, and Hillman (2014) studied predictors of state funding for financial aid and found that state wealth was positively associated with spending on merit aid, but not need-based aid. Educational attainment levels were negatively correlated with higher education funding overall, but high school enrollment was positively related to investment in financial aid. Greater funding for merit aid meant less available funding for need-based aid, producing a "crowding out" effect. The authors concluded that policy decisions were made within a unique and complex state context, and "these decisions are inherently political ones" (p. 159). These studies emphasized the role economic factors and population characteristics may play in shaping higher education policies.

**Political dynamics.** Studies show that intangible factors related to power and political capital, the broader political environment, and competing stakeholder interests can shape higher education policy. Olivas (1984) studied the development of the Ohio Board of Regents and found that the Board's creation was influenced by media dramatization of challenges related to the state's growing postsecondary population. At

the K-12 level, Firestone (1989) studied education policy concerning teacher pay and professional development in Arizona. He found that the policy process resembled a theory of games: the state legislative game, state government administration game, school administration games, and teaching game. These simultaneous, loosely linked political games undermined centralized rationality. Decisions and outcomes reflected political, public interest, and administrative factors more than educational needs.

Hannah (1996) studied the Higher Education Act of 1992 and found that national attention on the federal deficit, the election cycle, and declining public confidence in higher education undermined the impact of HEA '92. Hannah concluded that political power was “limited by the ‘crosscurrents and constraints’ of the environment...history, public ideas, and the economic and social environment help shape issues and limit the options [these] actors can select” (p. 523). Sabloff (1997) argued that national political trends affected higher education. Since the 1960s, the growing influence of state legislators in relation to governors has made higher education increasingly politicized, as legislators trade favors to gain support. Similarly, Griswold (1999) found that the National Commission on Student Financial Assistance was heavily affected by the changing political dynamics at the time – primarily the Reagan election and subsequent new appointees to the Commission. The Commission reflected broader political power struggles that influenced its goals, personnel, and resources. Griswold concluded that the Commission’s reports became political rhetoric rather than effective vehicles for change.

Studying state higher education governance reform, McLendon and Ness (2003) found that higher enrollment and strong political sponsorship catalyzed policy change.



McLendon (2003a) examined the process by which decentralization of public higher education reached the legislative agenda in Arkansas, Hawaii, and Illinois and found that the agenda-setting process most resembled the irrational, loosely-coupled dynamics of Kingdon's (1984) multiple streams approach: a stream of state political forces, unrelated problems, and decentralization solutions. In his analysis of the debate surrounding affirmative action at the University of California, Pusser (2004) argued that the decision to end the policy was driven by the interests of stakeholders within and outside the public university system. His conceptualization of the dynamic and complex interaction between the university and state political environment reinforced the role of political dynamics in shaping higher education policy outcomes.

McLendon, Deaton, and Hearn (2007) studied governance reform and noted that fluctuations in the political landscape were the primary drivers of legislation to reform higher education. Changes in political leadership were significant predictors of reform legislation, while state economies, tuition, and enrollment were not. They argued that political institutions played a key role by structuring social choices, and changes in the leadership of political institutions shifted those choices. Leslie and Berdahl (2008) studied decentralization of public higher education in Virginia; they, too, argued that local conditions and political dynamics were likely catalysts of policy change. Like McLendon (2003a), Leslie and Berdahl (2008) concluded that restructuring occurred through an irrational, dynamic process affected by various competing interests. They, too, found the policy process reflective of Kingdon's theory.

Studying the politics of higher education appropriations, Tandberg (2008) determined that political dynamics were highly relevant to funding outcomes. He noted that economics, demography, and competition for resources affected the budget process by way of the political process – contextual and political factors were intertwined. Ness and Mistretta (2009a) also demonstrated the significance of political dynamics in their study of North Carolina’s decision not to fund a merit aid program with state lottery proceeds. They showed that North Carolina’s bipartisan political environment – a conservative political culture, with Democratic control of government – contributed to the state’s decision to allocate lottery proceeds to need-based financial aid and K-12 education, rather than merit scholarships. McLendon, Mokher, and Flores (2011) discovered that political representation influenced policy decisions: in their study, the number of female legislators and size of the immigrant population predicted adoption of in-state resident tuition policies for immigrant students.

Doyle (2012) examined the effects of state policymakers’ preferences on tuition levels and financial aid and concluded that tuition levels were not set based on traditional economic models. Rather, these policy decisions were the result of a political process that reflected policymaker interests. Blankenberger and Philips (2014) studied the adoption of performance funding for higher education in Illinois and found that the state and national political environment contributed to consideration of the policy. Performance funding was a response to changing demographics, the national college completion agenda, declining state funding, and state interest in accountability. As a

whole, these studies showed the dynamic, and complex political factors that may contribute to higher education policy development and decisions.

### **Political Leadership**

Leadership and political capital can shape higher education policy outcomes. In particular, scholars have examined how policy entrepreneurs (Kingdon, 1984) may influence the legislative process by advocating for specific initiatives and identifying opportunities for action (Doyle, 2006; Ness, 2010; Zahariadis, 2014).

**Policy entrepreneurs.** Rooted in Kingdon's (1984) multiple streams approach, policy entrepreneurs are individuals or groups who attempt to combine the framework's three activity streams: problems, politics, and solutions. These actors skillfully capitalize on moments in which the three streams intersect, using the resulting opportunity windows to advance their agendas (Kingdon, 1984; Zahariadis, 2014).

At the secondary school level, Mazzoni (1991) studied school restructuring in Minnesota and found that influential policy entrepreneurs served as effective idea champions. In a national study of school choice legislation, Mintrom (1997) showed evidence of policy entrepreneurship in 26 states; the presence of these advocates significantly increased the likelihood the legislature would consider and approve school choice. He concluded that policy entrepreneurs warranted further investigation as part of the policy process, but recognized that the political environment may also affect their ability to produce a policy outcome. In his study of decentralization of public higher education in Arkansas, Hawaii, and Illinois, McLendon (2003a) described two kinds of opportunity windows for policy entrepreneurs: political windows in response to crisis,

and problem windows resulting from political interpretation of a condition warranting remedy. He argued that these situations provided opportunities for policy entrepreneurs to attach their solutions to attach to problems, moving them onto the political agenda.

Doyle (2006) offered evidence that governors act as policy entrepreneurs: his study of merit aid found that states were more likely to adopt merit programs in the first year after electing a new governor. Using Kingdon's (1984) multiple streams, Mintrom and Norman (2009) identified four essential attributes of policy entrepreneurs. They argued that these leaders showed social acuity, defined problems, built teams, and led by example. Policy entrepreneurs demonstrated deep understanding of their local context and skillfully used coalitions, networks, and information to drive change. Ness (2010) studied the process of developing merit aid criteria in Tennessee, New Mexico, and West Virginia, also applying MSA. He found policy entrepreneurs influential in all three states in the form of senators in New Mexico and Tennessee, and the governor of New Mexico. These elected leaders skillfully combined problems, policies, and politics within the opportunities provided by open policy windows. Ness concluded that policy windows offered non-elected issue experts greater influence, attracted state interest to an issue, and allowed elected officials to move policies forward.

Tandberg and Anderson (2012) studied governance reform in Massachusetts and found that policy entrepreneurs helped create the impetus for restructuring the higher education system. Dougherty et al. (2013) discovered that policy entrepreneurs such as Governors, legislators, and higher education leaders played a major role in the development of performance funding. They offered the absence of policy entrepreneurs

as a primary reason why performance funding failed to develop in other states. In sum, these studies showed the influence of individual advocates on the policy conversation.

**Elected officials.** In addition to acting as policy entrepreneurs, elected officials may impede or facilitate higher education in other ways. Mazzoni (1991) examined school restructuring in Minnesota and found that policy subsystems were unable to drive policy changes on their own; they needed the support of organized elites and elected officials. Similarly, Fowler (1994) studied public education reform in Ohio and concluded that disunity among members of the reform commission caused the issue to rise to the state level, where state, federal, and business leaders influenced the conversation. Echoing Mazzoni (1991), she argued that conceptualizations of leadership should broaden to include business leaders and national actors, not just education leaders, commission appointees, and local or state officials.

In their study of Texas, North Carolina, and California, Gittel and Kleiman (2000) found that elected leaders exerted greater influence on policy outcomes than education leaders. Leslie and Novak (2003) studied higher education governance reform in Minnesota, Kentucky, New Jersey, Maryland, and Florida and offered evidence of governors as policy entrepreneurs; they conclude that researchers must consider politics, not just policy content, when examining the policy process. McLendon, Deaton, and Hearn (2007) examined state efforts to centralize higher education governance and showed that reform was more likely after a change in state leadership. In particular, newer governors were more likely to initiate structural reforms than incumbents.

Tandberg and Ness (2011) noted that states with stronger gubernatorial budget authority were more likely to have lower capital expenditures for higher education.

Christakis (2009) discovered wide variation in governors' influence over public higher education. Using indices of formal authority and informal influence, he identified four power quadrants: prescribed powers, minimal powers, entrepreneurial powers, and maximum-power governors. Christakis categorized the governor of Texas within the entrepreneurial quadrant, with limited statutory authority but substantial informal influence over the budget, appointments, and policy issues. Governors with less formal or statutory authority, Christakis noted, compensated by extending informal influence by way of appointments to boards and commissions – contributing to the increasing politicization of higher education governance. McLendon, Hearn, and Mokher (2009) revealed that states with stronger gubernatorial power funded higher education at higher levels. Tandberg and Anderson (2012) studied higher education governance restructuring in Massachusetts and concluded that the governor acted as an issue opportunist and catalyzed the policy change. These studies showed the positive and negative impact elected officials – particularly governors – can have on higher education policy.

**Interest groups.** Beyond the individual influence of policy entrepreneurs and elected officials, collective advocacy efforts may also help or hinder higher education efforts. Tandberg (2010a) observed that the relative strength of the higher education lobby could predict greater funding. As the number of higher education interest groups increased relative to the number of all state interest groups, state support for public higher education relative to the available tax base increased. Tandberg concluded that

appropriations were more likely to increase when multiple institutions lobbied independently, as opposed to one unified lobby. Tandberg (2010b) also found that the density of a state's non-higher education interest groups produced a negative effect on appropriations; a more active lobby outside of higher education made it more difficult for higher education to gain traction. Similarly, Tandberg and Ness (2011) showed that states with a stronger higher education lobby were more likely to fund increased capital expenditures. These studies by Tandberg and colleagues demonstrated that interest groups, not just individual leaders, influence the higher education policy agenda.

### **Partisanship**

Though historically considered an apolitical issue, a growing number of studies illuminate the partisan dynamics of higher education policy (McLendon & Hearn, 2003). In particular, studies have shown that political party may influence state appropriations, accountability policies, tuition levels, and views toward college opportunity and access.

**Political party.** More liberal governments tend to fund higher education more generously, and conservative governments are more likely to favor performance standards for institutions and students. Doyle (2006) showed that liberal governments were less likely to adopt merit aid, while liberal legislatures were more likely. McLendon, Hearn, and Deaton (2006) discovered that states with more conservative legislatures were more likely to adopt policies funding institutions based on performance. Relatedly, McLendon, Deaton, and Hearn (2007) concluded that Republican legislatures were more likely to reform higher education.

Doyle (2007a) examined whether higher education policy preferences differed by political party. He found no clear distinction between Republicans and Democrats on views toward efficiency in higher education and the cost of tuition. However, he discovered that Democrats and Republicans held different views of higher education opportunity. Democrats were less likely than Republicans to believe the vast majority of people in their state had access to college, and Republicans were more likely than Democrats to believe low-income students had the same college opportunity as other students. Doyle (2007a) suggested that higher education was becoming increasingly politicized, particularly regarding questions of access.

Tandberg (2008, 2010a, 2010b) revealed a positive relationship between government liberalism and appropriations. His studies established that Democratic governors and legislatures resulted in more funding for public higher education relative to other areas, while a uniparty legislature predicted lower funding for higher education in relation to K-12. McLendon, Hearn, and Mokher (2009) showed that funding correlated negatively with the number of Republican legislators. Party may not affect all policies, however: McLendon, Mokher, and Flores (2011) later found no effect of partisanship on states' consideration of in-state resident tuition bills. Unlike McLendon, Hearn, and Mokher (2009), Doyle (2012) observed no significant relationship between political characteristics and appropriations; funding was driven more by economic conditions than politics. However, Doyle (2012) noted that tuition prices were related to government liberalism: tuition was more likely to decrease as government became more liberal. These studies revealed that while liberals generally support more generous funding for



higher education institutions and programs, political preferences may affect some policies more than others; environmental factors also may mediate the relationship between party identity and position on higher education policies.

**Electoral politics.** Four decades ago, Fenton and Chamberlayne (1969) illuminated the longstanding debate over whether politics or economics exert greater influence on policy outcomes. They acknowledged that while economic and environmental conditions clearly affect policies, interparty competition shapes policy decisions as well. Research in and outside education has continued to document the role of politics in shaping policy. For example, Erikson, Wright, and McIver (1989) studied the effects of electoral politics on state policy outcomes and found that regardless of party, elected officials responded to state opinion in ways most likely to preserve their positions – indicating that state political context influences policy.

Evidence of the role of electoral politics in education policy is mixed, however. At the secondary school level, Wong and Shen (2002) studied whether electoral dynamics affected public education reform. They found no statistically significant relationship between state electoral dynamics and the adoption of charter school legislation or implementation of school district takeover. Specifically examining higher education, McLendon, Hearn, and Mokher (2009) saw no evidence that citizens' political ideology affected state appropriations. McLendon, Mokher, and Flores (2011) studied the factors influencing the legislative emergence of in-state resident tuition bills. They, too, determined there was no effect of electoral competition, partisanship, or ideology on whether such legislation reached the policy agenda.

Some research offers contrasting results. Studying states' adoption of prepaid tuition and college savings plans between 1986 and 1999, Doyle, McLendon, and Hearn (2010) discovered that states with more competitive elections were less likely to adopt either policy. However, the authors found no support for their hypothesis that these policies were associated with a conservative movement toward individual responsibility. They concluded that prepaid tuition and savings plans simply represented low-cost efforts to assuage college cost issues, rather than a partisan political response.

Political consensus and competition influence policy decisions. Tandberg and Ness (2011) studied the relationship between political factors and state higher education expenditures on capital projects from 1988 to 2004. They discovered that states with more competitive elections had higher capital expenditures. As political consensus decreased, capital expenditures increased. They concluded that competition and trading of political factors were more influential in policymaking than political ideology.

State culture and context may affect trends in party preferences. Studying how political preferences shape higher education policy decisions in California, Dar (2012) discovered that higher education's share of the budget diminished as Democratic representation in the legislature increased – contradicting work by Tandberg (2008; 2010a; 2010b) and McLendon, Hearn, and Mokher (2009). Dar showed that as California politicians became more polarized, higher education appropriations declined. She concluded that despite liberals' tendency to fund higher education more generously than conservatives, Democrats in California preferred to invest in welfare and low-income constituents over higher education. California's economic and political

environment mediated the expected influence of party preferences. Examining national data, Dar and Lee (2014) revealed that Democratic Party strength was positively and significantly associated with appropriations per \$1000 of personal income – indicating that the California environment diverged from national trends. Dar and Lee (2014) found this effect disappeared with increased political polarization or employment, reiterating the role of competition and context.

These mixed findings regarding the role of state electoral politics reinforce the importance of considering local context and the need to better understand how politics shapes policy decisions. As each state’s culture and values are unique, the relationship between politics and higher education policy outcomes is likely to vary as well.

## **Networks**

Political science literature suggests that interstate competition and emulation lead states to adopt certain policies in response to their neighbors (Walker, 1969). Research on policy diffusion in higher education is mixed, and findings vary based on the policy under consideration. In her study of education reform in Ohio, Fowler (1994) found national leaders and the national reform agenda influential in shaping state policy, indicating that state policymakers may respond, in part, to factors outside their own borders. Mintrom (1997) concluded that policy entrepreneurs facilitated the diffusion of school choice policies. Similarly, Wong and Shen (2002) showed that states responded to a broader national effort in their adoption of charter school legislation.

Studying state decisions to decentralize higher education in Arkansas, Hawaii, and Illinois, McLendon (2003a) discovered that policies enter the state agenda through

three avenues: they are imported from another state, borrowed from another policy arena, or developed within the higher education community. McLendon, Heller, and Young (2005) saw a strong diffusion effect in their study of policy innovation: states with innovative neighbors were more likely to innovate, and the effect was stronger for financing innovations than for accountability.

Doyle (2006) found no diffusion effect on the adoption of merit aid programs; he concluded that states responded more to internal conditions than to the external environment. McLendon, Hearn, and Deaton (2006) identified no diffusion effect in their study of performance funding policies, and McLendon, Deaton, and Hearn (2007) found no evidence for the effect of interstate policy diffusion on state reform of higher education governance. In their MSA study of North Carolina's decision not to fund merit aid with lottery proceeds, Ness and Mistretta (2009a) determined that internal political factors and the economic context outweighed any influence of regional policy diffusion.

Doyle, McLendon, and Hearn (2010) saw a small diffusion effect on state adoption of prepaid college savings plans, but McLendon, Mokher, and Flores (2011) found no diffusion effect on the adoption of in-state resident tuition policies. In their study of performance funding policies, however, Dougherty et al. (2013) found that policy entrepreneurs drew on policy networks and policy learning from other states in order to move their initiatives forward. In sum, while findings on the role of diffusion and policy networks in higher education policy are mixed, the potential influence of these factors is important to consider – particularly as states seek new approaches to increasing college access and attainment (Perna & Finney, 2014).

The studies discussed in this section demonstrate the many ways politics may influence higher education policymaking. Scholars have shown that political context, culture, governance structure, leadership, interest group activity, and political competition can all affect policy decisions related to state appropriations, tuition prices, and financial aid (Hearn & Griswold, 1995; Hearn, Griswold, & Marine, 1996; McLendon, 2003a; McLendon, Deaton, & Hearn, 2007; McLendon & Ness, 2003; Ness & Mistretta, 2009; Perna & Finney, 2014; Richardson & Martinez, 2009). These findings reinforce the importance of continuing to examine how politics affects policymaking in higher education – particularly when those policies may influence the extent to which students and families can afford postsecondary education.

### **Theoretical Framework**

Higher education policy scholars (see Perna, Klein, & McLendon, 2014) have suggested that frameworks from political science can offer valuable insight into state policy development related to college attainment. While other theories may also illuminate Texas financial aid policymaking, I applied Kingdon's (1984) multiple streams approach (MSA) because of its emphasis on the ambiguity and dynamism of the political environment. A political scientist, Kingdon based his framework on 23 case studies of U.S. federal public policymaking in health and transportation during the 1970s. Of particular interest to Kingdon was the concept of agenda setting, or how issues "[come] to be issues in the first place" (p. 2). Kingdon sought to understand the development of public policy over time – and in particular, "why some subjects become prominent on the policy agenda and others do not, and why some alternatives for choice are seriously

considered while others are neglected” (p. 3). He developed MSA as a theoretical answer to these questions, and the framework’s focus on the “how” and “why” of policymaking aligns well with my goals for this study.

Kingdon based his approach on Cohen, March, and Olsen’s (1972) garbage can model of organizational choice. Cohen et al. described decisionmaking in an organizational context; Kingdon adapted their garbage can to describe public policymaking in the U.S. government. Like their stream of problems, solutions, participants, and choice opportunities, MSA identifies three distinct but interactive streams flowing through the policy system: problems, policies, and politics. When the streams come together, policies and agendas are more likely to change. Such coupling of the streams occurs in response to two key forces: policy entrepreneurs and policy windows. Policy entrepreneurs – “advocates for proposals or for the prominence of an idea” (p. 129) can manipulate the three streams to couple policies with problems and bring their ideas to fruition. While policy entrepreneurs may vary in role or position, Kingdon identifies several key attributes that make them successful: expertise, authority, political connections, negotiating skill, and persistence. Finally, opportunities for policy or agenda change may also arise through a policy window, or a “brief opportunity for action on a particular issue” (p. 176). Windows open because of a shift in the political stream, such as a change of administration, or because focusing events in the environment draw attention to a problem. Policy entrepreneurs are particularly adept at identifying and leveraging these windows (Kingdon, 1984; Zahariadis, 2014).

It is important to describe briefly the ways in which Kingdon conceptualized his three streams of problems, policies, and politics. First, a problem is “a change in an indicator” that represents a part of a system that needs addressing (p. 97). Indicators rise to the surface through focusing events, such as crises or disasters; through symbols and movements that gain widespread attention; and through feedback evaluating the operation of public programs. These indicators only become problems “when we come to believe that we should do something about them” (p. 115). Second, MSA describes a simultaneous stream of policies. These policies are ideas floating around in “policy primeval soup” within policy communities of specialists in certain areas (p. 123). Policy ideas evolve through a natural selection process of generating alternatives and proposals. The policy stream is characterized by fragmentation: “the left hand knows not what the right hand is doing, with the result that the left hand sometimes does something that profoundly affects the right hand, without anyone ever seeing the implications” (p. 125). This fragmentation produces instability and slows policy change.

Finally, Kingdon’s (1984) concept of the “political” is narrower than its broad theoretical definition in political science, which refers more to the allocation of values, costs, and benefits. Kingdon relied instead on what he called a “practitioner” definition: “politicians’ attention to voter reactions, their skewering of members of the opposite political party, and their efforts to obtain the support of important interest group leaders” (p. 153). The political stream therefore includes “such things as public mood, pressure group campaigns, election results, partisan or ideological distributions in Congress, and changes of administration” (p. 152). The national mood shapes the policy agenda as

legislators seek to reflect the interests of their constituents. Organized political forces such as interest groups influence the agenda through lobbying efforts, and through legislators who seek to earn their favor. New leadership promotes new priorities and ideas. Kingdon argued that perception and calculation are central to the political stream – participants constantly assess consensus and conflict as they further their own interests.

Influential scholars and studies (see McLendon, 2003a; Ness, 2010) have applied MSA to the investigation of higher education policy development, finding the theory a valuable tool for illuminating the multifaceted, rapidly shifting, and sometimes irrational policy process. Kingdon's (1984) approach was ideal for my study because it addresses the "how" and "why" of political problem definition and policy outcomes. MSA emphasizes the complex and dynamic nature of public policymaking, highlights the role of key policy actors, and illustrates how a stream of political perception and calculation interacts with problems and policy ideas. These theoretical components grounded my study of financial aid policymaking in Texas.



## Chapter Three: Methods

In response to the importance of understanding politics and the need for additional policy research that examines state context (Perna & Finney, 2014; Perna, Klein, & McLendon, 2014), this study investigated how politics in Texas has influenced state policymaking related to college affordability. I applied Kingdon's (1984) multiple streams approach to a multiple case study (Yin, 2014) of three financial aid bills considered by the Texas Legislature since 2011. I addressed three research questions:

1. How have policy stakeholders defined the problem of college affordability in Texas within the last five years?
2. Why did SB 28 (2011), HB 700 (2015), and SB 1735 (2015) emerge as policy solutions to the problem of college affordability in Texas during this time?
3. How did politics in Texas affect the development and outcomes of these bills?

As previously stated, I relied on Kingdon (1984) to define several key terms. *Politics* refers to “electoral, partisan, or pressure group factors... politicians’ attention to voter reactions, their skewering of members of the opposite political party, and their efforts to obtain the support of important interest group leaders” (p. 145). A *problem* is a “change in an indicator” (Kingdon, 1984, p. 97) that policymakers decide requires action.

*Policies* are potential solutions that evolve within policy communities through the continuous generation of proposals and alternatives. I intentionally aligned my lines of inquiry with Kingdon's three streams in order to integrate my framework with my research design. MSA highlights ambiguity, power, and political opportunism, making it

an ideal lens through which to examine the complex and dynamic policy environment surrounding college affordability and financial aid in Texas.

### **Research Design**

Yin (2014) holds that case study allows researchers to ask explanatory “how” and “why” questions, particularly when the phenomenon of interest is closely entwined with its unique context. An instrumental, multiple case study (Merriam, 2009) allowed me to explore my phenomenon of interest – the role of politics in state policymaking related to college affordability – through in-depth analysis of three specific bills considered by the Texas Legislature within the last five years. In instrumental case study, researchers examine a distinct case, or cases, as a means of illuminating a larger phenomenon. As such, I studied three financial aid bills in order to illustrate the broader phenomenon of political influence on state financial aid policymaking in Texas. Replicating across multiple cases strengthened the analytic generalization of my findings and allowed me to better illustrate the phenomenon of interest (Yin, 2014).

Scholars (see McLendon, 2003b; Perna & Finney, 2014; Richardson & Martinez, 2009) have shown that case study can offer a rich avenue for the in-depth examination of state political contexts surrounding higher education. A number of notable studies discussed in chapter two utilized case study as a means of examining the influence of context, leadership, and political dynamics, particularly at the state level; several of these studies (see Leslie & Berdahl, 2008; McLendon, 2003a; Ness, 2010; Ness & Mistretta, 2009a, 2009b) also applied Kingdon’s (1984) multiple streams approach.

Case study involves in-depth description and analysis within a bounded system

(Merriam, 2009). For the purpose of this study, the state of Texas served as the bounded system; within its parameters, three bills – SB 28, HB 700, and SB 1735 – provided individual cases for study. These bills were my units of analysis, with each relating to a distinct type of financial aid to support students: TEXAS Grants, a need-based grant; B-On-Time, a forgivable loan; and the Hazlewood Act, a tuition exemption benefit for veterans and their families. I selected each of these bills for the purpose of exploring the influence of politics across different types of tuition assistance policies.

### **Data Sources**

Interviews are often the primary data collection tool in case study research, supplemented by archival documents used to corroborate interview testimony (Yin, 2014). When conducting case studies of higher education policymaking, scholars (see for example McLendon, 2003a; Ness, 2010) have relied primarily on interview testimony from stakeholders involved in the policy, process, or event of interest, triangulated with document review of primary and secondary sources such as legislation, government reports, and media. Gittell and Kleiman (2000) utilized primary and secondary documentary sources, as well as over 100 interviews of state higher education officials. McLendon (2003a) relied on interviews, documents, and archival data. Leslie and Novak (2003) used included interviews with state leaders and review of state documents; Leslie and Berdahl (2008) interviewed 15 influential state leaders and reviewed legislation and related documents. Bastedo (2009) interviewed board members, staff, campus presidents, and faculty and triangulated their responses with documents, memos, media, and editorials. Ness and Mistretta (2009a, 2009b) interviewed policy actors, legislators and

aides, governor's office senior staff, higher education leaders, and researchers; they triangulated this interview testimony with archival documents such as bills, committee minutes, government reports, and newspaper coverage. Ness (2010) conducted interviews with 56 key policy actors and reviewed archival documents. Tandberg and Anderson (2010) conducted 10 interviews with higher education leaders and analyzed documents, reports, and news articles.

Following precedent established by prior case studies of higher education policymaking (see McLendon, 2003a; Ness, 2010), my data sources included archival records and 50 stakeholder interviews. I provide more detail in the subsequent section.

### **Archival Records**

Following the precedent of prior case studies in higher education policy research (see Gittel & Kleiman, 2000; McLendon, 2003a; Ness, 2010) I conducted extensive document analysis of bill text, state agency reports, Texas higher education strategic plans, and other sources related to my case bills. I also collected and reviewed legislative archival data in the form of Senate and House Higher Education Committee audio and video recordings, agendas, and minutes from debate on these three bills. These archival sources were part of public record and openly available through the Texas Higher Education Coordinating Board and Texas Legislative Library. I identified legislative documents, records, state agency reports, and policy organization reports primarily through the Texas Legislature Online digital records, review of the Texas Higher Education Coordinating Board's Office of External Relations and Financial Aid Programs webpages, and by web search for press releases and reports by Texas higher

education institutions, systems, and policy organizations.

News articles provided additional insight into the environment surrounding each bill and the program it addressed. To collect news articles, I searched library databases for the *Austin-American Statesman*, *Houston Chronicle*, and *Dallas Morning News*, and used the *Texas Tribune*'s web search feature and online archives to search for higher education coverage. I expanded the time period for these searches beyond the five-year parameters of my study, capturing material from the early 2000s surrounding tuition deregulation in 2003, in order to include resources that might improve my understanding of the history and context surrounding college affordability discourse in Texas. My news search generated over 100 articles to include as documentary sources.

Archival analysis provided me with a comprehensive understanding of the context surrounding college affordability in Texas and the details of each policy case. This process also prepared me to interview influential stakeholders with extensive knowledge of these issues over time. Review of documentary sources enabled me to identify key stakeholders involved with each policy initiative, informed my selection of interview participants, and contributed to the development of my interview protocol. Interview participants frequently suggested or shared specific material with me, and I added those sources to my database if they were not yet included. In total, I consulted 135 documentary sources: 106 news articles and 29 government, state agency, and policy organization reports. I organized these sources by type and referred back to this database throughout my stakeholder interviews, analysis, and writing.

## **Stakeholder Interviews**

My preliminary interview target was 25 policy actors and stakeholders. This number was consistent with the average number of participants across the studies I reviewed, which involved a range of participants: from 10 (Tandberg & Anderson, 2012) to 100 (Gittell & Kleiman, 2000). However, I increased my sample size due to strong positive response from the prospective participants I contacted and successful snowball sampling as I began to conduct interviews and ask for recommendations. As I listened to the narratives emerging from these interviews, I also wanted to ensure I captured the perspectives of all stakeholder groups in order to strengthen the trustworthiness of my findings. I ultimately doubled my target and reached a total of 50.

Participants included legislative aides, legislators, policy and advocacy organization staff, state agency staff, financial aid officers at higher education institutions, news reporters, and others with special insight into these policies and their development. These roles all represented policy actors or stakeholders that others have identified as key informants in similar case study analyses (see McLendon, 2003a; Ness, 2010; Ness & Mistretta, 2009a, 2009b). To obtain a balanced view of the politics surrounding college affordability, I sought to interview both internal higher education stakeholders – those working within higher education institutions, systems, and for the Higher Education Coordinating Board – and external stakeholders, such as legislators, their staff, and representatives of advocacy organizations. I anticipated that stakeholder views would vary based on their relationship to higher education, and I sought an array of perspectives in order to consider each case from all angles.

I selected prospective interview participants first based on my review of archival materials and identification of stakeholders involved in each bill. I also reviewed the websites and directories of House and Senate Higher Education Committees, institutions and systems, state agencies, and policy/advocacy organizations for individuals in roles relevant to higher education, college affordability, financial aid, and government relations. I developed a master spreadsheet of the names, titles, organizations, and contact information for these potential participants.

**Recruitment.** I sent an individual email to each potential participant using a formal recruitment email, as required and approved by the Institutional Review Board (see Appendix A). This email included information about the study, the participant's potential role, and protection of privacy. I attached my IRB approval letter and IRB approved waiver of signed consent, which outlined that proceeding to schedule an interview represented informed consent to participate. I assured all participants confidentiality in that I would not use their names, titles, organizations, or any identifying information in my study or outside the confines of our conversation. I was able to interview 25 participants after my first round of email recruitment.

As I conducted these interviews, participants generally offered several names in response to my request for suggestions. I contacted these individuals after each interview, using the same email format and documents. To maintain confidentiality, I mentioned the referring participant in these recruitment emails only when that participant indicated I should do so. It is also worth noting my prior roles as a legislative intern for Texas Senator Judith Zaffirini and as student representative to the Texas Higher

Education Coordinating Board Financial Aid Advisory Committee allowed me to develop relationships with legislative and state agency staff who were helpful to me during this process, both by participating in interviews and by connecting me with their colleagues.

Ultimately, snowball sampling produced an additional 25 individuals, for a total of 50 participants. I used purposeful and snowball sampling (Merriam, 2009; Yin, 2014) to achieve this number, and I incorporated stratified sampling in order to ensure I represented a balanced distribution of elected officials, legislative staff, higher education leaders, advocacy organization staff, financial aid, and government relations. When I did not receive a response from an invited participant within one week after an initial email, I followed up with a list of available days and times; if I was unable to schedule an interview after two or three such attempts, I moved on. In the event I had difficulty accessing a participant who represented a stakeholder group or perspective I had not adequately covered, I asked previous participants if they might be willing to help make an introduction; this was effective in several cases and helped me to achieve a diverse array of organizations, institutions, and legislative districts.

Interviews lasted an average of 45 minutes, ranging from 15 to 75 minutes overall; all were audio-recorded and transcribed verbatim. Case study interviews are often semistructured in nature, following a clear line of questioning but allowing for conversational fluidity (Yin, 2014). As such, I followed a semistructured interview protocol informed by my theoretical framework, Kingdon's (1984) multiple streams approach, and by my archival research (see Appendix B). This protocol focused on the political environment surrounding higher education in Texas, the role of politics in



shaping outcomes for the bills in question, and key actors and strategies affecting each bill. After introducing my study and clarifying research procedures and confidentiality, I asked broad questions to begin our conversation and progressed toward more specific issues based on each participant’s areas of expertise. As I anticipated, participants were often able to offer insight into multiple cases; when they were not, I adapted my protocol accordingly. All interviews were individual except for two, in which a participant suggested including a colleague and I met with both simultaneously. I spoke with 39 participants in person in Austin, conducted 10 interviews by phone, and received one response in writing. Of 50 interviews, I used a professional transcription company to transcribe 40 and completed the remainder myself.

Appendix E presents a list of my interview participants with identifying information removed. Table 3 shows the distribution of my participants by category.<sup>2</sup>

Table 3 <i>Interview Participants</i>	
<b>Descriptor/Category</b>	<b>Total</b>
Policy Advisors/Legislative Staffers	11
Elected Officials/State Officials	8
State Agency Staff Members	7
Advocacy Organization Staff Members	9
Media Relations/Reporters	3
Government Relations Staff Members	4
Financial Aid Leaders	4
Higher Education Leaders	4
	<b>50</b>

<sup>2</sup> I have intentionally combined Policy Advisors and Legislative Staffers, and Elected Officials and State Officials, in order to ensure individual participants are not identifiable by way of their roles.

**Trustworthiness.** I used several strategies to promote trustworthiness, as this study required self-reporting from politicians and public figures who might be hesitant to speak freely with me. To promote honesty and authenticity, I ensured participants complete confidentiality by masking all identifiable characteristics; in the presentation of my findings, I use only a general identifier to indicate a participant's stakeholder group. I discussed confidentiality at the start of all interviews and took care to build rapport and encourage participants to feel comfortable early in each conversation. Occasionally, participants asked that I pause my recording device or exclude certain "off the record" comments; in these cases, I did so and truthfully assured them that such statements would only inform my own understanding and serve to corroborate other comments, but would not be quoted. Participants sometimes felt more comfortable after the conclusion of an interview, when I turned off my recorder and prepared to leave; several elaborated more fully or revealed new information at this time. In these cases, I made every effort to encourage the participant to speak freely, taking no notes and leaving my recorder off. I made field notes after exiting these interviews in order to retain key themes or paraphrased quotes that might be helpful in corroborating other testimony, but as with "off the record" comments, I refrained from using any excerpts from these post-interview reflections unless I was able to ask and confirm permission.

If participants were hesitant to speak freely due to concerns they might be identified, I offered them the opportunity to review any quotes I intended to use in my findings. Only a few requested I do so, but this precaution eased their concerns and encouraged candor. After completing my analysis and writing, I contacted those

participants by email and shared the excerpts from their interviews that I planned to include, reminding them that such quotes would not be attributed to them by name. I made minor adjustments to quotations and their attribution in the text in order to respect the confidentiality of several participants; for example, in some cases I have excluded the general descriptor, such as “legislative aide” or “higher education leader,” in order to minimize the potential an individual might be identified. I have indicated such instances in footnotes. All participants approved of their quotes and inclusion in these findings.

It is important to note that I do name key individuals, such as legislators and state officials, when their role in the case at hand was a matter of public knowledge due to their bill sponsorship, public statements and documents, or news coverage. Interview data revealed the critical role of several such actors in the cases I studied, and because these political figures became central to my findings and their roles in each bill were public knowledge, their names are present in my analysis. I do not, however, identify them as interview participants or attribute interview quotations to them directly. In sum, I referred to individuals by name only to the extent that their role in each case was a matter of public information or knowledge. This approach mirrors that of McLendon (2003a) and Ness and Mistretta (2009a; 2009b), whose qualitative work examining the politics of higher education maintained confidentiality of interview participants, but included the names of key public figures, such as governors and legislators, whose words and actions were general knowledge by way of media coverage and public documents.

Yin (2014) has noted that interviews are verbal reports only and should be corroborated with archival records to minimize bias, poor recall, and unclear articulation.

I used extensive archival data to challenge and/or substantiate interview testimony, referring in particular to state reports and legislative records to confirm statistics, facts, and events. Given the political nature of my research and the inevitability of different opinions and subjective positions, I intentionally included a wide array of stakeholders in my sample so as not to over-emphasize any one perspective. Doing so required constant attention and adaptation as I listened to the overarching narratives from participants. The decision to increase my target sample from 25 to 50 allowed me to include the perspectives of those I felt were not represented – primarily minorities and advocacy organizations on the left side of the political spectrum. These voices were quieter within Texas’s conservative political climate, and as a result I used strategic snowball sampling and persistent follow-up to access participants from these groups. I concluded my recruitment efforts when I reached saturation in my data and participants’ testimonies repeated the same narratives and themes, and when the additional participants recommended to me were those with whom I had already spoken.

Finally, navigating sensitive political topics required tact, caution, and neutrality on my part as interviewer. I diligently engaged in self-assessment of my performance and bias as an interviewer and reflected critically on my role in, and perceptions of, each conversation. Maintaining neutrality was perhaps the most challenging aspect of this study: in many cases, participants shared opinions about higher education with which I vehemently disagreed. I prepared for each interview by researching the participant’s background so I could anticipate where I might be likely to feel defensive or uncomfortable. When I disagreed with a participant’s perspective, I focused on listening

and asking neutral questions based on my protocol. In the event that a participant was openly antagonistic toward higher education, I simply nodded and listened; despite my own opinions, I needed to encourage participants to share their strong views, and in many cases these provided the most valuable quotations. At the same time, I sought constantly to quell my impulse to defend higher education against critics or to educate participants who seemed misinformed. My role was simply to ask and listen.

In addition to the challenge of remaining neutral in these situations, it was perhaps even more difficult to do so in interviews with participants who shared my views. These voices were refreshing and encouraging, and I often corrected or caught myself when impulse prompted me to interject and express agreement. I worked to control my own affirmative response so participants would express their views thoroughly, rather than simply assuming I understood. Ultimately, my inclination to participate in enthusiastic conversation about these issues was the most difficult to restrain. This was particularly true when I knew or quickly connected with the participant, and our interview became more conversational and dynamic. As an extrovert who enjoys political discourse, I learned a great deal about interviewer restraint throughout this study. However, I believe my enthusiasm strengthened rather than limited my data collection and the quality of my findings, as I was able to build rapport and encourage participants to speak freely.

I also believe my role and identity as a graduate student and young white woman reassured participants and encouraged open conversation. While I was certainly aware of power and gender dynamics in many of these interviews due to the positions and influence of my participants, I experienced my positionality as an advantage;

I was generally perceived as non-threatening. At the same time, I was careful to present myself as competent, professional, and prepared lest I not be taken seriously.

### **Data Analysis**

As noted, all 50 interviews were audio-recorded and transcribed verbatim. I used Atlas.ti as my qualitative research and analysis software and uploaded all transcripts into a project database in this program. For my analytical strategy, I applied pattern matching (Yin, 2014) and constant comparison (Merriam, 2009) techniques to manually code each interview, reviewing transcripts in relation to one another in order to identify significant concepts and themes. I structured this process by developing an initial codebook based on themes from my theoretical framework and literature review; these preliminary codes mirrored the subheadings included in Chapter Two and the key elements outlined as part of my theoretical framework. Creswell (2009) notes that a codebook “can change and evolve based on close analysis of the data” (p. 187) and recommends that qualitative researchers permit their codebook to develop throughout data analysis, particularly when looking to test the applicability of a certain theory. Accordingly, as I began the coding process, my codebook became an organic document – additional themes emerged from the data, and I added, defined, and redefined codes as I progressed in order to ensure each concept’s accuracy and generalizability.

As I identified patterns in the data, I combined and consolidated duplicative or similar codes in order to facilitate the development of the broad overarching themes that would become my findings. I also categorized codes into groups based on their original source: literature review, theoretical framework, emergent themes, a code for each of my

three policy cases, and a code for each of my three research questions. These case and research question codes would later allow me to filter and query my data when organizing my written findings. I ultimately developed and applied 47 codes, categorized into seven groups; some belonged to more than one group, due to intentional alignment across my literature review, theoretical framework, and research questions. Appendix C presents my final codebook, which includes the prevalence with which I applied each code across the dataset. Appendix D presents a summary of each code's groundedness (the number of quotations to which the code was applied); density (the number of codes linked to a code), and groups (the number of groups to which a code is linked).

I used Atlas.ti's code families to group interviews by category based on stakeholder position: advocacy organization, elected official, legislative staff, state agency, higher education leader, financial aid, government relations, and media relations. These categories allowed me to further dissect my data by participant type and examine patterns across stakeholder groups. I used Atlas.ti's code-concurrence tool to analyze interaction among prevalent codes, first for individual cases and then across all three. To strengthen trustworthiness, rigor, and construct validity, I ensured the codes shaping my findings triangulated data from multiple sources. I used archival material to corroborate interview testimony and to provide greater context in the development of my findings. Ultimately, my coding process produced clear code patterns and themes within and across cases. I queried Atlas.ti for quotations tagged with the most pervasive codes across my data, and used these quotations to identify the emerging political narratives in response to the three research questions I posed in this study. To ensure I used quotations

that represented a balanced cross-section of the data, I tracked the number of times I quoted each participant in each chapter, and I corrected accordingly when I leaned too heavily on any individual voice. I have quoted nearly all participants in my findings.

**Reliability.** To address reliability, I maintained an audit trail (Guba & Lincoln, 1982; Merriam, 2009), case study protocol, and research database (Yin, 2014). My audit trail includes study records such as email correspondence, master participant spreadsheet, interview protocol, IRB materials, and field notes. Located in secure online storage to protect participants' privacy, these materials provide a log of my research process should another seek to replicate this study (Guba & Lincoln, 1982; Richards, 2005). Second, my case study interview protocol outlines the consistent line of questioning I used when speaking with participants; this protocol served as a central resource and guide throughout my study, and using this framework would allow replication of my research to confirm results. Lastly, as Yin (2014) recommends, I maintained a research database containing all my data in a form easily retrievable and accessible, both by myself as the researcher and by others interested in the study methodology. This database includes field notes and memos as well as interview recordings, transcripts, and archival documents. I used the qualitative research software Atlas.ti to organize this research database and facilitate data analysis, and also stored my raw data and research materials in secure online storage.

**Positionality.** Merriam (2009) noted that qualitative researchers should “explain their biases, dispositions, and assumptions regarding the research to be undertaken” (p. 219). I occupy multiple roles in relation to this study and bring strong opinions to this



topic. First and foremost, I am a student of, and student enrolled in, Texas higher education. In this capacity, I am a researcher interested in promoting college affordability; I seek greater understanding of what it means for college to be affordable and the factors contributing to increased higher education costs. In this student and researcher role, it is important to note that I am not native to Texas, but have been a voting resident and active stakeholder in Texas higher education. I served as the appointed statewide student representative to the Texas Higher Education Coordinating Board's Financial Aid Advisory Committee during the 2014-2015 and 2015-2016 academic years. In 2014 I worked as a higher education policy intern in the Texas Legislature. My interest in financial aid policy stems in great part from these experiences in Texas. Prior to graduate school, I worked as a fundraiser for scholarships at a private university out of state and developed a strong personal commitment to college affordability. Given this background, I strongly support state investment in public universities and student financial aid. These values naturally align me with the internal higher education stakeholders in this study – government relations, financial aid, and presidents and chancellors seeking to advocate for and advance higher education. In these ways, I am an “insider” to Texas higher education, and also to Texas.

I am also an “outsider” to Texas, growing up and completing my prior education in four other states and arriving in Austin with an ingrained value system based on those experiences. Though I have learned the language of Texas higher education through my work at the University, the Coordinating Board, and the Legislature, I did not grow up with the Top Ten Percent Rule, the B-On-Time Program, or TEXAS Grants. These were

new programs for me when I arrived in Texas – but they have become programs with which I engage and identify as both a member of Texas higher education, and as someone who brings an outsider’s perspective. I am politically liberal, which automatically distances me from the opinions of many of the Texas policymakers and stakeholders I interviewed for this study. I believe in generous funding for higher education institutions, full funding for need-based aid, and am strongly committed to equity and inclusion in higher education. I identify with the views of minority Democrats (both in party and often in ethnicity) in the Legislature and with progressive organizations seeking to improve access for low-income and underrepresented students. In these ways I am not only a Texas outsider, but also more aligned with the minority political view in Texas than with the state’s conservative political paradigm.

As I hold my own position on these issues and my own relationship with higher education in the state, this study required constant critical reflection on my own personal lens as both an outsider and an insider and as an advocate for higher education (Merriam et al., 2001; Merriam, 2009). As a member of the higher education community and a student of higher education itself, I am frustrated by criticism from business-minded policymakers and others who see academe as an ivory tower and prefer economic to intellectual development. Given these beliefs, I utilized reflexivity and peer debriefing throughout my research process to acknowledge and challenge my own biases and priorities (Guba & Lincoln, 1982; Merriam, 2009). In concluding the research and writing of this study, I find that I have both deepened and broadened my preexisting positionality. I am more aware of and sympathetic to the forces shaping how

policymakers address higher education, but I am also more committed to protecting higher education from those who are misinformed or politically motivated. I discuss these implications further in Chapter Seven, following my findings.

### **Limitations**

Case study examines a specific phenomenon within a unique context (Merriam, 2009). Therefore, the intent of this study was not to produce findings generalizable for all states or periods of time. Rather, my goal was to provide thick description of how politics shaped the specific cases under investigation and how politics may operate more broadly within current Texas financial aid policy. This was a study of context – therefore it cannot be removed from the context in which it occurs. I do, however, believe these findings uncover themes and questions that other studies may explore within other localized contexts, and I hope to expand this work to include multi-state cross-comparative case studies. I discuss future directions for this research in Chapter Seven.

## Chapter Four: The Problem Stream

This chapter addresses the first of three research questions guiding this study: How have policy stakeholders defined the problem of college affordability in Texas within the last five years? I use quotations from interviews and documentary sources to present three overarching themes that emerged in response to this question: (1) ambiguity about the definition of affordability created political opportunities for policymakers to advance their own agendas; (2) views of affordability revolved around the state's increasingly conservative political culture; and (3) affordability generated bipartisan concern, but diverging policy solutions.

### **Ambiguity and Political Opportunism**

As established in Chapter One, I refer broadly to affordability as “the share of income required to pay the net price of college” (Delaney, 2014, p. 2014). Rather than identify and advocate for a set point at which college may or may not be affordable, I use the term “affordability” to describe the general accessibility of college for all students, regardless of financial background.

Interviews and documentary sources revealed ambiguity surrounding the concept of college affordability in Texas. Despite widespread concern over the cost of college as an issue for the state and for students, stakeholders lacked a definition of what exactly it meant for college to be affordable. Without clarity or consensus around the meaning of affordability, policymakers and stakeholders could frame the issue in the way that best aligned with their political interests.

**Defining affordability.** Almost all participants commented that they could not

provide a specific point at which higher education was or was not affordable because that amount varied based on complex factors such as family resources, institution type and cost, geographic region, and degree and workforce return on investment – the confluence of which was difficult to quantify. A higher education leader called it “a relative thing,” and another advocacy organization participant shared that “it doesn’t have a number to it.” A government relations leader described affordability this way:

Affordable is the same as good or bad, you know, completely unmeasurable. And anything that you come up with, it will be a reflection of personal taste. You can quantitatively come up with any measure that you want to, but it's only to make that cohort feel good. It's no reflection of affordable, I mean.

Affordability was subjective and ambiguous by nature, and while all participants agreed on the importance of promoting affordability, few offered any suggestions for how to determine the point at which such a goal had been achieved. Affordability was an ongoing, theoretical effort – an ideal focused on ensuring college access regardless of financial circumstances.

The state context in Texas created a unique environment around college affordability. When the Legislature deregulated tuition in 2003, institutions were forced to raise tuition in order to offset declining state support. This policy shift shaped the political dynamics in Texas around the issue of rising cost and declining affordability, because the Legislature itself had contributed to tuition increases by defunding higher education. A legislative aide observed:

I don't think we define affordability, I think everything is relative. I think something is viewed as unaffordable – higher ed tuition is viewed as unaffordable through a variety of means. I would say it's growth over inflation. I would say the growth in student debt... but it's also a very unique set of circumstances here in Texas that this growth in tuition occurred solely because the legislature gave

the keys to the car to the universities themselves, and then that combined with the downward investment by the state, which is as a result of the rightward trend of the shrinking of government.

As this participant's perspective illustrates, views of affordability in Texas were closely connected to the broader context of tuition deregulation and the conservative political climate, which prioritized limiting government spending. While affordability has become a national issue, these factors in Texas created a localized political debate surrounding the growing cost of higher education and who was to blame for its increase: the Legislature, for defunding higher education; or institutions, for managing costs irresponsibly.

Most participants described affordability as ambiguous and relative, but several did offer broad suggestions for how the state might define the concept. One state official argued that affordability meant "not going beyond where we are now; I think we're right at the tipping point." This view was echoed by others who viewed higher education in Texas as relatively affordable in cost, especially within a national comparative context. A participant from an advocacy organization noted: "The cost of higher education in Texas is not really out of line, especially for the two year schools....so you know I think – I think that probably that level is appropriate, the current level." These and other participants argued that being affordable meant ensuring cost and debt did not continue to grow in relation to families' abilities to pay.

This view – that college affordability in Texas meant preventing cost increase beyond the current climate – was also reflected in the Texas Higher Education Coordinating Board's *60x30TX* strategic plan for higher education, which included a goal to limit student debt to 60% of first-year wages for graduates of Texas public higher

education institutions (Texas Higher Education Coordinating Board, 2015a). As an advocacy organization participant observed, the plan set a goal for maintenance, not improvement: “The benchmark on it is that we just don't want to get any worse. We want it to stay the same through the, through every five years until we get to 2030.” According to an elected official, this goal was positive step toward assessing affordability:

It is intended to be a percent of what somebody's earning power is going to be versus the debt burden that they have. And they define a metric in there to say, this is what we mean by making sure that education is affordable... So you know, I don't know if that's a good metric or not, but at least it kind of gets at what, you know, what needs to be looked at, in terms of the affordability perspective.

These statements indicate that while college cost presented a major concern in Texas, some stakeholders viewed the issue as warranting a preventative rather than reactive approach. Those espousing this view primarily identified with higher education institutions in government relations and leadership roles, or in state agency roles supporting higher education. These participants viewed higher education costs from an internal perspective; external perspectives, such as those from the Legislature, often took a more skeptical view.

In contrast to those participants who described college cost in Texas as affordable at current levels, others viewed the affordability issue differently. This view emerged primarily from external stakeholders: elected officials, legislative staffers, and advocacy organizations. These voices argued that college in Texas was already too expensive. Rather than an issue to prevent, as most higher education affiliates argued, these voices described affordability – or lack thereof – as an issue at hand. A legislative aide explained the political dynamics of members’ perspectives on college cost control:

You've got one camp that thinks that higher education is too expensive, tuition is too much, and that basically the reason that is the case is because universities are not operating efficiently, and that they're just doing the same old thing, and it's an arms race with faculty, and things that they could be doing it better and cheaper, and passing that savings onto the student...And so over the last decade, I think it's gotten more the – the crowd of folks that think tuition is too high, and we need to do something about that, but without necessarily funding more. Instead, colleges should cost less and should operate more efficiently. That kind of crowd seems to be growing, or at least getting louder.

As this participant explained, members concerned with cost control and efficiency in higher education were growing more vocal, a trend that corresponded with the increasing conservative strength in the Legislature – a theme I will discuss later in this chapter.

For policymakers, the affordability issue was heavily shaped by the historical context of tuition deregulation and, given the tuition increase in the 13 years since that policy change in 2003, the question of whether the Legislature or institutions' governing boards could now best contain the growing cost of college. Nearly all participants at the Capitol expressed bipartisan interest in reregulating tuition in order to “restrain” universities. A handful of participants, primarily conservative lawmakers, their staff, and right-wing advocacy groups, were vehemently critical of institutions and believed poor financial management was the primary driver of cost increases. As one legislative aide stated, “You just kind of feel like you’re getting scammed a little bit.” Alternatively, higher education leaders viewed cost increases as the result of a confluence of factors such as state disinvestment, enrollment growth, student demands, and healthcare costs. One university president explained:

We’re highly regulated. I mean hugely regulated and it costs tens of millions of dollars a year to keep up with all the [legislation].... Students demand more. So it's like the cost of automobiles is up but automobiles are a lot better than they were. You know a current even Chevy is a way better automobile '57 Chevy.



You know it has electronic ignition and you know it will last a lot, a lot longer. You know so in some ways the product is – students are getting more.... The buildings, the facilities, the dorms, the staff support. All that is better.

Comparing this view with perspective of the legislative aide who described higher institutions as “out of control” reveals diverging perspectives on where responsibility lies for college cost. While the most outspoken voices in the Capitol were critical of higher education management and efficiency, as the legislative aide quoted observed, higher education leaders and administrators argued that poor financial management was not the primary issue; cost drivers in higher education were many and complex. Costs were increasing because of quality improvements and student demands, but also because of state and federal requirements and funding changes. A few policymakers acknowledged these issues, such as more moderate legislators and those who heard the concerns of higher education institutions in their districts.<sup>3</sup> One such elected official explained that while some “believe inefficiencies are the sole major driver of higher education cost increases,” others disagreed and saw tuition increase as the result of combined state funding reduction and greater expense to educate students.

Ultimately, participants framed the problem of college affordability based on the constituents they represented or the political ideology they espoused. Institutions sought to advance their educational missions; advocacy groups prioritized certain ideals, such as racial equity and college access, or more limited government and smarter return on

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<sup>3</sup> When referring to the political ideology of Texas legislators, I base my assessment on members’ reputations as described by interview participants and on the *Texas Tribune*’s analysis of political ideology in the 2015 Texas House and Senate, which uses Bayesian estimation (Jones, 2015a; 2015b).

investment; politicians aimed to serve their constituent bases, often the middle class, and to drive increasingly conservative agendas and limit spending. Participants recognized that those involved in the affordability conversation selectively presented data to support their views. An elected official observed: “So, you know, you can pick and choose what numbers you decide to use to present the most compelling case for your argument; that doesn’t necessarily make it right.” The variety and complexity of these positions reveals how the issue of college affordability can be manipulated to align with different political and policy agendas.

**Political opportunism.** Participants described higher education issues as providing political material for members of the Legislature. Because of its malleability as an issue, college affordability catered to the political agendas of politicians seeking what one legislative aide described as “a sexy topic.” Another legislative aide explained: “The tuition thing I think is getting so much attention because it’s accessible and everyone gets it, it’s something that everyone can point to.” Fueled by the media and national attention on student debt and tuition growth, attaching themselves to the issue of college affordability enabled legislators to resonate with the concerns of constituents – particularly the key demographic of middle class voters – who were concerned about what these issues meant for them and their children.

The issue of growing college costs was especially alarming to constituents and policymakers within a conservative political climate mindful of business outcomes and skeptical of the price, efficiency, and return on investment from higher education. Conservative legislators seized this political opportunity to leverage college affordability

as part of a broader concern for government spending and economic development; the state was spending too much with too little result, and efficient and affordable higher education was critical to producing a skilled workforce. Higher education critics in the Legislature implied that the state had relinquished too much authority to institutions; disappointed in the result, they sought to influence higher education management from their own perspective. This contributed to an undercurrent of power struggle over the role and management of higher education. A higher education leader commented: “You know so there's a lot of, who's in charge now.... there's a lot of emotional and ideological and political, and even Oedipal, reactions, populist, that is, in my view driving this.” For policymakers and conservative organizations already skeptical of higher education's administrative growth and cost increase, affordability concerns provided further evidence that universities were too irresponsible to manage themselves.

Interviews and documentary sources also indicated that affordability concerns were easily manipulated as part of broader political debate over the value of teaching versus research. An elected official observed that “the political climate surrounding the issue of college affordability is intertwined heavily with the debate over the purpose of public higher education.” Some, generally conservatives, viewed higher education as an industry intended to produce graduates and drive the economy; the state should not subsidize degrees with unclear job outcomes or research that increased university costs. Others, often more moderate or liberal, saw value in research and other intangible intellectual benefits to society. Participants explained that right-wing conservatives and Tea Party members treated college costs and outcomes as part of a larger “culture war”

against higher education, which they saw as liberal and irresponsible. A legislative aide explained: “It's not so much about academics or the money even. It's – how can they fight the culture war on campus.” In this highly politicized environment, affordability lent itself to many different political agendas and provided material for policymakers and ideological organizations critical of higher education.

Deregulation and tuition increases also generated media attention that escalated the public's sensitivity to college affordability as an issue. An advocacy organization participant explained how public attention to the rising cost of college increased concern over affordability:

Because you ask people – if you ask anybody on the street, do you think college is expensive, they're going to say yes. Because that has become a narrative. That has become a narrative not just in Texas but nationally. And so once you have said that, okay everybody is going to think that.

This participant saw media and political attention around college cost as self-generating and self-reinforcing, often politically motivated, and not always well informed. Other participants also viewed the cost issue as part of a larger political agenda. A higher education leader stated:

Higher education – it's easy – it's a good weapon to look at cost...They don't like [the university] when they can't get in and they don't like to pay, they'd rather pay less. So those are good weapons for politicians or others that have other reasons for disliking [universities].

While recognizing the importance of controlling costs, participants from stakeholder groups internal to higher education felt political and media attention had a tendency to simplify and exaggerate the issue – or to use it as political ammunition. Affordability itself was difficult to pinpoint, but it was easy to point fingers. In a government

environment wary of spending increases and budget inefficiency, tuition growth attracted attention to higher education and made cost and declining affordability evidence that something was wrong with colleges and universities. Policymakers could use tuition growth and constituent concerns over declining affordability as evidence that state institutions were irresponsible and government costs and spending were out of control.

Politics surrounding the issue of affordability were also complicated by a tendency toward shortsighted and localized views of higher education by some legislators. Members were strong advocates of institutions they represented and well intentioned about serving their interests, but as one state agency staff member explained, the Legislature “often takes a very parochial view, you know their position is largely driven by what’s in the interest of their institutions.” This focus meant members were not always well informed about higher education more broadly than within their own districts, and differences among institutions’ student bodies and needs were minimized. Elected officials’ exposure to and understanding of the complexity of higher education across the state subsequently shaped policymaking. Influenced by localized views, a state agency staff member explained that elected officials had a tendency to create new initiatives to maintain voter support:

That's what happens in those kind of things. They listen and they're listening to their constituents and they're trying to get elected. So I mean, that's just part of the political – it happens at the federal level, too. I mean, I'm sure it does on a much larger scale. But it does define – and then we have all these programs that we have to administer – oh, and by the way, you need to keep costs down and you need to control student loan debt.

Albeit well intentioned, these new programs were rarely funded by the state and not necessarily well aligned with existing problems and needs. According to another state

agency participant:

And so that's what the session usually comes down to is trying to find that balance of you know making sure that I'm protecting my institution, I'm helping students, helping taxpayers, and you know I can find a solution where I can brag about, you know, how I had an outcome that's going to help X numbers to access higher education.

This tendency to create new programs related to college affordability contributed to an increasingly complex and underfunded collection of financial aid programs, which some participants argued was counterproductive to the needs of students and families who were deterred by complicated eligibility requirements. A higher education leader commented: "Sometimes over time you just continue to add programs, add programs, add programs, add complexity. And you know, students and parents get very confused in terms of who's eligible and who's not. And it just becomes too complicated." Financial aid leaders saw these programs as particularly difficult for low-income and first-generation students and families to untangle.

While policymakers advanced pet programs to support their constituents, higher education administrators preferred greater flexibility over their budgets and financial aid dollars so they could best serve varied student bodies in a constrained fiscal environment. A participant from an advocacy organization explained, "You've probably heard this from financial aid directors...give me flexibility. Give me the ability to meet the needs of my particular set of students." Participants described a disconnect between the needs of financial aid offices and the political interests of the Legislature when developing higher education policies – which several policy advisors referred to as "cocktail party laws" because they were popular, positive, and generally bipartisan. Thus the issue of

college affordability, however defined, provided policymakers with political and policy opportunities to serve their voting base – even if those policies did not necessarily advance the needs of students and higher education institutions. Perhaps more significantly, the ambiguity and malleability of what it meant for college to be “affordable” allowed politicians to shape and advocate for definitions that align with their broader political agendas: in many cases, skepticism of government entities, curbing state spending, strengthening the workforce, and appealing to middle class voters.

**Affordability as a middle class concept.** Despite ambiguity around the cost at which college might be considered affordable, policymakers saw college affordability primarily as a middle class issue. This varied to a certain extent by political orientation, with more liberal Democrats emphasizing the needs of lower-income communities and underrepresented students, but such voices were a minority in a largely conservative Legislature. Political discourse surrounding the cost of college focused on the middle and upper middle class families often unable to qualify for financial aid programs available at lower income levels, and therefore likely to rely on loans to finance college.

A higher education leader explained the broader context:

You know we have this odd situation...that at low income levels there's a considerable amount of aid, which may in fact cover a lot of the actual tuition and fee, books cost, but doesn't provide a whole lot of help for room and board. So it's difficult for those students to go away to college, although if they have a college locally, at least there's an opportunity for them to go to college. Of course people at the higher end of the, higher income levels, can afford to go wherever they want to. But for those families that are in between, it's extremely difficult. College is a big expense and they're not eligible for aid, so you know, that's, I think that's where a lot of the rub is on affordability.

Policymakers were also aware of this “rub.” As a legislative staffer explained, members were concerned that middle class students and families needed more access to financial aid, while lower income students were more likely already covered by grants:

I think that there's a sense that there's, with Pell and other opportunities like that, and kind of these financial aid packages, that they [low income students] are taken care of in a sense. I think that some people would like to see more money put into TEXAS Grants and maybe raise that EFC (Estimated Family Contribution) cap to where it covers more students... moving forward, I think the focus is kind of switching towards students who don't have that – who don't qualify, aren't the needy needy.

Interest in increasing the Estimated Family Contribution limit for TEXAS Grants, which the Coordinating Board has proposed as a legislative recommendation for the 85<sup>th</sup> Session, demonstrates the state’s interest in expanding eligibility for financial aid to more middle class students. Participants also argued that focusing on the middle class was a result of the budget climate, which required members of the Legislature to set priorities for limited funds. A legislative aide explained:

It really comes down to the members have to make a choice of who they want to help.... Because we only have so much money in any given budget cycle. And so, are we going to spend that in a way that primarily helps low income, inner city population, or are we going to spend that in a way that helps the middle class?

Given the necessity of making these decisions, elected officials were likely to choose based on the interests of their constituents – and those constituents, and therefore the voting base most likely to re-elect them next cycle, were often middle class. A government relations leader noted:

It's always been the middle income families that everyone is concerned about at the [Texas] Capitol. It's because that's middle America, that's bipartisan. It doesn't matter whether you are Republican or Democrat, they still get those complaints. And it's affordability within that range.



From this view, focusing on middle class affordability was politically expedient, as well as realistic and necessary given the limited aid available for middle income families. The combination of limited financial aid available for middle class students and the robust voting base comprised by the middle class undoubtedly influenced this predominant view of affordability as a middle class issue.

Emphasis on middle class Texans in the affordability conversation was not the perspective of every participant, however. Voices from the advocacy community and minority Democratic caucus articulated a second argument. These participants felt the Legislature defined affordability too narrowly by focusing on the needs of middle class, and primarily suburban and rural student populations. One advocacy organization participant expressed concerns with policymakers' efforts to "move some of the dollars up the socioeconomic [ladder] – you know, from lower class to middle class students, because there's less financial aid for those middle class students...that's a problem for us, because that's not our student base." Another explained: "we're experiencing such dramatic demographic changes, but those legislators in power don't feel accountable to those communities." Finally, a legislative staffer described the underlying political challenge of choosing, in the previous participant's words, "whom to help":

I think there is undoubtedly a my kids versus those kids – those other kids, meaning brown and black kids – issue to investing in financial aid. I don't think you would find any member that would state that on the record, but I think – I can't put aside the fact that, as Texas gets – Texas is now a majority minority state, it's one of four, I believe, and in the next 20 years it's going to be a majority Latino state, and I think you can't separate that from – I'm trying to choose my words carefully, I want to be precise in what I'm saying. I think as a rule, human beings are probably more likely to want to help people out that are within their clan, that look like them, and Texas [is becoming] more brown and black but is still ruled by conservative white men.

This staffer's candid comments reveal the political complexity of a Legislature that is 65% white in a state that is majority-minority with a growing population of low-income students of color (Aaronson, 2012; Ramsey, 2015; Ura & McCullough, 2015).

Policymakers felt most obligated to the population that had been their traditional voting base – but that base was changing. As a result, while affordability was defined as primarily a middle class issue, the increasing demographic of lower-income students of color must become a critical part of the affordability conversation if the state is to meet its *60x30TX* completion goals. The participants quoted above expose a growing tension between the needs of what has become the majority of the state's population, and the traditional priorities of a conservative Texas Legislature.

### **Conservative Political Culture**

As much of the above discussion indicates, conservative political culture played a significant role in shaping the discourse around affordability and higher education in Texas. Participants also described a decades-long rightward shift in the Legislature and increasing influence of conservative and Tea Party voices in shaping the state's political agenda around all issues.

**Rightward momentum.** Texas, as one government relations leader explained, “is a very, very, very conservative state.” Similarly, a state agency participant explained: “Obviously, Texas is a very politically conservative state and the focus of the majority of the Legislature, you know, is on making sure that they are seen as supporting conservative positions.” Participants also expressed that this conservative ideology was increasing in strength and moving further and further from the center. Voices from all

stakeholder groups and political parties described a rightward shift in state politics, and particularly an interest in limiting government spending. Leadership changes over the last several legislative sessions had contributed to this rightward momentum. A legislative aide explained:

But you've gone from a Legislature where you could – the far right did not dominate by any means, and now it's a competition, I would say, for the majority of Republicans in this state of who can be most like Ted Cruz. And that cannot help but impact actual policymaking and policy decisions and the budget and bills that get filed.

Similarly, a higher education leader explained that “The right in Texas used to be what I'd call kind of more by the seat of your pants conservatives. Not the Ted Cruz ideological Tea Party right wing.” Increasing conservatism meant more emphasis on controlling cost, greater scrutiny of higher education institutions' spending, and aversion to increasing state funding – compounding the challenge of providing “affordable” higher education. A government relations leader observed:

What I am seeing at least is that the Senate, which has become more conservative since I've been in the state of Texas, in particular the past few years, there is this you need to cut costs, you need to provide affordable tuition, but you know we're not going to give you any more money, you're just going to have to figure out how to do this.

This rightward shift became most pronounced around higher education with the cost and productivity reforms advocated by Governor Perry, primarily between 2008 and 2011. A legislative aide explained how these political dynamics had affected higher education:

I think a lot of the higher ed folks were probably caught off guard by the – what they would view as the politicization of higher education, beginning with Governor Perry's attempts at the Seven Breakthrough Solutions...and I think they have been playing defense ever since then.

Indeed, the aftermath of these business-minded reforms provided an undercurrent

throughout interviews with internal higher education stakeholders and clearly colored university administrators' wariness of policymakers.

**Tea Party influence.** The rise of the Tea Party in Texas was a common theme across interviews, and participants viewed the Tea Party as a driving force in the state's rightward momentum. The Tea Party influenced the college cost conversation because of the right-wing faction's emphasis on limiting government and cutting spending, and through its generally antagonistic and disruptive view of higher education. A policy advisor provided this context:

You have the regular, mainstream business conservatives, then you have the Tea Party, a little more concerned with social issues, a little less concerned with – just, governance. Or, let me put it another way. Less concerned about governance, they really want, they're not interested in the status quo, they're interested more in blowin' the house up.

Participants described the Tea Party as more disruptive than substantive in their policy involvement. Their general view of higher education affordability was, as a legislative aide paraphrased, "the tuition is too damn high." An elected official stated:

Those folks are very interested in cost containment. And so the ranks of the cost containment coalition have grown. And you know with more legal authority comes greater political resources better positioned to set the agenda to protect their policy ideas, to pass policy ideas.

Nearly all participants were wary of this increase in political resources and its potential impact on higher education policy. A legislative aide noted that the Tea Party was particularly dangerous because its rhetoric was simple and persuasive. He explained: "You have people who want to undermine higher ed...but they do it in ways where you can't really be against – you know, just in a vacuum, it's hard to be against workforce preparedness or affordability." The Tea Party used relatable language that resonated with

average Texans who were concerned about the cost of college and availability of jobs.

The Tea Party also influenced the agendas of traditional conservatives. A government relations leader explained that Republicans were wary of the Tea Party in general elections, so they adapted their platforms in order to hold their ground: “The Tea Party finds somebody to run against them. And because of the turnout, candidates are scared. And so they run to the right.” Republicans and Democrats alike described this trend as extremely concerning because of its potential policy implications across many issues, including higher education. A policy advisor commented that even though the Tea Party’s understanding of higher education issues was limited, their potential impact was increasing: “This is part of the problem with the Tea Party. They don’t understand, and don’t care to understand, more importantly...that you know, state funding provides, what was the last number, 18-19% of the operating cost of a public higher education institution.” Participants from both sides of the political aisle saw the Tea Party as rabble-rousers focused on limiting state funding for higher education, and consequentially undermining institutions’ ability to keep costs low for students.

While participants generally viewed Rick Perry’s successor, Governor Greg Abbott, as more open-minded toward higher education, the new Lieutenant Governor, Dan Patrick, was seen as a Tea Party leader and vocal higher education critic. One participant<sup>4</sup> noted that this represented a change from the previous Lieutenant Governor, David Dewhurst, who had been an active advocate for higher education: “the previous

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<sup>4</sup> The role and category of this participant have been removed upon request to protect anonymity.

Lieutenant Governor was...consistently pro higher ed, and now you have a Lieutenant Governor who has kind of taken up the mantle of higher ed's bad and inefficient and totally insensitive to cost or price." This shift was significant, as the Lieutenant Governor's influence extended far into the Senate due to his authority to appoint committee leadership, such as the Chair of the Senate Higher Education Committee. As a legislative aide explained: "You have [Senator] Seliger, who again, is the Chair [of the Senate Higher Education Committee], and being Chair comes with certain requirements. The chair is like a leash...that the Lieutenant Governor can tug on as much as he wants." Participants therefore saw Lieutenant Governor Patrick and his Tea Party agenda as a major force in agenda setting and the political environment surrounding the cost of higher education. Stakeholders at the Capitol and state agency acknowledged that Patrick's committee appointments, vocal criticism of higher education cost, and antipathy toward tuition set-asides for financial aid – which I will discuss in Chapter Five – undoubtedly affected the state's higher education policy stream.

Participants also described how the Legislature's increasing conservatism took on a highly competitive tone. One legislative aide observed:

I clearly will not name names, but we see members who are pulled one way when they wish they could vote this way, because of a primary challenge, or the concern of that. So it's kind of this – can you out-conservative one another, and a little bit of this kind of showboating and – you know, just – it's not good governing sometimes.

Competitiveness among conservative legislators meant they drove each other further to the right as they sought voter support. A policy advisor elaborated on the rising influence of right wing conservatives, "It happens to the best of them. And you know, the governor

included. They've got to pay attention to those constituencies or else they're not going to win reelection." These dynamics created a complex and competitive environment in which moderate Republicans emulated Tea Party members in order to maintain support. As a legislative aide explained, it became difficult to determine where the Republican Party ended and Tea Party began.

With limiting state spending and increasing efficiency as key tenets of the conservative agenda, higher education institutions felt the brunt of this rightward trend as politicians pointed to universities as alleged examples of poor fiscal management. Such members were skeptical of subsidizing higher education because they did not like the results. A legislative aide explained:

There's a lot of places where they are not using their money efficiently...I would say that before you come to the Legislature and say we need more money...look at your own budget and make sure you don't have administrative bloat, to use a buzz word, or make sure you're not giving out million dollar bonuses before you know – I would just say that make sure your budget is in line before you come to the Legislature.

This staffer's comments demonstrate some conservative lawmakers' frustration and impatience with higher education institutions for what they viewed as poor management decisions that undermined financial productivity and the state's return on investment. Indeed, a government relations leader observed that higher education was "probably at its lowest point of having the support of members of the Legislature."

Though participants acknowledged that there were members of the Legislature who advocated for increased higher education funding, these members, often Democrats, were in the minority with limited power. The aforementioned government relations participant stated: "They don't have the votes to do anything." Given conservative

leadership, most participants felt the budget climate surrounding higher education was unlikely to change. An elected official commented:

The reality is, under the current leadership and the current makeup of the legislature, it's not going to change dramatically until the composition of the people who are here changes dramatically.... you know, Texas has always been a conservative state, even when Democrats ruled the roost. You know, I mean, it's been fiscally conservative, it's been socially conservative. So, you know, that's – that's kind of been the DNA of Texas government. But it used to be, though, that when it came to higher ed – that we made smart investments in higher ed.

The political dynamics created by an increasingly conservative Legislature, particularly the Senate, provide important context surrounding the debate over higher education affordability. As previously discussed, participants indicated that college affordability offered legislators political ammunition for a larger movement against cost and government spending. Understanding the broader Texas political climate reveals the profound pressure on public higher education to demonstrate greater efficiency at a lower cost, with little to no additional state resources.

While college affordability is undoubtedly a substantive issue affecting students and families, it is also an issue to which policymakers have to some extent contributed.

The aforementioned elected official articulated this complex issue:

People that are raising the most noise about the cost of college are the same people, a lot of the times, who have systematically advocated under-funding our colleges and universities. So on the one hand, their past actions...those actions have indicated a general lack of interest in higher education in general, I would argue. And now all of a sudden there's this outrage over – over the cost of it. Well, I am concerned about the cost of college, too, and the debt that students incur. But I think that when you look at Texas public universities in comparison to the rest of the country, generally speaking, I think it's a good bargain for – for the student. Now, can every student afford that good bargain still? No, absolutely not, and certainly every family cannot.

This member acknowledges affordability as an issue, but suggests that conservative



views toward state funding have undermined higher education's ability to carry out its mission at a lower cost to students. This comment also suggests that the issue is hyper-politicized as part of a broader concern for state costs. The complexity of college affordability as both a real concern for students, families and the state, and a "weapon" in a larger agenda, to borrow the words of a previously quoted higher education leader. This elected official reveals that even amidst more conservative viewpoints, there are indeed members of the Legislature who adopt a more balanced and open-minded view toward higher education. Another elected official explains this well:

There are those who advocate for public institutions to have the resources necessary to compete nationally and globally and ensure excellence. These advocates believe tuition is increasing because the cost of providing a valuable education...has been increasing while public funding has been decreasing. Although institutions should strive to be as efficient and innovative as possible, the state must invest adequately to prevent tuition increases and to preserve or improve upon the quality of Texas' higher education system.

These two elected officials reveal the political (and to some extent partisan, which I will discuss later in this chapter) dynamics surrounding higher education cost and affordability. Those on the defensive, however, are primarily Democrats with limited power to counter the rising tide of right-wing Republicans focused on cost containment and higher education's financial shortcomings. As nearly all participants observed, this dynamic is unlikely to shift without a change in party leadership in the Legislature – something the state's rightward momentum indicates is not on the horizon. Defining the problem of college affordability, then, is primarily in the hands of an increasingly conservative Republican Legislature interested in limiting state spending and increasing institutional productivity, albeit without additional fiscal resources to do so. Without a

clear point at which college is “affordable,” conservative lawmakers interested in cost containment can generally view any price as too high.

**Business and workforce emphasis.** Given the Republican Party’s traditional emphasis on the market and business productivity, Texas’s conservative political ideology also contributed to a pervasive view of higher education as an operation that should return a profit by strengthening the workforce. The political agenda around higher education focused on the economy, efficiency, and return on investment, and legislators’ views of affordability were closely entwined with whether or not the cost of a degree was worthwhile. A legislative aide explained: “That’s the way to get the state leadership’s attention, is to tie it to economics. But I mean, that’s really what it is. It’s about the workforce.” Similarly, a media relations participant described learning to frame institutional messaging around workforce issues, saying: “I can’t beat [conservative lawmakers] over the head with my liberal agenda...that’s the way you sort of think about it. You say, okay, how’s this going to impact our economy and the business climate, and who are you going to hire in 10 years.” These statements reveal the influence of economic outcomes and the business-minded political climate on college affordability discourse. Higher education should be affordable – both to students and to the state – in order to produce the strongest return on investment by way of workforce development.

Participants referenced the *60x30TX* higher education plan as evidence of the state’s pervasive view of higher education as a vehicle for workforce and economic growth. This plan revolved around the need for educational achievement in order to be economically competitive. As a legislative aide explained, economic, rather than

intellectual, growth was the state's goal:

They don't necessarily see that as the state's business, investing in you to learn about the Revolutionary War or the Renaissance, or anything that's not going to totally translate in a way that they can see into outputs for the economy and for the state.

The state prioritized economic development, not intellectual development. This perspective meant that the Legislature and higher education institutions were not always speaking the same language about the role and cost of higher education. A government relations leader explained:

You know there's always this push by the Legislature, we need to create this really strong Texas workforce and what are these kids giving back to the workforce, and so in my opinion, one of the things we've got to get better at is, [saying] this is why we raise tuition. We're providing a quality education, we have to retrain and recruit faculty that's going to provide quality education and in order for us to do that, we're going to have to raise tuition. And yes these kids are paying more money, but essentially they're going to stay in the state of Texas, they're going to work in the state of Texas, they're going to be taxpayers, and they're going to be giving back to the state of Texas.

This tension between intellectual development and workforce development was exacerbated by the economic climate, which heightened concern about employment statistics for college graduates and the return on investment of their degrees. As a higher education leader explained, "I think what's happened in recent years is that...because the economy has not been as generous to a lot of college graduates, they're not earning the levels of income they would need to pay off those loans." The economy, therefore, intensified concerns about affordability because postgraduate un- or underemployment painted the cost of a degree as poor investment.

**Higher education as a business.** In addition to serving an economic development purpose, policymakers also called for higher education institutions to

operate with business principles in mind in order to maximize their budgets and decrease costs. A conservative advocacy organization leader stated: “I’m not sure that a lot more money is the answer. I think increased productivity.” Similarly, a state official argued:

The attitude of higher education presidents and chancellors is give us more money and leave us alone. Well, the Legislature isn’t going to give more money and leave the institutions alone. They want better results. We’re not – I don’t feel like giving more money to a university that has a six-year graduation rate of 82%.

As in a traditional business model, policymakers were looking to see low education costs and high graduation and workforce outcomes. The problem, according to higher education stakeholders and a few policymakers, was that despite efforts to streamline processes and boost efficiency, higher education was not built to be a business and its outcomes were difficult to quantify. An elected official sharing this view commented:

Well, it's not a business, you know, and government's not a business, you know, and – and I think we got to be very careful we don't fall in that mindset. That, you know, higher education is not a – is not a corporation, and there are some things that are difficult to measure, and you have to be willing to have that sort of broader perspective, I think.

This participant went on to elaborate that while accountability and outcomes were important, albeit difficult to measure, taking a narrow view “undercuts the value of higher education.” Nonetheless, the majority of the Legislature’s emphasis on minimizing inputs and maximizing outputs in all areas of government contributed to the pervasive view among policymakers that tuition and state funding were too high in relation to institutional outcomes. Their criticisms imply that affordability involved an anticipated return on investment, and the current cost-to-benefit ratio was unimpressive. Recall the legislative aide who decried higher education as “getting scammed.” In sum, participants at the Capitol felt the investment the Legislature and students placed in

higher education should produce better graduation rates and job outcomes.

This business mindset also shaped financial aid policy: while aid was a way to promote access and opportunity, it was also a tool to incentivize productivity, both for the state and for students. According to a government relations leader: “What the Coordinating Board has done and the Legislature has done is look for mechanisms to ration the dollars. You know, how do we – how can we get the best bang for our buck?” Consequently, the state was increasingly interested in adding merit criteria to aid programs in order to prioritize investing in the students most likely to graduate. A state agency participant explained the political effectiveness of this approach to rationing dollars and emphasizing outcomes, noting the “merit component is something that appeals to more conservative members.” Participants commented that the Commissioner of Higher Education was particularly adept at advocating for financial aid in a language that conservative lawmakers were more likely to support – a tactic that earned him both accolades from policymakers and criticism from higher education administrators.

**Impatience with higher education.** Policymakers advocating a workforce and business-minded perspective for higher education were increasingly frustrated when institutions’ operations, fiscal management, and outcomes did not align with their views. As a result, despite emphasis on higher education’s economic value to the state, participants acknowledged that the government was less and less interested in subsidizing its state institutions and increasingly skeptical of their ability to manage state funds efficiently. A government relations leader felt the Legislature was shifting higher education toward a “user-based revenue collecting type of entity...you know as opposed

to it being a collective state good.” Conservative members were particularly vocal about institutions’ irresponsible spending, and these concerns discouraged them for providing greater support. Paraphrasing the concerns of many conservative policymakers, a policy advisor explained: “They would rather not fund it at all if isn’t well spent...[so] why are we doing this at all?” While divestment in public higher education was not a new trend nor a trend unique to Texas, participants felt the tension between institutions’ needs and the state’s funding priorities was increasing. An advocacy organization participant expressed concern that “ideological conservatives [want to] privatize education – when there’s a buck to be made, let’s make money off it.” These comments reinforce the underlying debate over the role and management of public higher education.

Participants at the Capitol also criticized university systems for raising tuition while simultaneously increasing expansion efforts and construction, particularly after the 84<sup>th</sup> Legislature increased appropriations to higher education over the previous session. These criticisms came to a head in March 2016 when the Lieutenant Governor and Chair of the Senate Higher Education Committee released a public statement saying:

We are alarmed at reoccurring reports that our state universities have increased or are considering proposals to raise tuition on students. These increases, combined with excessive bonus programs, indicate that our state universities have lost sight of their primary mission to provide a high quality education at an affordable cost to Texas families. It is discouraging to see Texas higher education institutions seek to increase the financial burden faced by students and their families rather than developing methods to cut institutional costs. (Patrick, 2016)

This letter exemplifies state leaders’ growing impatience with higher education institutions’ financial decisions. Such concerns contributed to rising interest at the Legislature in a variety of policies such as outcomes-based funding, which would reorient

appropriations to incentivize institutional performance rather than enrollment, and reregulating tuition by returning that authority to the Legislature from institutional Boards of Regents. These policy ideas imply that the Legislature viewed institutions as underperforming, overpriced, and irresponsible. Put simply by a media relations participant: “They think institutions can’t be trusted.” An elected official argued: “[Higher education institutions] should always be restrained. They are not exempt from the idea of operating efficiently and economically.” Given the Legislature’s view that institutions seemed unable to adequately restrain themselves, participants indicated that reregulation was a likely result of the forthcoming Legislative session in 2017.

The deregulation and reregulation debate – while a separate study in itself – offers a valuable example of the undercurrents at play regarding who should control the cost of college. Reregulation implies that the Legislature rests blame for cost increases on higher education institutions and believes policymakers are better able to set affordable tuition rates. Yet if the Legislature regains control of tuition, policymakers can no longer offload blame for rising prices to higher education institutions, and will become responsible themselves. Reregulation also neglects to address cost: such a policy change would allow the Legislature to limit tuition, but leave institutions to struggle with the rising cost of providing education and services for an increasingly diverse student population. As a higher education leader explained, “you have to distinguish cost from price – one reason price has gone up is public support is down. But I think even then, cost is up.” This tug of war over tuition control reveals the complexity of the debate over college affordability, what it means, how to achieve it – and who is responsible.

## **Bipartisan Concern, Ideological Differences**

While the state political culture was unabashedly conservative and Republicans held increasing power, participants viewed college affordability as a bipartisan issue that often crossed party lines in unique ways. Both parties expressed concern over college affordability, but diverged in how they proposed to address the issue. As one elected official explained: “While virtually all agree that higher education should be affordable and that financial aid is an important tool to achieve this, Republicans and Democrats often disagree within their own parties about how to pursue these goals.” Similarly, another elected official commented:

There’s a general consensus that it needs to be more affordable, but there’s disagreements as to how to get there. And then there’s a lot of disagreements over how you fund, how much to fund, and a lot of the more detailed issues...a lot of times these issues don’t cut along ideological or party lines.

Higher education leaders offered a similar view of these political dynamics; one shared: “It’s on probably all members’ radar. In terms of what to do about it – I think there’s differences of opinion about what to do about it and what the causes may be.” Concern over college affordability was generally bipartisan, and most members acknowledged that while financial aid provided critical support to students, funding for these programs was limited and could no longer keep pace with tuition. A legislative aide explained:

We’ve got a lot of great [bipartisan political] support, for the most part, for financial aid, but one thing that is happening is a realization that it's just going to cost us more and more money to provide financial aid, if the tuition just keeps going up more and more. And so it's not seen as a solution; it's just seen as sort of a Band-Aid.

Recognition that the state could not, or would not, fund financial aid programs sufficiently to support the needs of a growing postsecondary population led members to



different conclusions about longer-term policy solutions to the problem of escalating college costs. These solutions varied within and across parties.

In some ways, Democrats and Republicans did tend to diverge along party lines in terms of the solutions they advocated. Nearly all participants acknowledged that these differences centered on money and the role of the state. An elected official stated: “I think most people agree that they want to make it affordable, and so the argument then for a lot of folks is [whether it is] the state's responsibility to make it more affordable.”

As an advocacy organization participant observed, “So I think the disagreement comes back to a very well understood appreciation for what the government should and should not pay for,” with Democrats more generally more interested in funding education and social services and Republicans more interested in limiting government spending.

Another advocacy organization leader summarized partisan policy preferences this way: “Well, I think the Democrats want to put more money in it. And the Republicans just want to put a lock on it.” Democrats primarily advocated a greater state role in providing funding to make higher education affordable, while Republicans preferred more efficient use of existing resources. Within the Republican Party, those further to the right emphasized containing all government spending, while moderates were more open to funding at greater levels – if institutions demonstrated a return on investment. Another legislator elaborated:

I think as a general principle, the Democratic Party wants to put more money into higher education, as a general rule. There are some Republicans that strategically would want to fund – I think the Republicans would say I'm happy to put more money, but I want to make sure I'm getting value back, I want to make sure it's efficient.

As these participants demonstrate, college affordability generated both bipartisan concern, and partisan – and sub-partisan – policy solutions.

Shared concern for affordability produced uncommon alliances between members from the far left and far right, both of whom had begun to voice interest in renewed legislative control over tuition as a priority for the next session. In particular, two legislators at opposite ends of the ideological spectrum – Democratic Senator Rodney Ellis and Republican Senator Charles Schwertner – both advocated for reregulation as a policy solution to the issue of college affordability, but for different reasons. As a participant explained:<sup>5</sup>

It's not because [left-wing lawmakers] think higher ed shouldn't have more money, [they] just think that the state should be giving them more money. Whereas – I mean, I don't think [right-wing lawmakers] are basically arguing we should be funding higher ed better, I think [they are] saying they have too much money and they need to figure out how to do it better. And I think Lt. Gov. Patrick would say they need to figure out how to do it better. So, I mean, completely different views on what the state should be funding or how much, but they arrive at somehow the same conclusion that [reregulation] is the solution.

What united these legislators was their agreement that tuition should not increase; where they diverged was in whether or not institutions should receive more money for the state. Ellis, a Democrat with a diverse constituency in Houston, advocated for reregulating tuition and increasing appropriations. Conservative Republicans Schwertner and Patrick advocated for reregulating tuition and requiring greater efficiency with existing resources. As a policy advisor stated, this “interesting alliance between the far right and far left on tuition reregulation or freeze caps or doing something about the price of

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<sup>5</sup> This participant requested their category and role be excluded in order to protect privacy; by request, I have also removed the names of specific legislators referenced in this quote.

tuition...that's just not something you normally see." In addition to the party dynamics discussed above, this bipartisan development offers evidence of college affordability as a complex political issue that unites and divides, both across and within party.

A few participants described affordability as a geographic issue, varying based on the locale and composition of a legislator's district. A state agency participant explained:

You know the divisions are – you know there's an element of who has what school in their district. There's an element of what do their constituents look like. You know are their constituents having difficulty affording higher education, are their constituents seeing massive increases in their bills.

A legislative aide also argued of college affordability: "I would say it's more geographic than partisan." Those with lower-income districts were more likely to emphasize increased state support for higher education and need-based financial aid programs.

Members with affluent districts were more likely to prioritize merit over need-based aid; those representing lower income, underserved and underrepresented populations would advocate for need-based aid; and those with higher education institutions in their districts would press for greater appropriations and respond to the interests of schools they represented. A state official explained:

What is the primary difference between Democrats and Republicans? Democrats are inclined to want to spend more money on just about everything. Republicans don't want to spend a nickel on anything more, except those things that are in their districts. Since everything is in somebody's district, the result is exactly the same.

Thus Republicans who represented higher education institutions might be just as likely to advocate for increased appropriations or other higher education policies, depending on the positions of greatest benefit to their home institutions. These geographic factors created an additional political layer to the bipartisan and ideological dynamics around

college affordability. In sum, concern for affordability was bipartisan issue, but policy solutions varied within and across parties and involved unique bipartisan coalitions.

District composition played perhaps a greater role than party in shaping some legislators' positions on addressing affordability.

### **Summary and Discussion**

Policymakers in Texas defined the problem of college affordability through the lens of their political culture. Because of the state's conservative political orientation and increasing rightward momentum, many participants viewed college affordability as a pressing issue because it aligned with Republican and Tea Party interest in limiting government spending and increasing efficiency. Policymakers emphasized economic development and business-minded approach to higher education, and did not see higher education institutions as efficient and cost-effective. As a result, tensions were high between the Legislature and higher education institutions regarding the use of state funds and governing board decisions to increase tuition. These tensions contributed to growing interest in reregulating tuition, indicating that the Legislature did not trust higher education institutions to rein in costs and keep tuition affordable for students.

Without a clear definition of what "affordable" college education meant, politicians could mold the issue to serve their political and policy agendas. For the Tea Party and right-wing Republicans, the cost of college became a symptom of larger, systemic issues regarding the growth and inefficiency of government; higher education thus became the target of severe criticism that internal stakeholders felt was misinformed or underinformed. College affordability also provided policymakers with an area in

which they could support programs and policies that benefited their districts and constituencies, but might ultimately not address the root issue of rising college costs, growing tuition, and the declining power of financial aid. In some cases, creating or amending these programs might even undermine the accessibility of financial aid by making programs more complicated. The state's budget was highly constrained, and without adequate funding, such programs were also limited in their impact.

Policymakers and stakeholders viewed college affordability as a bipartisan issue with widespread interest from both parties. However, Democrats and Republicans diverged in the policy solutions they advocated in response to the problem of increasing college costs. While Democrats preferred to increase state funding to offset the cost to students, Republicans were skeptical of providing more funding to institutions they felt were poor stewards of existing resources. Legislators from both parties expressed interest in tuition reregulation as a way to limit the increase in tuition price.

The findings presented in this chapter illustrate Kingdon's (1984) multiple streams approach and confirm the theory's application to higher education policymaking within this context. Without "affordable" largely undefined, politicians could mold the term to serve their agendas – manipulating the political and policy streams to advance their values. The emergence of college affordability as a national issue provided a policy window for these legislators, who could then use concerns over college affordability as ammunition against colleges and universities that did not align with their conservative ideologies or businesses priorities. The influence of the state and national media enhanced this policy window by expanding awareness and interest in college cost, further

politicizing affordability by simplifying and magnifying a complex problem. Applying Kindon's framework illuminates how the political stream and policy window surrounding college affordability profoundly shaped the way policymakers viewed the issue.

In the midst of this politically charged environment, however, participants described bipartisan concern over the underlying issue of college cost. Policymakers and stakeholders viewed college affordability as an issue of widespread interest to both parties, but Democrats and Republicans diverged in the policy solutions they advocated in response to the problem of increasing college costs. While Democrats preferred to increase state funding to offset the cost to students, Republicans were skeptical of providing more funding to institutions they felt were poor stewards of existing resources. This finding on bipartisan concerns but diverging policy solutions invokes Doyle's (2007) argument that Republicans and Democrats hold different ideological views of higher education access and affordability. Emphasis on middle class affordability also reiterates Doyle's conclusion: the conservative Legislature viewed college as accessible to poor students through Pell and state grants, and focused their attention on promoting affordability for middle class students who could not access those programs. Democrats shared Republican concerns for middle class families, but conceptualized affordability more broadly by advocating for lower income and underrepresented students; these policymakers, however, were a small minority in the Legislature and less influential in shaping the political stream around college cost.

While Republicans may be more likely than Democrats to believe most students have access to college (see Doyle, 2007), bipartisan concern for affordability in Texas

indicates that both parties recognize some degree of limited access to higher education. The ideological differences in this case arise in the priorities and solutions Democrats and Republicans propose to address the issue – specifically, whether or not they believe more state resources are the answer. Democrats expressed more interest in state funding for institutions and need-based aid in order to offset tuition prices. Republicans preferred cost containment measures and improved efficiency to better utilize existing resources. This finding supports other studies concluding that Republican legislatures fund higher education at lower levels (see Doyle, 2012; McLendon, Hearn, & Mokher, 2009; Tandberg, 2008; 2010a; 2010b). Legislators from both parties expressed interest in tuition reregulation as a way to limit the increase in tuition price, but came to that position by different paths: Democrats felt the state should reregulate and provide more state support to keep costs down for students, while Republicans sought reregulation without new funds, requiring greater fiscal responsibility with existing resources. Different political perspectives led to the same policy solution.

Findings on the influence of Texas’s conservative political paradigm and increasing rightward ideology invoke research by Gittell and Kleiman (2000), Perna and Finney (2014), and Richardson and Martinez (2009) on the role of state political culture, values, and norms in higher education policymaking. These studies have demonstrated that it is impossible, and impractical, to separate state context and culture from state policies and their outcomes; my findings here reinforce these conclusions. In no small part due to its deeply ingrained conservative traditions, Texas viewed affordability as primarily about the middle class, emphasized the status quo, and was reluctant to increase

funding for financial aid or appropriations to offset tuition. Recalling that researchers have identified Texas as individualist and traditionalist (Miller, 1991; Gittel & Kleiman, 2000) based on Elazar's (1966) political cultures, these political and policy preferences are consistent with values that prioritize individual responsibility and cost control. As Miller (1991) concluded, Texas remains more likely to keep overall state expenditures low and resist major changes to the status quo. Examining the problem and politics surrounding the issue of college affordability reveals that these broad principles apply not just to Texas government in general, but specifically to higher education.

These findings demonstrate the dynamic and interconnected nature of the political, policy, and problem streams. They also reveal the potential for the political stream to reframe the original problem, ultimately producing a solution that may not address the root issue. Higher education stakeholders argue that college affordability is a multifaceted issue comprised of many problems: declining state appropriations, increasing enrollment, facilities needs, rising healthcare costs, and greater expectations from students, families, and the government, among others. These problems coalesce, and institutions raise tuition in order to provide their services. Without a clear definition of what it means for college to be affordable, the political stream simplifies and distorts the issue. Policymakers respond to their constituents' concerns about paying for college, and their solutions emphasize the price of tuition – which, as several participants noted, is something different than the actual cost of college. Higher education leaders and policymakers are to some extent talking about different problems when they discuss college affordability. Higher education stakeholders see the problems driving their



increased costs and need for greater resources, while policymakers see the problems of fiscal irresponsibility and higher prices.

Disagreement over the definition of affordability and different views of the core problems mean that the policy solutions that develop – such as tuition reregulation – may not necessarily result from an alignment between the problem and policy streams. Ultimately, discourse on affordability emphasizes cost to students and the state, but neglects to address whether educating students is affordable for higher education institutions. Tuition reregulation may address prices and help lawmakers respond to the needs of their constituents, but it does not resolve the problems institutions face in advancing college affordability. The question becomes: affordability for whom? If for students and families, artificially controlling price offers one policy solution. If the answer is affordability for institutions, tuition reregulation neglects to address their needs because it further constrains institutions' limited resources. Pursuing affordability by means of reregulation may unintentionally undermine quality and result in a disservice to the students and families seeking educational attainment in Texas.

The complex interaction between the problem, political, and policy streams reveals that there are indeed many problem sub-streams, or many views of one problem. The problem stream might include the problem of rising tuition, the problem of rising educational delivery costs, or the problem of rising healthcare costs for institutions, among others. Through policy windows and the political stream, policy entrepreneurs advance the problem stream of tuition, because it is most relevant to constituents; other problem sub-streams, such as rising costs for institutions, remain on the table.

This chapter has explored how policymakers view the problem of college affordability in Texas and is intended to provide a contextual foundation for analysis of specific state legislation related to the cost of college. The following chapters will examine the development of three tuition assistance policies and the ways in which politics contributed to their outcomes.

## **Chapter Five: The Policy Stream**

While bipartisan legislative interest in reregulating tuition focused on controlling college costs, other policy ideas sought to address affordability by way of financial aid and tuition assistance programs. To illuminate several such policy ideas, this chapter will examine three higher education bills proposed and considered by the Texas Legislature within the last five years. My purpose is to understand how and why each issue rose to the surface of Kingdon's (1984) policy stream, successfully emerging from the policy primordial soup within which many policy ideas remain unrealized. These cases, introduced in Chapter One, are: Senate Bill 28 (82<sup>nd</sup> Legislature, 2011); House Bill 700 (84<sup>th</sup> Legislature, 2015), and Senate Bill 1735 (84<sup>th</sup> Legislature, 2015). I use quotations from stakeholder interviews and primary source documents to present my findings regarding each case. After considering each bill in this order, I conclude by offering a holistic summary and discussion of patterns and themes across all three cases.

### **Senate Bill 28: The TEXAS Grants Priority Model**

Senate Bill 28, also known as the TEXAS Grants Readiness Reform Act, was authored by Senator Judith Zaffirini, Democrat of Laredo, and sponsored in the House by Representative Dan Branch, Republican of Dallas. SB 28 addressed the TEXAS Grants program established by the Legislature in 2009. Since that time, TEXAS grants had been administered on a first-come, first-served basis to students meeting basic eligibility criteria: Texas residency; completion of the Recommended high school program or equivalent; enrollment in a public higher education institution within 16 months of high school graduation, with at least three quarters of a full course load; and financial need.

Students with the greatest financial need were given highest priority. Renewal grants required a 2.5 cumulative grade point average, minimum of 24 semester credit hours per year, and completion of 75% of attempted hours (House Research Organization, 2011).

SB 28 proposed a shift in the administration and allocation of TEXAS Grants. The bill required the Texas Higher Education Coordinating Board and higher education institutions to award TEXAS Grants to financially eligible students (those with an Expected Family Contribution no more than 60% of average statewide tuition and fees) based on a priority model that would first support students who met two of four academic criteria. These criteria were: (1) completing the equivalent of 12 semester credit hours of college level programs, such as dual credit, Advanced Placement, International Baccalaureate, or the Distinguished Achievement Program; (2) meeting or exempting from the Texas Success Initiative college readiness assessment; (3) completing high school with a B average on a four-point scale or graduating in the top third of the student's class, and (4) successfully completing a mathematics course higher than Algebra II. After students meeting two or more of these criteria were awarded funds, remaining TEXAS Grants allocations could be distributed to students meeting the pre-existing financial and academic criteria (SB 28, 2011).

Three key factors contributed to the emergence of SB 28 as a policy solution related to college affordability in Texas: state budget constraints, interest in refining metrics to improve outcomes, and the leadership of two key policy entrepreneurs.

**State budget constraints.** Participants described a tense budget environment leading into the 2011 Legislative session when SB 28 was proposed. Nearly all saw the

program as consistently underfunded – meaning the Coordinating Board did not receive sufficient allocations from the Legislature to provide grants to all eligible college students – and foresaw greater cuts in an even tighter budget climate, when funds for discretionary areas such as higher education would be particularly limited. A legislative aide explained: “It was that we were in a legislative environment of scarcity...In other words, we were all in a cutback mode going into the 2011 session, because financially the state was strapped. We were in a deficit environment.” This aide, and other participants, felt that awareness of the state’s economic reality influenced the Legislature’s interest in adding merit criteria to TEXAS Grants. Another legislative aide shared:

You know, the Priority Model I think was a necessity just because of limited funds. I mean, we passed that in '11 coming off one of the greatest recessions of our lifetimes at least...we just had limited dollars, and they weren't being very well targeted, and it was basically you could get the TEXAS Grant by being the first to show up, so it was like we were rewarding who got in line first more than we were being smart with our money.

Limited resources generated interest in determining the most efficient use of available funds. If the state could not support all eligible students, developing new criteria to select those most qualified would allow for targeted support of those most likely to succeed.

An elected official elaborated on factors driving the bill:

SB 28 in 2011 was a priority for the Legislature due to the consistent inability of the state to fully fund the TEXAS Grant program so that all eligible students would receive this financial aid. Some, like the Texas Higher Education Coordinating Board, began to argue that if the Legislature did not fully fund the program, then they should fund it in the most efficient manner possible by first awarding grants to the most promising students.

Rather than continuing to ask for full funding of the program, the budget reality persuaded state agency staff that it was more realistic to focus on a narrower group of

eligible students. These students would be most qualified for aid and most likely to graduate and enter the workforce, making investing in their education a better payoff for the state if resources were limited.

Population and enrollment growth compounded budgetary challenges. The *Closing the Gaps* plan for 2000-2015 set goals for increasing college participation, and the state was making strong progress: statewide enrollment in public higher education increased by over 600,000 students during that 15-year period (Texas Higher Education Coordinating Board, 2016e). That success meant student need was outpacing state resources. The student population was growing, but the budget was not – and college costs were higher as well. An advocacy organization participant reflected on the declining purchasing power of TEXAS Grants:

TEXAS Grants used to pay the entire cost of attendance, right? But as the cost of attendance has skyrocketed, we had to make a choice, and we dropped that back to say well, we'll just cover tuition and fees, and we covered tuition and fees until 2011, and then we said we can't afford that anymore.

Although the size of TEXAS Grants had shrunk over time, institutions were required to compensate for this decline by providing institutional aid to TEXAS Grant recipients to cover the balance of the statewide average for tuition and fees. Essentially, in order to maintain consistent support for students, the state shifted a portion of responsibility for the state program over to public institutions.

With demand increasing relative to supply, SB 28 emerged primarily because Legislators and the Coordinating Board sought more efficient use of limited state funds for TEXAS Grants. Advocates – particularly the Commissioner, Coordinating Board, and bill authors Senator Zaffirini and Representative Branch – argued that the dollars

available should be put to use in a way that allowed the greatest impact. This view aligned with the state’s conservative political culture and business mindset, as discussed in Chapter Four, and resonated with policymakers’ interest in limiting spending while maximizing benefit to the state. A legislative aide explained:

I think the Higher Education Coordinating Board brought it up initially, and the concern was, we've got this TEXAS Grants program, but you never fund it enough, so we can never give a TEXAS Grant to all of the students that need them. Since you're not going to fund it enough, we should be as smart as possible with the money and try to get the best return on investment. So therefore, we should set up a system where, if there's a shortage in funding for the available students, the eligible students, we should first give it to the students that have the most promise for success. That way, we're not throwing bad money away...since we don't have it to throw away.

Similarly, another aide commented that the state was looking to “get the best bang for the buck.” A state agency participant described the process as identifying a way to “target the money so as to have the greatest impact on producing baccalaureate degrees in the state.” As these statements demonstrate, stakeholders at the Coordinating Board and Legislature focused on maximizing resources and translating dollars into graduates who could go to work for the Texas economy. Adjusting eligibility criteria for the state’s largest financial aid program offered a reasonable response to the budget environment and growing student population. An elected official commented: “I thought it had an element of common sense.”

**Outcomes and metrics.** SB 28 also became a priority because of lackluster graduation outcomes for TEXAS Grants recipients. Given budget constraints and concern for return on investment, policymakers were interested in increasing the success rate of students who received state funds. An elected official commented, “You can’t get

a TEXAS Grant for six, seven-year attendance... You know, we need to give that grant to the next person who doesn't have enough money. It's not designed to be a social stipend. That's important." As this member expressed, the Legislature was not in the business of subsidizing inefficient time to degree – or of no degree. If resources were too limited to fund all eligible students, then for every student who received a grant but did not complete, another student more likely to finish might have foregone higher education because of financial constraints. If TEXAS Grants did not pay off, the opportunity cost affected other students. A financial aid leader explained:

TEXAS Grant recipients were not posting high graduation rates...there was this sense that we're – it's a bad investment if we invest grant money in a student who doesn't ever graduate, because then we don't get the college educated person we were trying to help create for the state.... And so what they wanted to do was restructure the program in such a way...that the money would first and foremost go to students who met certain criteria that predicted their ability to graduate.

Another financial aid officer recalled that retention and graduation rates played a role in the evolution of SB 28: “You know on time graduation, that was a big thing...that was the big push. Get them in and get them out.” Shorter time to degree meant lower cost to the student, lower cost to the state, and quicker entry into the workforce. This interest in efficiency aligned with the state's business mindset discussed in Chapter Four; higher education students, institutions, and even the state's need-based financial aid program should operate based on business principles. A legislative aide articulated this well:

You...had an environment where the pressure was on to show that we're using our tax dollars in a way that's going to target those dollars to those that are most likely to succeed. And from [Commissioner] Paredes' perspective, and the Coordinating Board generally, there was data and research that shows that we can predict through high school GPA, through SAT scores, whatever other metrics were in the Priority Model... these students are going to be more successful than others. We're not going to cut off everybody, but we're going to prioritize those students



that have done better on these measures. That's what the bill is all about.

As this participant expresses, the state was concerned about efficient use of resources and saw the opportunity to make a decision – informed by data – that would prioritize funding for students most likely to succeed and ensure those students would receive funding amidst cuts.

Adjusting metrics also allowed the state to present a scenario in which it met a greater portion of eligible students. A few participants expressed a more cynical view of how this contributed to the Priority Model; while recognizing the budget climate, they suggested that the Coordinating Board and Legislature both preferred a situation in which the majority of students qualifying for aid received support from the state. From this view, the Priority Model adjusted the definition of “need” to allow the state to support more “needy” students. An advocacy organization participant shared:

You know, part of the issue is the way you look at TEXAS Grant need.... people at the Coordinating Board started thinking, we need to show that we're meeting more of that need, so we're going to figure out what the TEXAS Grant need is...instead of what the whole universe could be. So...that was another reason to kind of clamp down, I think, to ration it, is so that the need doesn't look so great, because there's a – there was a fear that the Legislature would be unhappy that they were meeting so little of the need.

Similarly, a financial aid leader explained that as the purchasing power of TEXAS Grants declined over time and more and more students qualified by completing the recommended high school curriculum, the state realized it was unable to sustain the program's growth. This participant paraphrased, “[The Commissioner] said well, I think we can create some eligibility criteria that will cut down the number of eligible TEXAS Grant students...so we can still fully fund the program, but we'll just fund it for fewer

students.” Another advocacy organization participant described the Coordinating Board’s recommendations to the Legislature: “every session seems to be, how do we further constrict this program so we can say we’re funding 85% of eligible students as opposed to saying we’ve got this problem out here, a demographic.” Since it was unlikely the state could improve students’ graduation behavior through the TEXAS Grants program, they could “target it to students who would probably otherwise attend and graduate,” as another advocacy organization participant commented, in order to improve efficiency and outcomes. While some viewed these tactics with skepticism and felt they shifted funding around to improve data points, nearly all participants described the emergence of the Priority Model as a practical and reasonable solution to an issue of supply and demand.

Participants also commented that the addition of academic eligibility criteria to the state’s need-based aid program appealed to conservative legislators. Some of these members heard from constituents in high-performing high school districts who expressed concerns about the limited availability of TEXAS Grants for their children. An advocacy organization participant suggested:

Clearly what led to it was a push amongst more conservative members to say, what I'm hearing from constituents from the suburbs of Dallas or the suburbs of Houston is, there's no financial aid for my kid. We don't qualify for Pell. I'm tired of taking loans out. Why is this state program not more accessible to my students, my constituents?

While SB 28 did not remove the primary requirement of demonstrating significant financial need, some participants argued that the priority metrics might give the upper hand to students from slightly more affluent communities or better-resourced schools.

This made the bill appealing to legislators with suburban constituencies who were closer to the margin of need-based aid and concerned about sending their children to college. The Coordinating Board, the primary force originating and advancing the idea of the Priority Model, recognized conservative lawmakers' interest in merit as a political opportunity to increase support for the program. A state agency participant explained that emphasizing merit "would help [conservative lawmakers] become more invested in TEXAS Grants and making sure that it is adequately funded." So while prioritizing limited funds was in part the result of a budget reality, it was also a shift that aligned with many members' predispositions toward incentivizing achievement and rewarding hard work. By framing the need-based TEXAS Grants program this way in a conservative political environment and constrained budget climate, the Coordinating Board could generate support for SB 28 and the Priority Model and ultimately to help preserve funding for the program because it aligned with members' values.

In addition to appealing to conservative interest in merit, the program also generated support from some Democrats who saw the value in narrowing eligibility to protect the TEXAS Grants program from further funding reductions. One such elected official commented:

I think one of our greatest challenges as a society is growing income inequality... I see college affordability is a way of making sure that more underrepresented students, minorities and lower income students have access and support complete their education. I was a part of the Priority Model passage as an attempt to protect TEXAS Grants from further cuts. I saw the strength in the rhetoric and the policy rationale for prioritizing students who were more college ready.

Others on the left vehemently opposed the Priority Model out of concern that it would unfairly disadvantage students of color, those from underserved communities, and others

whose access to educational resources was more limited. I will discuss the politics surrounding these concerns and the development of the bill in Chapter Six. Ultimately, however, the state's overarching interest in return on investment and graduation outcomes contributed to SB 28's genesis as a policy solution to address affordability in a constrained budget environment.

**Policy entrepreneurship.** The leadership of two influential individuals, Commissioner of Higher Education Raymund Paredes and Senator Judith Zaffirini, played a pivotal role in moving SB 28 to the top of the higher education policy agenda. Their collaboration with one another, and with stakeholder groups they convened, allowed the Priority Model to become a policy solution that responded to the budget constraints of the state, the daily reality of financial aid offices and institutional needs, and the interests of diverse legislators and constituents.

*Commissioner Paredes.* Participants consistently mentioned Higher Education Commissioner Raymund Paredes' role as the originator of the Priority Model effort. Paredes initiated the idea of restructuring the TEXAS Grants criteria to incorporate merit as well as need and established this approach as a key priority for the Coordinating Board. He began advocating for a version of what became the Priority Model several Legislative sessions prior, in 2007, but was met with resistance from institutions concerned about jeopardizing the allocations they received to support students through the program, and from Democrats and minority caucus leaders who felt the proposals would disadvantage underrepresented and underserved students with more limited educational resources. A legislative aide explained Paredes' long-term commitment to

the “need plus merit” idea:

In the same way that Outcomes-Based Funding...has been the top of Paredes' agenda for the past two Legislative sessions, Priority model was that issue back in 2011. Because he had tried in 2009 and went down in flames, and I think even in 2007. So in 2011, it was the third time to try it, and he was determined. It was a big deal to Paredes, and Zaffirini and Paredes have always had a cordial relationship. They respect each other, and...she made it clear...that she wanted to find a way to make this work if we could get a coalition on board that would support the bill.

Paredes strategically enlisted the support of Democratic Senator Judith Zaffirini to carry the bill in the 2011 session, his third attempt at passing the policy. Zaffirini was a highly respected legislator and advocate for higher education issues and served as Chair of the Senate Higher Education Committee, allowing her to influence the policy agenda in a direction favorable to the bill. Zaffirini's involvement eased some of the concerns institutions had expressed in 2007 and 2009. A government relations leader recalled:

I think initially when we heard of the changes we were concerned that it may have a negative impact on us, but one of the things I can say is Senator Zaffirini, who authored that bill, is very good about working with the institutions of higher education, especially in determining what the impact of her legislation is going to do to those institutions. She is a big champion of higher ed; she's always been a big champion of higher ed.

Institutional leaders trusted Zaffirini to protect their interests, and as bill author, she was able to mold the policy in a way institutions could support. During the interim prior to the 82<sup>nd</sup> Session, Paredes and Zaffirini created working groups of various stakeholders to design a more palatable model and to build a coalition around the bill Zaffirini would carry. An elected official recalled, “This was a priority of the Commissioner's and...you know he had – he had struggled to get the first version passed, I want to say twice. And so he was certainly more willing to listen.” Listening proved critical; in this third attempt

to pass a “need plus merit” amendment to TEXAS Grants, collaborating with the higher education community strengthened the policy and increased support from legislators who might have heard concerns from institutions in their districts.

Paredes and Zaffirini also invited and responded to feedback on the policy proposal, including expert stakeholders in the Priority Model’s development process. A financial aid officer reflected: “And so he did listen to our suggestions for changing it...the Priority Model was actually a result of many conversations....I think over the course of a year or two...and it was much better than what their original proposal was.” By engaging widespread stakeholder support, Paredes and Zaffirini were able to build a coalition around the concept of the Priority Model and to produce a proposal with wider support than previous attempts in 2007 and 2009. A state agency participant commented, “This was something that the Commissioner just kept pushing with members in his speeches, and you know, his addresses to different constituency groups, different stakeholder groups.” The Commissioner’s leadership, along with the invaluable support of a key member of the Legislature in Senator Zaffirini, generated strong momentum behind the policy idea that would become SB 28, and eventually law.

*Senator Zaffirini.* Participants often credited Senator Zaffirini with leveraging her skills and influence to craft the best possible policy and recruit bipartisan support. As a Democrat and as Senate Higher Education Chair, she held a role that obligated her both to her party and to the priorities of the state. Democratic Representative Donna Howard carried a version of the Priority Model in 2009, and participants described how Representative Howard was “thrown under the bus” by her own party because of concern

from more liberal members that incorporating merit into the need-based program would disadvantage minority and lower-income communities. Zaffirini's role as chair, and her careful work adjusting the policy after its failure in 2009, allowed her to achieve greater success with her bill the following session. Her authority in higher education issues and respect as a longtime member of the Legislature attracted attention to the policy and encouraged those who had been deterred by previous versions of the bill. A state agency participant explained the impact of her involvement and leadership:

I mean...to have a Zaffirini stand up in the Senate and say, I support this. This is my bill, and I worked hard on this: huge. And that was the difference. Because Zaffirini I don't think was very supportive of it in 2009, but we worked very closely with her, what are your concerns, how can we do this?

In addition to her credibility and authority as Chair, other members and stakeholders listened to Zaffirini because she, too, had been a critic of the previous bill and was able to address shared concerns during SB 28's development. A legislative aid described her important role:

I applaud Z and her leadership. I think she showed – she could have very easily taken the, I'm a Democratic Chair, I'm going to make sure I respond to these populations or these stakeholders that are more traditionally in line with the Democratic Party. She didn't. She said, no, she was like, we're going to take – if the data shows that's where it's going, then that's where we're going to go.

Zaffirini saw the Commissioner and Coordinating Board's budgetary and outcomes-focused rationale for the policy, and was committed to developing a workable solution. She and her staff worked intensely with the Coordinating Board and stakeholders to make the policy something that met her own high expectations and satisfied the concerns of institutions and many Democrats. Before and after filing her bill, Zaffirini formed a bipartisan workgroup of legislators, staff, and advocacy organization representatives such

as the Mexican and Latino Caucus and NAACP. She worked through this group to fine tune and agree on metrics that would not disadvantage certain student groups.

Ultimately, another legislative aide commented:

It didn't have the negative impact, which was great, which was the idea...But the fear of it was enough that you were going to get opposition by – I mean, first of all, you don't want opposition from, you know, large minority groups. It's just not fair to, you know, ignore their concerns, right? Especially when they're in your own party.

While Paredes promoted the policy statewide through the Coordinating Board, Zaffirini worked through channels at the Capitol to address the concerns of her Democratic colleagues. As another legislative aide acknowledged: “Zafarini, she ultimately – we probably wouldn't have been able to pass it without Democrat buy-in, without their help.” Zaffirini and Paredes invoke Kingdon's (1984) concept of policy entrepreneurs, channeling their political capital into promoting a policy agenda and effectively aligning their policy solution with the problem stream related to budget constraints and outcomes. Their combined influence demonstrates the power of adept and respected policy entrepreneurs in a political environment filled with many statewide stakeholders, interests, and concerns.

These three forces – the budget, concern for outcomes, and political leadership – played a key role in advancing the Priority Model. After two unsuccessful attempts to gain support for previous versions of the policy, the state's budget constraints, political interest in graduation outcomes, and the skillful leadership of two key policy entrepreneurs coalesced to bring SB 28 to the surface of the policy stream in the 2011 82<sup>nd</sup> Legislative Session.



## **House Bill 700: The B-On-Time Loan Program**

House Bill 700, considered by the 84<sup>th</sup> Texas Legislature in 2015, sought to repeal the Texas B-On-Time Loan Program previously established in 2003 alongside deregulation of tuition. That program provided zero-interest student loans, forgiven if students graduated in four years and a B average. Representative Helen Giddings, Democrat of DeSoto, authored the bill and Senate Higher Education Chairman Kel Seliger, Republican of Amarillo, sponsored the bill in the Senate. HB 700 prohibited the Coordinating Board from providing any new B-On-Time loans beginning in the fall of 2015, allowing only loan renewals after that time. Rather than returning tuition setaside funds to the Coordinating Board to finance the program statewide, institutions would retain those funds to support their own financial aid efforts (HB 700, 2015).

House Bill 700 emerged as a result of multiple complex factors. Three key themes emerged across participant interviews: (1) concerns with the program's funding mechanism; (2) challenges with program utilization and promotion, and (3) misinformation and misunderstanding of the program's design.

**Funding mechanism.** Most participants attributed efforts to end B-On-Time to concerns with the way in which the program was funded: tuition set-asides, a portion of tuition from students returned to the Coordinating Board to be allocated to institutions throughout the state. Antipathy toward set-asides had grown in recent sessions, particularly as a result of former Senator, later Lieutenant Governor Dan Patrick's vocal opposition to the practice. During the 81<sup>st</sup> Legislative Session in 2009, then Senator Patrick passed a bill requiring institutions to notify students of the amount of their tuition

that was set aside to support financial aid for other students. This bill, Senate Bill 1304, generated more widespread concern about the use of tuition revenue to support financial aid. A state agency participant explained:

I think that the drivers of that – you know this was something that the Lieutenant Governor had been personally interested in, this issue of tuition set-asides, when he was the Senate. There were I think members...hearing from constituents who were concerned that they were paying for their child's tuition and some portion of that was being, in their views, diverted to other students. And so that's where I think some of the baseline concern came from.... There were certainly groups out there that were...advocating for the repeal of set-asides.

Another state agency participant shared similar reflections:

I remember when the bill passed that you had to send – notify students how much of their tuition bill went towards paying financial aid for other students. We would get angry calls ...we could get nasty letters. It was nothing compared to what the institutions got. I mean, it was – and I know that was why it was done.

These and most other participants viewed set-asides as among the primary issues generating concern with the B-On-Time program and contributing to the filing and movement of HB 700. The previous participant suggested that legislation in 2009 requiring institutions to disclose set-asides to students intentionally set the stage for subsequent repeal of the practice because it generated alarm from students and families, who communicated with their legislators. Although this funding mechanism was designed to support B-On-Time at public institutions without using state appropriations, the redistributive principle ultimately concerned lawmakers. Former Senator Patrick's political influence as Lieutenant Governor enabled him to draw attention to set-asides and to establish their elimination as a priority for the state.

Financial aid, government relations, and higher education leader participants commented that set-asides were far from unique to higher education, and with or without

the formalized practice of funding B-On-Time in this manner, tuition from some students would continue to offset the cost for students whose families could pay less. Regardless, the interest in repealing tuition set-asides made the B-On-Time program a political target. A participant shared: “That was really what got Representative Giddings upset, for her specifically, and wanting to do this. She did not like the fact that tuition from these students was going over here. She felt like that wasn't fair.”<sup>6</sup> Giddings was not alone in her views, and the bill attracted support from others who, while they might advocate for financial aid, did not agree with the way this particular program was designed. An elected official explained:

My biggest problem was the fact that those were financial aid dollars that [a specific institution's] students were paying into through tuition, and then they were being used elsewhere in the state, when we have a lot of need at [this same institution], and the same could be said of every other – nearly every other school in the state.

This particular concern – antagonism with tuition set-asides as a funding mechanism – had little to do with the program itself and its goals, benefits, and outcomes. To many policymakers, this element of the program's design outweighed the value of the financial aid program it supported and became a primary driver of legislation to abolish the program as a whole.

**Utilization and promotion.** Participants cited several key concerns regarding the program's utilization and impact across the state. Beyond fairness to the individual students who subsidized their peers, policymakers and some institutions expressed concerns that the program was unfair to institutions because while all public schools

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<sup>6</sup> The role and category of this participant have been removed upon request to protect anonymity.

returned set-asides to fund the program, some institutions were better able to utilize the allocations they received back from the Coordinating Board. Institutions with a larger proportion of full-time, first-time students were more likely to provide the loans because their students were more likely to earn forgiveness. Regional schools, those with a greater share of part-time students, those with more effective and experienced financial aid offices, and schools with lower four-year graduation rates enrolled fewer students who could maximize the program, and therefore felt they were contributing more through set-asides than they and their students were benefiting in return. A participant from an advocacy organization described how this frustrated institutions, and in turn the legislators with those schools in their districts:

So you have some schools offsetting more tuition than they get back....Some schools don't have that many students [participating] but everybody gets their tuition offset. And that's just the way it is unless [the Legislature is] going to fund it through appropriations....There are some schools that send in more money than get back, but that's because they don't have that many students eligible for B-On-Time loans...and those schools are angry. They'd rather keep that 5% on campus to spend on their own financial aid campus based programs.

This participant's comments allude to a sentiment others also expressed: regional schools felt they were subsidizing loans for students at more selective institutions with more traditional students, and perhaps also more affluent students. At the same time, students on their own campuses needed financial aid. With constrained financial aid budgets, institutions that felt unable to maximize B-On-Time allocations preferred the flexibility to use set-aside funds for their own programs. An elected official articulated similar disapproval with the design:

It did not treat similar students similarly...so what would happen is the revenue that...was being derived from fees from one institution's students was...being put

into a statewide pot and getting distributed to other students...They were cross subsidizing. And I had a problem with that. The cross subsidization was really being driven by how aggressive an administrative department was pushing the given program. And I don't think that's a really good justification for taking money from one group of students and giving it over to another. It also did not recognize that you know there were students that were making good grades, making high marks, but had family obligations and had to work and couldn't graduate in four years.

This participant expressed both concerns with fairness to individual students who contributed, as well as fairness to the institutions funding the program. These concerns were bipartisan; Republicans and Democrats alike opposed the practice of subsidizing students at other campuses. Belying the traditional theory that Democrats are more generous to financial aid programs, the author of HB 700 to end B-On-Time was herself a Democrat. The bill's sponsor in the Senate was Chairman Kel Seliger, a Republican, which demonstrates the bill's bipartisan support.

Policymakers were also aware that the program was problematic to administer. Federal regulations on student loans made it difficult to promote; as a result, B-On-Time was consistently underutilized and its dedicated account accumulated sizable balances. A government relations leader commented: "You really couldn't advertise it, so students didn't know it existed.... there was this big pot of money sitting there that nobody was able to use." In an environment focused on efficiency and return on investment, balances and unused aid funds attracted concerns. Institutions and the Coordinating Board argued that promoting the program was difficult because of the broad federal preferred lending regulations that applied to B-On-Time, which the government categorized as a private loan even though it was managed by the state. A financial aid leader explained:

The law was written in this very broad way to say, institution cannot promote or

endorse or package any private loan, and private loan definition is so broad as to include state loans – anything that wasn't a federal loan. Well, that law is still in place, and tended to act as a gag rule on institutional administrators. And therefore, there were students who weren't aware of the B-On-Time program. Weren't aware that they could go in and ask for it by name.

In order to advertise the program, institutions had to maintain a preferred lender list of three or more loan providers and include B-On-Time on that list. However, many financial aid offices were hesitant to maintain a preferred lender list because they were suspicious of many private loans. In addition, several years prior, financial aid leaders at UT-Austin were charged with and found guilty of accepting bribes from some of these private lenders – an event that ultimately contributed to the more stringent federal legislation. This environment made financial aid offices in Texas wary of maintaining preferred lender lists, and without such a list, they were unable to include and promote B-On-Time among other options.

These challenges around promoting the program exacerbated concerns about the program's fairness to different institutions. Aid offices might choose to promote the program in different ways depending on whether they maintained a preferred lending list, and schools that were more effective at promoting the program ultimately absorbed more of the set-aside dollars. With limitations on promotion, awareness of the program often occurred by word of mouth. Broader access schools with more first-generation or underrepresented students were concerned that institutions with more academically prepared or middle class students were more likely to know about the program through their peers and high school networks, further perpetuating the uneven distribution of borrowers across institutions. Compounded with the fact that the program's funds were

derived from an unpopular set-aside practice, these obstacles to promotion and utilization of B-On-Time increased momentum to discontinue the program. As a legislative aide summarized: “Because it was so underutilized every year, [Legislators] would be like well...so why do we have this program if we're just leaving money on the table?”

**Misinformation and misunderstanding.** The rise of this bill to discontinue B-On-Time also resulted from confusion and inaccuracy about the program itself. Participants explained that this misinformation extended to many legislators, including the author of the bill, and to constituents and even institutions. One advocacy organization participant expressed frustration with inaccuracies in data presented at legislative hearings on the bill:

But I remember going to the hearing – the House Higher Ed hearing, and [Giddings] got up, when she presented the bill – it was funny, because there were some financial aid directors there.... And after the – after she gave her presentation, the – a couple of financial aid directors came up to me and said my God, she didn't get anything right. And I'm like I know, she didn't get anything right. She doesn't know what she's talking about.

Participants shared that Giddings and others misunderstood the difference between how B-On-Time was funded at private and public institutions and were unaware of administrative changes that had corrected for institutions receiving more allocations than they contributed. Financial aid participants argued that the Legislature's limited understanding of financial aid, administration of the program, and the value of B-On-Time to Texas students generated misplaced antagonism toward the program. A financial aid leader explained how this lack of awareness led to interest in ending, rather than fixing, the program: “We could even go back to you know them...not being financial aid aware – awareness, you know. They weren't aware of the – of how [we] had a procedure

for doing that....” Another financial aid leader corroborated, “I think Giddings was very misinformed...I was shocked at the things that she was saying and what she thought was what happened with B-On-Time, because it wasn’t true.” While leaders such as these testified against HB 700 and sought to educate the Legislature about B-On-Time, those efforts met with little success in deterring the rise of the bill. Several legislative staff reflected on collaborating with financial aid leaders to provide better information to the members, but described the momentum against the program as difficult to reverse. A legislative aide recalled:

By the time that, you know, [Giddings] was making these arguments about how it's not fair, I had these spreadsheets from the Coordinating Board. [Texas Southern] was actually using it. They were using all their set-aside for it. So they weren't even like an odd man out. They weren't even losing money to other universities. But the myth sort of persisted. And so between the set-aside issue, the, you know, inequity issue of subsidizing other schools...

This participant, and others, identified misinformation about B-On-Time utilization by Texas Southern University, in the bill author’s district, as a catalyst for antagonism against the program. A state official shared: “It was misinformation about Texas Southern and about the fact that Texas Southern's students were putting some astronomical amount of money into the program and...their students were only getting about 1/10 or 1/5 or I forget what the number was.” Financial aid leaders and state agency participants felt the politics surrounding components of B-On-Time overshadowed interest in valuable elements of the program itself, such as the success of many of its borrowers, its value to middle class students who had limited access to other financial aid programs, and its potential to be improved rather than eliminated.

Lastly, this theme of misinformation and misunderstanding also included



administrative errors in the management of the program. The participants who addressed this issue were vague about the details of what occurred, but indicated that the Coordinating Board had misappropriated allocations from one institution to another, or from public institutions to private institutions – which were funded separately, through general revenue in the state budget. A legislative aide explained, “I think additionally there were some mistakes – you know kind of way deep inside baseball. There were some things that occurred at the state agency that caused some problems with B-On-Time and its allocations to the institutions.” Concerns about program management did not encourage the Legislature to look more favorably on its continuation, and also served to perpetuate misunderstandings about how the program actually operated.

HB 700, therefore, arose due to a variety of complex factors – many of which were political in nature and leave much to discuss in the following chapter. An elected official summarized the bill’s cause this way:

HB 700... was the unfortunate result of a confluence of circumstances, including misperceptions about the program's efficiency; consequences of previous budget decisions; and antipathy toward the funding mechanism, tuition set-asides, that supported it and other forms of financial aid.

While this bill certainly affected college affordability by eliminating a student aid program, its impetus and goals were more related to policy design and politics than to interest in promoting financial aid as a priority for students.

### **Senate Bill 1735: Hazlewood Tuition Exemption**

Senate Bill 1735, considered during the 84<sup>th</sup> Legislative Session in 2015, sought to amend requirements for the Hazlewood benefit, a tuition exemption program for veterans that in 2009 was expanded to include veterans’ dependents through Senate Bill

93, the Hazlewood Legacy Act. Authored by Senator Brian Bridwell, a decorated military veteran and Republican representing Waco, the bill was sponsored in the House by Representative John Zerwas, a Republican representing the Katy area and also the Chair of the House Committee on Higher Education. Birdwell's bill would have required eight years of residency by veterans prior to utilizing the benefit, in addition to those born in Texas; required six years of military service in order for a veteran to pass on his or her exempted hours to a dependent; establish a 15-year time limit on use of the benefit after the veteran's end of service; and maintained the 120 credit hour maximum a veteran could pass on to a child, but limit use of legacy exemptions to undergraduate programs only. The bill passed the Senate and a highly amended version passed the House, but the bill died in conference committee and ultimately did not become law.

Of all three cases, Senate Bill 1735's causes were perhaps the most straightforward to identify. The primary drivers of this legislation, according to an overwhelming majority of participants from all stakeholder groups, were misinformation about the potential impact of the Hazlewood Legacy Act in 2009; subsequent changes in utilization of the benefit, and the overarching legal context of a pending federal court case concerning the Hazlewood program.

**Misinformation.** When the Legislature voted to extend Hazlewood benefits to veterans' dependents through Senate Bill 28 in 2009, their decision was based on data indicating that the policy change would have no fiscal impact. In retrospect, participants acknowledged that this assessment was inaccurate and poorly reasoned. The Hazlewood program was unfunded by the state, save a small endowment that provides minor support

for program; higher education institutions were required to absorb these veterans' tuition and fees. Prior to the passage of the legacy bill in 2009, higher education stakeholders described the program as manageable because participation in the benefit was modest. When Senator Leticia Van de Putte filed SB 28, the required fiscal note provided by the Legislative Budget Board was based on the status quo and did not anticipate program growth – or the enormous surge in utilization of these benefits by veterans' dependents that ultimately followed. A government relations participant elaborated:

They asked the institutions what's the impact here, what is the potential impact to your institution. We all came back and said it will be minimal. You know I think we now realize that we had no idea what was going to happen in terms of the floodgate of students who this would apply to. But more importantly, we had no reason to think that it would be that large because the actual Hazelwood exemption that pertains to the veteran is not that large.

While the institutions' estimates proved inaccurate, higher education stakeholders argued that their projections were realistic based on past experience with the program; they had no way to anticipate what would occur. A state agency participant recalled:

At the time, nobody really I think anticipated or understood the numbers.... They asked us for projections. How many students do you think would this – no idea. I mean, well how many kids and how many – I mean, it's literally picking numbers out of the air. Well, let's just assume every veteran has 1.2 kids, I don't know. There's just no way to project something like that. And so our projections were just way off, because we're pulling numbers out of the air. I mean, we're trying to make it rational, but there's, you know, just – it was just something you really couldn't wrap your arms around.

As these reflections indicate, higher education institutions and the state agencies involved – the Higher Education Coordinating Board and Veterans Commission – were unable to assess or anticipate how expanding the program to veterans' dependents would impact utilization. The Legislature, in its eagerness to support veterans and their families, passed

a bill based on estimates that proved vastly incorrect. An elected official stated:

But in defense of the Legislature – and I voted for the particular aspects that's caused the Hazlewood benefit to grow – is the dollars that were purported to be accurate to us from the Legislative Budget Board were not accurate at all, clearly. And the universities have continued to bear an ever-increasing amount of tuition loss as a consequence of this.

Participants indicated that this vote would not have proceeded as it did had the Legislature relied on different information, particularly given the state's interest in cost containment and aversion to spending increases. According to a legislative aide, "I think that the Legacy program would never have passed if somebody – I mean they were given the information when they made the vote that it wasn't going to cost any more money." These comments from various stakeholder perspectives demonstrate the resulting confusion, frustration, and difficulty of assigning or accepting responsibility for the data and decision that was made when the Legacy Act passed. Regardless of how that assessment occurred, the outcome was a bill that ultimately cost higher education institutions a dramatic and unanticipated amount of money. Participants attributed the rise of SB 1735 in 2015 to the Legacy Act's passage based on poor data.

**Utilization.** The total amount of Hazlewood tuition exemptions grew from \$25 million in 2009, when SB 93 was passed, to \$169 million in 2014 before the 84<sup>th</sup> Legislative session in which SB 1735 was filed. Leading into the session, dependents comprised over half of all program beneficiaries – meaning more children of veterans used the benefit than veterans themselves (Legislative Budget Board, 2014). Clearly, this dramatic increase did not align with the projections institutions and state agencies provided to the Legislative Budget Board when the Legacy Act was considered and

passed in 2009. As a government relations leader explained: “We're talking about a number of kids the size of the University of North Texas. We're talking about a whole university of students. That's not one more. And that whole – there is actually cost associated with that many more.”<sup>7</sup> The University of North Texas enrolls over 36,000 students; over 36,000 legacy Hazlewood students now participate in the program and are exempted from tuition and fees. This participant explained how on an individual student basis, universities were able to manage the absorbed cost of serving one student in a program, or a class – but with the program’s growth, that was no longer the case.

Another government relations participant elaborated on the need for a policy solution:

So I think the idea behind why all of a sudden is this becoming an issue, it's because all of a sudden the cost has become out of control. And so the presidents, the institutions, we just had to finally come forth to the Legislature and say look this is what the cost is and if you can't find it we've got to figure something out.

Institutional concerns were a primary driver of SB 1735’s development as a policy solution because the effect on their budgets had become unmanageable. Universities realized they were unable to accommodate the program’s growth without legislative action, and sympathetic legislators began to explore options to address the growing cost. As government relations, institutional, and system leaders communicated about the issue to their legislators, they were able to generate broader attention to the growing issue.

Public universities in areas with higher concentrations of veterans and their families were particularly vocal because they absorbed the tuition and fee costs from a greater share of Hazlewood students. A state official explained that the program

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<sup>7</sup> The role and category of this participant have been removed upon request to protect anonymity.

disproportionately affected “Institutions like UT-San Antonio, where you have a huge veteran population...the institution isn’t that lavishly funded to begin with... [and] UT-El Paso, because you’ve got a large population of people who were once associated with Fort Bliss.” Elected officials heard and responded to institutions’ concerns, and many sympathized with the financial climate they had played a part in creating. One member of the Legislature, in a facetious tone, summarized the impact of the unfunded Legacy Act on universities in this way: “[So] if you’re a university with a very large share of veterans or children of veterans, then you know good luck to you. You’re going to have to figure it out. And all the other students on your campus have to pay more.” This member, and others, recognized that the effects of the program’s growth not only intensified financial pressure on institutions, but also increase the cost to other, non-Hazlewood students. Another elected official acknowledged:

The ironic thing... it's an awareness that when we passed something without good numbers in '09, we basically imposed a mandate on the universities, which they had to pass on to others in terms of increased tuition and so forth, that we basically created a program that was not sustainable. Whether it was an unfunded mandate or not, we created a program that we couldn't support anymore.

Institutions were particularly constrained because the state’s wariness toward tuition increases made it difficult to offset the Hazlewood tuition they were absorbing. The growth in utilization affected universities’ overall budgets and meant the cost to educate and support Hazlewood students was distributed across others paying tuition – an effect that worked against the state’s interest in keeping tuition costs down. An advocacy organization leader commented:

It's in many ways a very significant unfunded mandate at a time when, rightly so, there's a lot of pressure on the public to justify tuition increases. But it's

sometimes...tough to go to committee hearings where public university presidents or chancellors are being criticized for tuition increases, and yet we have all sorts of waivers and exemptions that have been required by the Legislature, and this is a significant one....Hazlewood has a very significant impact, and will have as it grows and becomes more known...

This participant articulates the complex dynamics surrounding the rise of the Hazlewood cost issue and its impact on higher education institutions within the broader context of college affordability. The growth in Hazlewood exemptions corresponded with growing pressure to keep tuition low, but works counter to that priority because the influx of students and forgone revenue contributes to cost increases. As participants often noted, other students essentially paid Hazlewood students' tuition; all public university system boards of regents voted to increase tuition for 2016-2017, many for the first time in several years (Watkins, 2015a; 2015b). Hazlewood increased affordability for some students, but rapid growth in program utilization without funding from the state ultimately increased the cost for others. With the increase in utilization, institutions and lawmakers mobilized to develop SB 1735 as a policy solution.

**Legal proceedings.** While inaccurate data resulted in massive program growth, a looming court case exacerbated concerns about the sustainability of the Hazlewood program. In May 2014, a veteran University of Houston law student from out of state sued over the Hazlewood requirement that veterans have enlisted in Texas in order to receive benefits. The U.S. District Court ruled in his favor in 2015, but Texas appealed the decision (Legislative Budget Board, 2014). Approaching and throughout the session in which SB 1735 was considered, the state awaited a decision from the 5<sup>th</sup> Circuit Court of Appeals. A verdict upholding the lower court's ruling would obligate Texas to extend

the benefit to all eligible veterans, regardless of their residency at the time of enlistment. With Hazlewood growth already far exceeding 2009 projections, these legal proceedings generated concern that the program would expand even further. The impending legal decision motivated higher education institutions, the Coordinating Board, and Legislature to elevate Hazlewood as a priority for the 2015 Legislative session. Participants speculated that the court might find the entire program unconstitutional if they concluded that it would not have been established without the residency requirement. An elected official explained the potential impact of the case:

It would expose every other university to a kid from Arkansas, Oklahoma, you name it, to file suit under the same pretense...you [would] have this new precedent that says the state of Texas must give free tuition to every veteran who establishes residency in the state of Texas, which only takes one year. And if you're one of those veterans that's already done it and you don't want to use your benefit, but you want to give it to your kid, what does that mean?...Just with how we are currently structured, we're going to reach about a half a billion dollars in exempted tuition that the non-Hazlewood student will have to make up... I don't know of anything growing at that rate at the federal government, and there's nothing in state government growing at that rate. Not even Medicaid is growing at that rate.

As these comments demonstrate, Hazlewood was unsustainable even without a ruling against the residency requirement – but it would reach a crisis point if the court struck down the restriction to enlistment in Texas. The court case elevated tension surrounding the Hazlewood program and made addressing the program's growth and design a time-sensitive issue. A state agency participant commented: "The court case created I think a bit of an opportunity for supporters of Hazlewood reform to say hey, things are bad now but we have this looming crisis and if we don't do something now, this benefit is going to become unaffordable."

With this legal uncertainty in the background, Senator Birdwell and Chairman



Zerwas framed SB 1735 as a way to protect the program in advance of a court ruling that could be disastrous for the program. An advocacy organization participant summarized: “The court case had changed the environment, creating sort of this impending thing, where there’s this fear of you have to fund all these people who come to Texas.” In their own words, these participants describe what Kingdon (1984) calls a policy window – an opportunity for policy change as a result of a crisis or dramatic shift in the environment. *Harris v. Cantu* (2015) created a policy window that Senator Birdwell and Chairman Zerwas sought to leverage with SB 1735; without it, the bill might not have risen to the surface because it dealt with the sensitive emotional and political issue of support for veterans. A policy advisor explained: “If it’s precedent setting or if it blows the whole thing up or if – because we need a crisis in order to do something. You need a crisis in order to make substantive change.”

### **Summary and Discussion**

These findings identify several primary themes contributing to the rise of each policy as a solution to the complex challenge of addressing college affordability. Senate Bill 28 (2011), the TEXAS Grants Priority Model, developed due to budget constraints, concern for graduation outcomes and student performance metrics, and the policy entrepreneurship of the Commissioner of Higher Education and Chair of the Senate Higher Education Committee. House Bill 700 (2015), addressing the B-On-Time Loan program, stemmed from issues with its funding mechanism, challenges with utilization of the funds set aside for the program, and misinformation and misunderstanding about the program’s design. Senate Bill 1735 (2015), regarding the Hazlewood tuition exemption,

resulted from inaccurate data projections, massive utilization growth and unsustainable costs to institutions, and the uncertainty of a pending court case that could further expand the size and scope of the program. For each case, interviews and documentary analysis pointed to clear problem streams that shaped the rise of these policies.

The issues contributing to these bills convene around several key areas: the budget, information, and utilization. Each policy's course through the policy stream resulted from policymakers' interest in these areas. In addition, institutional participants expressed concern about the effects of each program across different institutions – the equity or inequity with which it served different colleges and universities across the state. These institutional voices played an important role in elevating each policy as a solution to challenges with these programs.

The budget arose more often than any topic across all interviews; unsurprisingly, given that the Legislature's primary responsibility, and in fact the only responsibility they must fulfill each session, is to develop and pass a biennial state budget. With the budget as an overarching critical priority, policymakers generally framed their views of each issue around its effect on costs to the state. These bills all rose to the surface because legislators identified a potential way to better utilize budget resources, or because of concerns for how a program's growth might affect the state's bottom line. Senate Bill 28, addressing TEXAS Grants, proposed a more efficient use of the program's funding in order to prioritize the most qualified students and maximize graduation outcomes. Senate Bill 1735, addressing the Hazlewood program, sought to curtail the rapid increase in cost to state institutions out of concern that they, let alone the state, could not afford to sustain

the program's growth. Interestingly, only Senate Bill 28 dealt with a program for which the state actually appropriated funds through the budget: TEXAS Grants, though some saw the bill as a way to rationalize disinvestment in the program. Hazlewood maintained a small and ultimately insignificant endowment, but was widely viewed as an unfunded mandate. Institutions funded B-On-Time through their own tuition set-asides, although private institutions did receive general revenue appropriations for the program. Indeed, participants suggested that institutions carried financial responsibility for B-On-Time and Hazlewood because the state was unwilling to make either program a priority in the budget. The influence of the budget, budget constraints, and cost containment as priorities driving each of these bills demonstrates how cost and return on investment remain the primary interest of policymakers, even when the state's own resources are not dedicated to the affected program.

Findings regarding all three bills also reveal the role of information, or misinformation, in driving the policy stream. Higher education scholars such as Perna and Finney (2014) have recognized Texas as a data-rich and data-driven state; this study's findings, however, reveal that the data driving higher education policy decisions may not always be accurate. This was the case for Senate Bill 1735 and House Bill 700 in particular: inaccurate projections of Hazlewood utilization contributed to a misinformed policy decision on the Legacy Act in 2009, and participants indicated that the author of HB 700 based her argument against the B-On-Time program on misinformation about its operation and utilization. Senate Bill 28 alone presents an example in which the state's use of data to design and advance a policy proved effective,

as the Coordinating Board and policymakers were able to identify a financial aid eligibility model that would not negatively affect access to students of color. Reporting required by the passage of SB 28 indicated that the Priority Model did not significantly change the ethnic distribution of TEXAS Grants (Texas Higher Education Coordinating Board, 2016d). For HB 700 and SB 1735, however, the use of inaccurate information in the policy process demonstrates the fallibility of data, even in a data-driven environment, and alludes to the potential for data to undermine rather than enhance policy decisions when it is inaccurate or manipulated. I will further discuss the role of data in my analysis of the political stream shaping the outcomes of these bills in Chapter Six.

Each of these bills also responded to the need to manage program utilization in a way that was most efficient and effective – even if the state did not itself fund the program. Senate Bill 28 developed as a way to maximize limited resources, creating an additional layer of eligibility requirements that would target higher-achieving students and increase utilization of the program by those most likely to graduate. House Bill 700 responded to lackluster and unequal utilization rates across the state and the resulting accumulation of unused funds. Both bills sought to improve the return on investment of state and institutional resources, again demonstrating the pervasive business mindset and budget emphasis of Texas political culture. Finally, Senate Bill 1735 resulted from enormous and unanticipated growth in program utilization – to the extent that institutions were increasingly unable to sustain the exemption on their own.

Perhaps the great irony of the drivers behind these three bills is the role the state itself played in contributing to its own problem stream. To support B-On-Time, the

Legislature established a tuition set-aside funding model that avoided allocating general revenue through the budget. These tuition set-asides ultimately became a divisive policy and political issue. Considering Hazlewood, the Legislature expanded the program by extending benefits to veterans' dependents, but provided no funding to offset the cost to institutions. That program became unsustainable as financial pressure on institutions intensified. Both programs struggled to fulfill their purposes of forgivable loans and tuition exemptions because of previous funding decisions, and ultimately returned to the Legislature's table for reconsideration.

In the case of each bill, institutions voiced concerns that influenced the policy stream. While Senate Bill 28 began with the Commissioner and Coordinating Board, institutional pushback and feedback in previous sessions and during the interim shaped the proposal that became the Priority Model. Institutions were concerned the model would disadvantage those that served fewer students meeting the preferred criteria, but were able to help craft a model that would ensure no change to institutions' allocations. House Bill 700 emerged in part due to some institutions' argument that their students were not benefitting from B-On-Time to the degree that they contributed – particularly regional institutions with fewer students likely to graduate in four years and qualify for forgiveness. Institutions voiced their concerns about the growing cost of Hazlewood exemptions to the Legislature, and participants attributed the issue's rise in prominence to communication from institutional leaders. While Texas law prohibits public higher education institutions from lobbying the Legislature, they may – and clearly do – voice their interests by testifying on bills and communicating with legislators.

This study's findings on the influence of higher education institutions in shaping the legislative agenda reinforce and expand previous research by Tandberg (2008; 2010a; 2010b) and Tandberg and Ness (2011) on the role of higher education institutions as interest groups. While Tandberg's quantitative analyses showed a positive relationship between the strength of a state's higher education lobby and increases in appropriations and capital expenditures, the findings discussed here show that higher education institutions can contribute to legislative agenda setting more broadly and without the formalized power to lobby. Without the concerns institutions voiced about the growing cost of Hazlewood, challenges and perceived inequities of the B-On-Time program, and concerns with previous proposals of the TEXAS Grants Priority Model, it is arguable whether these issues would have reached the agenda and resulted in the proposal of SB 1735, HB 700, and SB 28. Even without formalized lobbying power in Texas, institutional concerns contributed to the momentum surrounding these three policy issues.

It is particularly relevant to note that Tandberg (2010a) found higher education institutions to be more effective when multiple institutions lobbied independently. The Texas higher education landscape involves many systems and institutions, each with their own government relations efforts and priorities. Because of this context, Texas presents a valuable example of decentralized, independent advocacy efforts that in this case proved effective in generating attention to issues affecting many, if not all, institutions. Building on the quantitative foundation provided by Tandberg and colleagues, this study offers new, qualitative context and localized depth to the role of higher education institutions in voicing their concerns and shaping policy higher education policy

priorities. In the chapters that follow, I examine the extent to which this early influence on the legislative agenda amounted to sustainable influence throughout the policymaking process. Tandberg (2008; 2010a; 2010b) and Tandberg and Ness (2011) show a positive effect of higher education interest groups on policy outcomes for appropriations and capital expenditures; this study may shed light on whether institutions can, in specific cases, effectively move the legislature to consider and pass financial aid policies.

The policy stream discussed in this chapter also reinforces previous research on the role of economic factors in shaping higher education policy. SB 28, HB 700, and SB 1735 all emerged in part from underlying concerns about government cost containment and the return on investment of state aid programs. This common theme across all three bills echoes research by Lowry (2001), Doyle (2006), and Dar (2012), all of whom found that both economic and political factors were relevant to higher education funding. While financial concerns motivated all three policies, the budget constraints shaping SB 28's emergence in particular support work by Delaney and Doyle (2011), who tested Hovey's (1999) balance wheel hypothesis and found higher education funding more susceptible to recession funding cuts than other state budget areas. By strengthening merit requirements for TEXAS Grants in order to maximize limited resources, the narrative around SB 28 also supports Doyle's (2006) conclusion that economic context is a strong predictor of merit aid policy adoption.

This chapter has examined the context and dynamics contributing to the emergence of three policies related to college cost in Texas. These bills addressed three distinct aid programs and potentially three different types of Texas college students:

TEXAS Grants serves low-income students with need-based aid, B-On-Time promotes merit and timely graduation through forgivable loans, and Hazlewood offers veterans and their dependents access to higher education free of tuition and fees. Ironically, while each bill addressed financial aid and tuition, the goals of each policy focused as much, if not more, on budget management and return on investment than on college affordability. In the following chapter, I discuss the role of the political stream in shaping each of these policies and their final outcomes.



## **Chapter Six: The Political Stream**

While budget and program concerns shaped the policy stream forming each bill, Kingdon's (1984) political stream also played a significant role in the life cycle of these policies. This chapter will examine how politics affected the development and outcomes of Senate Bill 28 (2011), House Bill 700 (2015), and Senate Bill 1735 (2015). My purpose is to illuminate how the contents of the political stream interacted with the problem and policy streams to produce the ultimate results of each bill: successful passage for SB 28 and HB 700, and demise for SB 1735. I again use quotations from participant interviews and primary source documents to present these findings. Following individual analysis of each case, I conclude with a summary and discussion of patterns and themes across these bills, as well as their relevance to existing literature.

### **Senate Bill 28: The TEXAS Grants Priority Model**

As discussed in Chapter Five, Senate Bill 28 in 2015 rose through the policy stream as a result of budget constraints, concern for graduation outcomes, and the leadership of two effective policy entrepreneurs. In addition to these policy catalysts, two key currents in the political stream influenced the bill's trajectory: partisan concerns about the effects of the proposed Priority Model, and the effective coalition building of the bill's author, Senator Zaffirini, as a policy entrepreneur.

**Partisanship.** Participants acknowledged that at its core, the Priority Model was a conservative concept resulting from, and appealing to, Republican influence in the Legislature. A state official commented: "Frankly, you have to be cognizant of the political environment that you work in...in a Republican dominated Legislature, [you]

have more success getting higher levels of funding for financial aid if [you] put that merit component in there.” Republicans were more likely to support the Priority Model because it rewarded hard work and improved return on investment, rather than distributing aid solely based on need. As the Legislature grew increasingly conservative, views on financial aid shifted along with it. TEXAS Grants remained the state’s largest aid program and was available only to students with financial need, but the state budget had not kept pace with enrollment growth. The state was no longer able – or willing, in a conservative budget environment – to allocate funding broadly without devising a method of identifying some students to prioritize. A financial aid leader explained:

There was kind of an initial promise in the state of Texas that TEXAS Grant was going to cover tuition and fees for students that qualified....And it was quickly realized in some respects that you can't sustain that program that way. Unless you're going to really apply money into it as more of an entitlement kind of approach. And while that was, I think, the idea from Democrats, that certainly isn't the direction that Republicans would go. I mean, they tend to avoid entitlement programs. So that conservative base I think helped shape where TEXAS Grant went, to where it's become a much more manageable cost program for the state, and not one that has increased at the same rate as tuition and fees.

In this way, declining funding for TEXAS Grants relative to the eligible population and shrinking awards to support more students at smaller amounts were emblematic of the state’s rightward shift the effects of that trend on government programs like financial aid. Population growth and budget constraints ultimately produced a divide over the best path forward: Democrats would prefer to fund the program more extensively, while Republicans would prefer to ration funds. The Priority Model represented the latter approach, and as a result appealed to Republicans and concerned Democrats. For Republicans, it was a reasonable solution; for Democrats, it could too easily lead to

continued program cuts and too much need unmet. An advocacy organization leader explained: “You saw many Republican members, particularly in the Senate, some in the House, argue...that if we only have so many dollars...why would we spend dollars on the student that we don’t think is going to complete?” Republicans in particular wanted to see a return on investment for their state funds, and the Priority Model would more closely align funding with students more likely to graduate.

A few participants noted the underlying racial dynamics of the Priority Model. With an increasingly conservative state and growing Tea Party competition in general elections, Republican members had to pay attention to their most likely primary voters: primarily white middle class Texans. A policy advisor explained those voter interests:

What do they want? They want Johnny from Westlake High School to be more eligible for this than a kid from Mission, Texas down on the border. Is it racist? Nah, I wouldn’t call it racist. What I would call it is, you know, appealing to their enlightened political interests. Just because that kid down there can’t vote for me. And you know, even the poor Hispanic kid in my district, whose parents are Democrat, they don’t vote for me either...So if we’re gonna be spending money, I want to be spending money on my kids. The people who vote for me.

The electoral politics of these moderate and conservative members’ districts meant that Republicans were more likely to support a policy that would improve their constituents’ chances of receiving financial aid before anyone else. Relatedly, a legislative aide noted how the politics around financial aid extended beyond party and into issues of race: “So it’s really interesting. It’s not [just] Democrat or Republican.... there’s a lot of – sort of a racial component.” Legislators were looking to the constituents most likely to help them secure reelection, and in a red state, those mostly likely to vote were often white middle class Texans rather than low-income Hispanic families. The confluence of the Priority

Model's conservative approach to rationing funds based on merit, combined with the electoral politics of Republican members in an increasingly conservative state, made SB 28 a relatively easy sell to a Republican legislator.

Alternatively, many Democrats were vocally opposed to narrowing or prioritizing TEXAS Grants eligibility criteria. Democrats had expressed significant concerns with previous iterations of the Priority Model. These concerns emerged most visibly in 2009, when with the Coordinating Board's support, Democratic Representative Donna Howard authored House Bill 3276, which would have awarded TEXAS Grants first to students (demonstrating financial need) who were most qualified based on Texas Success Initiative (TSI) indicators of college readiness. After heated debate and amendment, the final bill required only a study of TEXAS Grants eligibility criteria by the Legislative Budget Board and subsequent report to the Governor. The failure of this policy effort reveals the partisan dynamics at play in the Priority Model's development, even prior to SB 28 and the 82<sup>nd</sup> Session. Representative Howard was heavily criticized by colleagues in her own party for proposing a policy change that could negatively affect low-income and underrepresented students. Howard represented an affluent, mostly white district in Austin, and other Democrats turned against her for betraying their party's commitment to equity and broader funding of the need-based program. Opposing Democrats argued that adding a merit component would disadvantage students of color in poor high schools and widen existing racial inequities in education. An advocacy organization participant recalled the opposition spearheaded by Representative Sylvester Turner, a Black Democrat from Houston: "Poor Donna Howard. She tried to do a Priority Model of her

own – there was a House bill...I mean [Representative Turner] had his own party in the House turn on Donna Howard, and it was ugly.”

The backstory of HB 3276 reveals that debate over a Priority Model broke down within as well as along party lines. Most Democrats wanted to push for more funding overall, and Republicans sought to prioritize the most academically eligible students – but some Democrats, like Howard, were more willing to support an early version of the Priority Model if it seemed the most realistic response to budget constraints. Other Democrats felt betrayed by this view. A state agency participant recalled: “And so 2009, a lot of resistance. [Democratic Senators] Ellis, West...they were going to blow it up. They said, there’s no way, this will never, don’t even – but we made a push for it.” A legislative aide added: “It was seen as going against poor students, minority students...it was tough, and it was pretty political.” These politics were not only “R vs. D,” but also Democrats against themselves.

After this divisive experience in 2009, Democrats entered the 82<sup>nd</sup> session in 2011 concerned about the Coordinating Board’s persistence with the Priority Model. Minority lawmakers in particular opposed the bill due to its potential to further disadvantage students of color. The original 2011 proposal required the use of SAT scores as a metric, and this component attracted criticism because of data indicating students of color were less likely to be well prepared for standardized tests. An elected official explained:

As I recall, the debate there was that if you’d have prioritized the SAT score, there would have been a lot of pushback from the Democratic Party, certainly the minority community because they would see that as a metric that wasn’t fair, that was biased.

From the perspective of these Democratic legislators, efforts to narrow the criteria for TEXAS Grants ran counter to the program's basic purpose to provide broad need-based aid. An advocacy organization participant paraphrased similar concerns within the Mexican American Legal Defense and Educational Fund and Mexican and Latin American Coalition:

You have to acknowledge...that [the Legislature is] doing this because you don't want to fund TEXAS Grants, because it's, you know, politically convenient for you to not fund TEXAS Grants... So if there's not the political will to...make sure that they have a fair shot when they're in college, then that leads to having to create all these other policy justifications and rationales...I think it was very concerning to MALDEF and MALC and others to hear about merit-based processes interjecting themselves in a need-based system. It was concern about how much would that play out and exacerbate some of the existing inequities within the system.

This participant, and others, described the Priority Model as a way for conservative legislators to avoid fully supporting a program they had originally created to fund students based on need. It represented a lack of concern for students who were underserved and underrepresented, and whose backgrounds might not have prepared them to meet merit requirements at the same level as more privileged peers.

Democrats and higher education stakeholders were also concerned about the Priority Model because they suspected it was not Commissioner Paredes' idea, but Governor Perry's. Perry's reform agenda for higher education concerned many higher education stakeholders who felt quality would suffer under cost constraints and productivity measures. Some minority members also expected Commissioner Paredes to advocate for need-based aid to support students of color, since the Commissioner himself was Hispanic from El Paso, an area in the Border region with a higher Hispanic

population and lower educational attainment and income relative to the rest of the state (Greater Texas Foundation, 2011). Critics felt the Commissioner had betrayed that identity in favor of the Governor's agenda. A state agency participant explained:

It was primarily the Hispanic and African American members. Yeah. And they were – they were upset. They were really upset with the Commissioner that he would propose such a thing, because they – I think a lot of them thought that this was being driven by Governor Perry and so politically, they saw Commissioner Paredes as Governor Perry's man. What they didn't realize was it was the Commissioner's idea and Governor Perry supported it. You know, he thought it was good, it was a good policy.

The political currents against the bill, particularly from the left, posed an impediment to its progress through the Legislature – yet SB 28 unanimously passed the Senate Higher Education Committee, received only one vote against in the House Committee, passed the Senate 28 to three and the House 143 to one. Many participants attributed its eventual success to Senator Zaffirini's effective coalition building with Democrats and higher education stakeholders.

**Senator Zaffirini as a policy entrepreneur.** While the leadership of both Commissioner Paredes and Senator Zaffirini drove the emergence of the Priority Model as a policy proposal, participants consistently attributed the actual bill's evolution and passage to the skills and political capital of Senator Zaffirini. As the author and owner of the bill, Zaffirini was able to build a diverse coalition of stakeholder groups and solicit input around the Commissioner's concept of the Priority Model. Participants described how she used her relationships, reputation, and legislative expertise in higher education to facilitate the development of a bill that eased concerns from institutions and constituent groups. A legislative aide described her strategy:

Literally there was a work group. Z set up a work group and met on several occasions and I know [Senator] Royce West was in there, and there was probably some House members in there. [Representative] Joaquin Castro carried it, and so you know, he was a good liaison to all the House caucuses, like the Mexican and Latin American Caucus and everything like that, to make sure we all kind of were in agreement, got on the same page.

Senator Zaffirini was strategic in the members she invited, making sure to include key Senate and House voices and groups who had expressed concern about the policy.

Rather than driving a hard line on a certain interpretation of the policy, she was clear in communicating that her goal was to author a bill based on input from those who had expressed concerns, herself included. Another legislative aide commented on the Senator's leadership of her staff as part of this effort:

She just said, start a conversation, let them know that I'm working with the Commissioner, and that I'd like to see Priority Model passed, if we can get an agreement on how this is going to work, and if we can agree on what those metrics ought to be...she wanted to achieve, if at all possible, a consensus from stakeholders that we could do this, here's the right way to do it, and if so, then Z was going to carry the legislation.

Participants shared that Zaffirini's credibility with stakeholders from both parties and the higher education community encouraged skeptics of the initial proposal to convene and participate in developing a model around which consensus was feasible. After several prior attempts to pass similar legislation adding a merit element to TEXAS Grants, many Democrats were wary of the concept – but with strong Democratic leadership, and a minority leader at that, concerned stakeholders took time to listen and consider.

Participants suggested that Zaffirini chose to lead the bill because it was controversial, and she herself was concerned about its outcome. A legislative aide commented that Zaffirini tended to adopt legislation she felt might have a negative



impact if handled without caution. Her interest in this bill focused on ensuring the best possible version became law:

She likes to pass good legislation.... It might have been one of those bills where it looked like it was going to move anyway, so she wanted to have control over it, so that she could make sure it wasn't harmful...She's going to listen to other Democratic senators, and other minority – she's a minority too. And so it was an important concern.

As this comment indicates, Zaffirini's concern for the interests of higher institutions and students and her identity as a highly effective minority legislator inspired other stakeholders to participate in crafting a palatable Priority Model. A state agency participant commented that "It helped to have her on our side...it really helped to have her I think author the legislation, to give those groups some comfort." Zaffirini's inclusive tactics provided a voice to stakeholders concerned about the bill's impact on their constituencies, such as the NAACP, Mexican American Legal Defense and Educational Fund (MALDEF), and Mexican and Latin American Coalition (MALC).

The language many participants used in describing Zaffirini's strategy and role portrayed her as a bridge-builder. With nearly three decades of experience in the Legislature and a high success rate with bills she authored, participants explained that Zaffirini had earned the respect of Republicans as well as of Democrats and minority leaders. They felt this position allowed her to bring both groups to the table – figuratively as well as literally, given the work group she convened – to achieve bipartisan support for the bill, even when Democrats had expressed persistent and vocal concerns about the issue. Her role as Chair of the Senate Higher Education Committee placed her in a position with the authority to establish priorities and set the agenda for the

committee, and her strong relationships with both Commissioner Paredes and Lieutenant Governor David Dewhurst strengthened her influence and credibility. While maintaining the support of these key state leaders, she also remained committed to representing her Democratic and minority colleagues by ensuring them a voice as the Priority Model evolved. A state agency participant commented: “Ultimately, you know we got some members who embraced it and really saw it through.” Zaffirini led this effort, and her coalition building proved critical to cultivating bipartisan support. After two previous attempts to amend the program to add priority criteria, her leadership in the 2011 legislative session shifted the political dynamics of the policy stream and made it possible for previous opponents to participate and come to a compromise.

Zaffirini’s leadership facilitated several key changes to the bill that broadened its base of support; the bill that passed did not precisely mirror what the Coordinating Board had proposed, or what the Senator had filed. First, while earlier proposals from the Coordinating Board, namely Howard’s HB 3276 in 2009, would have determined priority eligibility based on standardized test scores, SB 28 used a structure in which students qualified for priority by any two of four criteria. Senator Zaffirini worked in collaboration with stakeholders and the Coordinating Board to develop this model during the interim prior to the session; it was intended to provide flexibility and avoid disadvantaging students who might perform less capably in certain areas due to a variety of preparatory and background factors. Second, the bill – by way of amendment – required the Coordinating Board to issue an annual report on TEXAS Grants allocations, disaggregate by institution, race, ethnicity, estimated family contribution, and whether

they met Priority Model criteria. These two changes sought to address Democrat and minority group concerns about disparate impact on students of color. Reporting would identify any such effect and allow for adjustment to the policy. An elected official described compromises on the bill:

The compromise bill granted priority consideration to eligible students who met two of four criteria chosen to be predictive of future academic success.... We included a requirement that the Coordinating Board report to the Legislature regarding any impact the bill would have on students of a particular race, ethnicity, or socioeconomic status so that we could ensure the Priority Model did not have a negative impact or undermine the primary function of TEXAS Grants as a need-based financial aid program.

As this participant explained, adjustments to the policy were carefully tailored to the concerns and interests of stakeholders involved in the process.

Zaffirini's coalition also emphasized the use of data to support policy decisions affecting students: data informed the metrics selected, and data would continue to inform whether the policy was effective. Data helped to ease the concerns of those who viewed the proposal as uninformed and inequitable policymaking. Another legislator reflected on developing consensus around the metrics as rational and well informed:

The way we ultimately passed the metrics...we got a consensus because it made sense, because those students were more college ready, more likely to go to college, and that seemed to be a better metric than just whoever sent in their form first. And there was still some pushback generally from the left, that this was somehow going to hurt the late bloomer, and our arguments were, wait, this just means that the way you put the queue in place is based on some evidence of readiness at the front of the line, and less evidence of readiness at the back of the line.

The bill was also amended to prevent more selective institutions from capturing a greater share of TEXAS Grants allocations; institutions could only allocate TEXAS Grants in proportion to the number of first-year students met the financial need criteria for TEXAS

Grants need-based aid (an estimated family contribution of \$4,000 or less). This change addressed concerns from broader access institutions that felt their institutions would be disadvantaged because they enrolled a greater share of students who were less academically prepared for college. Another elected official commented on engaging with the policy's development:

You could see an impact to – a change in the distribution of dollars across universities. And potentially harming universities that have a mission of opening up their doors wide. And so I always feel like it's important to understand where you are and how much real power you have. And if you can't change the agenda of passing Priority Model, then get a part – be a part of the conversation and help to find the details to improve it. And so in this way, I improved the TEXAS Grants model and was able to explain that policy change to other members of the equity coalition.

Similarly, a legislative aide reflected:

There were some things put in there that helped to mitigate some of the concerns of the members, the primary one being that students who would be eligible for the Priority Model, that wouldn't change institutions' allocations for TEXAS Grants. Meaning that the TEXAS Grant program would not be essentially swallowed up by UT-Austin or A&M, or Texas Tech or Dallas, where more affluent, often higher achieving students go.

As these comments demonstrate, SB 28 ultimately represented a compromise that would achieve bipartisan support, adjust the program based on budget constraints, and increase graduation outcomes for TEXAS Grants recipients. As a financial aid leader commented: “In order to get it passed, it kind of got watered down to a certain extent.” The priority criteria were more flexible, and the allocations methodology protected institutions from losses in financial aid.

In the end, as this financial aid leader commented, very little changed in the way the program was administered at the campus level; many students were already meeting

the Priority Model. Republican advocates, such as House Higher Education Chairman Dan Branch, who sponsored the bill in the House, still saw SB 28 as a success.

Advocacy organization leaders on the left were more measured in their enthusiasm; one participant reflected on the impact of minority and Democratic caucuses:

You know, in the end we were able to alter a lot of what came through and improve it, but it's still not what we would have done if we were in power, right? If we were in power, the fundamental thing would have been how do we fund TEXAS Grants. So instead of the conversation of how do we fund Texas Grants, which still hasn't happened, it's just a conversation of what do we do with what we have on the table.

As this participant explains, these groups did the best they could to craft the most palatable option, even if a Priority Model was not their preference. A similar perspective motivated Senator Zaffirini and other Democratic legislators to collaborate on the bill: recognition that with budget constraints and Republicans in power, it was better to participate in a moderate solution than agitate for goals that would seem unrealistic within the conservative political climate. A news article quoted Zaffirini after the bill's passage: "We had to be realistic... We prioritized to help the students who were most qualified to excel" (Dallas Morning News, 2013).

### **House Bill 700: The B-On-Time Loan Program**

As discussed in Chapter Five, the House Bill 700 policy stream responded to issues with the program's funding mechanism, utilization, and data on its distribution across institutions. In addition to these factors, participants described a political environment surrounding B-On-Time that increased the inertia around its demise by way of this bill's passage; some suggested that the bill's passage was more politically driven than policy driven. An elected official summarized: "These political forces combined

were too much to overcome.” Political currents shaping HB 700 centered around two key areas: conservative ideology and antipathy toward tuition set-asides, and power dynamics resulting from leadership changes in the Legislature.

**Conservative politics.** B-On-Time’s funding mechanism, tuition set-asides, attracted vocal criticism from lawmakers who opposed the redistributive concept of one student’s tuition offsetting another’s. The program was funded in this way to minimize cost to the state, but its policy design ultimately resulted in political backlash. Set-asides were ideal model from a conservative budgeting standpoint – but not from a conservative perspective on individual responsibility. As an advocacy organization participant explained, jokingly: “It’s a good model in this environment with a conservative Legislature...it’s just unfair.” Similarly, a financial aid leader commented: “In the political environment that we’re talking about, things like set-asides from tuition that only go to a subset of students automatically raise a certain concern for some legislators.” B-On-Time was politically handicapped by its funding structure. A legislative aide explained how the politics surrounding set-asides undermined the program:

For the public, funding was tied to a set-aside, and set-asides have a very negative political connotation, particularly with the more conservative Republicans who have gotten elected in large numbers of the past couple of election cycles. So, the fact that the funding source was a 5% set-aside on tuition bills really didn't help the situation.

The Legislature’s rightward trajectory increased the influence of set-asides’ Republican critics. The set-aside issue also provided campaign material that generated attention and concern, because few families wanted to pay even more for college in order to support another family’s student. From a conservative perspective, these set-asides amounted to

a student tax – and Texas’s political culture was highly tax averse. In a business-minded, merit-oriented state, many were skeptical of whether set-aside recipients had earned this assistance, which came at the expense of others who might be more meritorious. An elected official explained the politics surrounding the set-aside practice:

Some legislators strongly oppose tuition set-asides because they believe it forces wealthy students to subsidize the education of low-income students. Because eliminating the B-on-Time program would eliminate 5% of existing tuition set-asides, many members supported the move, even though they did not oppose the program itself.

This comment reveals what many others suggested: that set-asides were unpopular among conservatives and those in wealthier districts because they amounted to shifting hard-earned resources to support lower income students. This practice conflicted with the individualistic, traditionalist political culture of the state (see Gittell & Kleiman, 2000). A policy advisor summarized: “We don’t like tuition set-asides because somebody else is paying for somebody’s lunch.” In a conservative, “pull yourself up by your bootstraps” – as several participants described – state political culture, paying extra to help another student was an unpopular concept.

Participants recognized Lieutenant Governor Dan Patrick as the most vocal critic of set-asides and the primary force behind a political movement to end the practice in all areas of government. A participant<sup>8</sup> explained: “I mean, Lieutenant Governor Patrick hates set-asides....and there are others with Lt. Gov. Patrick that think all set-asides are – you know, they don’t like the redistributive effect of it.” Patrick had established set-asides as a political priority during his time in the Senate; in 2009, his Senate Bill 1304

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<sup>8</sup> The role and category of this participant have been removed upon request to protect anonymity.

required institutions to disclose the amount of a student's tuition set-asides on billing statements they received. This policy directed attention to the issue and generated concern among constituents, and subsequently their representatives. As noted in Chapter Five, participants credited this bill with laying the groundwork for the elimination of set-asides. Consequently, B-On-Time's funding mechanism presented an opportunity for Patrick to further his agenda to condemn the practice. A legislative aide noted, "Prior to becoming LiGuv, I think then Senator Patrick had major concerns with tuition set-asides. So being a tuition set-aside was one of the things that was implicitly under the microscope." Another aide commented of the program: "It fell victim to the hatred of set-asides." These statements, and others, reveal how B-On-Time became a politically charged issue because it was affiliated with another politically charged issue – tuition set-asides – that had attracted the attention of an influential state leader.

While the Lieutenant Governor and conservative Republican legislators offered the most outspoken criticism of set-asides, concern over the practice was also bipartisan. The bill's author, Representative Helen Giddings, was a Democrat, as was her co-author Chris Turner. The bill responded, in part, to complaints from institutions in Giddings' district that their students were supporting others across the state. Giddings and her bipartisan coauthors, which also included Republican co-authors Trent Ashby and John Zerwas, were particularly concerned about cross-institutional redistributive effects of these funds, since campuses, like students, differed in their needs and outcomes. A legislative aide explained:

There was the political kind of issue of it seeming to take – that the funds would be swepted from other institutions...so kind of your Texas Southern...and I think



that that's where you had legislators and institutions say hey, this isn't fair...because they have different challenges than a UT or A&M student, and their funding is now being swept and given to these students. That kind of got twisted and really politicized.

This statement reveals the political dynamics of tuition set-asides at the institutional level, where some universities were concerned their students were supporting those at other, more selective institutions perceived as needing less support. With regional institution Texas Southern in her district, Giddings was loyal to the needs of that university and concerned that students enrolled there were subsidizing students at the state's flagship research universities. The regional politics surrounding set-asides revealed inequities and competitive undercurrents across the state's diverse and fragmented higher education system. A government relations participant elaborated: "El Paso, San Antonio, and Houston...have the lowest four-year graduation rates in the state...Should they be charging their students to help other students on other campuses in other regions in other members' districts?...It was kind of inevitable to fail." This comment underscores how set-asides were political not only at the Capitol, but also across institutions and campuses statewide. Like the state's political culture, the higher education culture also operated based on conservative and individualist ideals; institutions competed for resources and support.

Because of the state's ingrained political culture, legislators' positions on set-asides were more complicated than party lines. Democrats, perhaps theoretically more likely to support redistributive social programs in a more progressive state, were also wary of set-asides because their constituents and institutions felt they were unfair.

Democrats were more likely to criticize set-asides if the institutions in their districts felt

the system did not serve them – while Republicans generally opposed the practice of redistribution on principle. The issue therefore provided common ground, as the bipartisan HB 700 demonstrates. Participants also commented that despite concern over set-asides, the practice served an important purpose for financial aid: even if the mechanism itself was not ideal in design, the state was unlikely to appropriate revenue for B-On-Time or other aid programs funded through set-asides. A policy advisor noted, “That’s a big pool of financial aid which we really, you know, don’t have the money to replace somewhere else right now.” While politically unpopular, set-asides were an established government and higher education practice that produced resources not available otherwise, and some policymakers found them more palatable for this reason. Those voices, however, paled in comparison to the force of Lieutenant Governor’s political agenda and the pervasive, conservative view of set-asides as unfair.

Financial aid leaders, some of whom testified on the bill, generally supported the program and expressed disappointment with the overarching political ideology that contributed to the program’s demise. One such participant reflected:

It really unnerves me a little bit that we're in a place where wealthier people don't want to help out poorer people, which is – the tuition set asides are basically, you know, a portion of everybody's tuition is going towards need-based financial aid, and there are people out there that don't think that's right.... There are constituents out there that really have a hard time with their dollars going to help other students.

Others financial aid participants commented that the Legislature could easily have addressed their own concerns with the program. One explained: “It could have been very easy to fix...the institutions get an allocation equal to what they send in, or...don't even send the money in, just keep it on campus and tell us how much you have.” Political

momentum against the program and strong bipartisan support prevented such an attempt to adjust the design. With no political will to fund B-On-Time outright, and with overarching skepticism of its utilization and management, Giddings and HB 700's supporters were more inclined to eliminate the program than fix its unpopular structure. Political antipathy toward set-asides ensured little resistance to their effort.

**Leadership.** B-On-Time also fell victim to power dynamics resulting from leadership changes in the Legislature. Dan Patrick's rise from Senator to Lieutenant Governor elevated his political reach and provided him a "bully pulpit," as one legislative aide described, by which to target set-asides and other pet issues. Kingdon (1984) argued that leadership changes within the political stream shape the policy stream by shifting the distribution of power and direction of the agenda; other scholars have found policy change more likely after new state leadership (Tandberg & Anderson, 2012) and new leaders more likely to end programs associated with their predecessors (McLendon, Deaton, & Hearn, 2007). B-On-Time provides a case in point of both Kingdon's theory and research on the influence of such leadership changes. The program's demise through HB 700 followed a shift in gubernatorial leadership and subsequent changes in legislative committee appointments; as participants acknowledged, the Lieutenant Governor set a critical tone regarding higher education, and his committee appointments were politically obligated to align with his agenda in order to retain their roles.

Following Dan Patrick's defeat of incumbent David Dewhurst for Lieutenant Governor in 2014, Patrick assumed Dewhurst's authority to appoint committee leadership in the Senate. Former Lieutenant Governor Dewhurst had served in that role since 2002

and was seen as a positive advocate for higher education issues. Dewhurst and Senator Zaffirini were close allies, as nearly all participants acknowledged, and Dewhurst had been a key supporter of the B-On-Time program when it was created in 2003. Dewhurst appointed Zaffirini Chair of the Senate Higher Education Committee in 2011, a position she held until Dan Patrick gained appointment authority leading into the 84<sup>th</sup> Legislative session in 2015. Prior to 2011, Zaffirini chaired the Higher Education Subcommittee from 2005 to 2009, before Dewhurst elevated Higher Education to full committee status in the Senate. In 2015, Dan Patrick appointed Republican Senator Kel Seliger of Amarillo to chair the committee and removed Zaffirini from the committee entirely – a move many legislators and stakeholders received as a strong blow to higher education policymaking, given her longtime expertise and advocacy in that area. This change created a dramatic shift in the power and politics surrounding higher education policy.

With Dewhurst and Zaffirini effectively out of power, the path cleared for elimination of a program that had previously maintained the support of those two key leaders. This power shift in the political stream created a policy window for critics of set-asides and those who sought to remove vestiges of prior leadership. A state agency participant summarized: “I think ultimately it may have been just, you know, an internal political fight to get rid of a good program that Dewhurst and Zaffirini helped create.” Another state agency participant shared: “I’m not sure whether that would have happened had it not been for the shift in power...and what can be achieved during those time periods.” Similarly, an elected official commented:

And I think why – the reason why Representative Giddings' bill took off like it did and got a head of steam and passed is, I think, two things. Lieutenant

Governor – former Lieutenant Governor Dewhurst, that was one of his babies. He and Senator Zaffirini, you know, were very proud of that product. So I think with Dewhurst gone, I think that removed an obstacle to changing that program.

As these comments demonstrate, participants openly acknowledged the influence of these political dynamics on the policy arena. The new balance of power changed what the Legislature could accomplish. An advocacy organization participant reflected:

You know, on the political side...the bill sort of had an alter ego that was associated with Zaffirini...It was also tied to Dewhurst, who really lost political ground...particularly in 2012 when he lost the Senate election to...Cruz and then he lost the Lieutenant Governor position in...November of 2014. So he was losing political ground, and B-On Time was always identified as a pet project of both Dewhurst and Zaffirini. And it lost a lot of political support when the two of them lost their political cover. So there was suddenly nobody with any real power standing up and being B-On-Time's champion.

When Zaffirini sat on the committee, particularly as Chair, she was consistently able to support B-On-Time and shape the policy agenda around higher education. In her absence, the program lacked an advocate. One participant<sup>9</sup> stated:

I mean, she's still there, but she was very quiet this session. So I think there were some that just saw it as a Lt. Governor Dewhurst program, and so it was easy to just get rid of Lt. Governor Dewhurst's programs.... I don't think anybody was super attached to it to begin with, other than Lt. Governor Dewhurst and Senator Zaffirini, politically in that building. I think those were the two that were attached to that. Everybody else I think it was just kind of like, oh, whatever.

The bill was sponsored in both houses by the new chairs of each committee – House Chairman John Zerwas coauthored with Representative Giddings, and Senate Chairman Seliger sponsored the bill in the Senate. As with Zaffirini's prior leadership, those positions imbued Seliger and Zerwas with significant political influence and agenda-setting authority. Zaffirini spoke on behalf of B-On-Time during deliberations on the

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<sup>9</sup> The role and category of this participant have been removed upon request to protect anonymity.

bill, but as participants shared, she understood the political environment and was realistic in her ability to counter the tide against the program. A legislative aide explained the dramatic shift in Zaffirini's power to support the program she had created:

She spoke to speak, but she was not trying to mount a serious opposition, because she had no allies. Nobody really cared at that point. Yeah, if she was Chair, that bill would never even have gotten a hearing. Actually, she would have gotten a hearing. That's just her style...She would have made sure it didn't have the votes. There was really very little that [she] could have done, very little [she] could have done to stop it.

Similarly, a policy advisor stated:

Zaffirini used to be chair of the higher ed committee. And now she's not. She's not even on the committee. She knows a lot about it. She knows a lot about a lot of things, but she really knows a lot about higher ed...she's not the chair anymore so you've got Seliger there, and leadership comes to Seliger and goes, let's get rid of the B-On-Time program, and he goes, okay. I don't care. And then Zaffirini goes, well I care, and he says, well you're not on this committee and I'm the chairman and I'm gonna get this bill out and you can set yourself on fire on the Senate floor, that's okay with me.

The shift in power from Dewhurst to Patrick, and consequently from Zaffirini to Seliger, had a dramatic impact on the lifespan of B-On-Time. Regardless of any resistance Zaffirini might have mounted, she lacked the political influence to counter the Chair and Lieutenant Governor.

Nearly all higher education stakeholders, particularly those in financial aid, were openly disappointed and disillusioned by the role of politics in the program's demise. They saw potential to fix B-On-Time, rather than eliminate it. One such participant commented: "If [Zaffirini] had been in her position as Chair, it – I don't think it would have gone away. I really don't. I think it would have stopped, so – but we didn't have her there." With so little political strength against the bill, it progressed quickly through the

Legislature with minimal resistance and little testimony. Registered witnesses and testimony included several students; three institutional financial aid leaders; staff from two progressive advocacy organizations, Young Invincibles and the Center for Public Policy Priorities; and a representative from the Coordinating Board. This testimony, and Zaffirini's statements on the floor, failed to slow the bill's momentum toward a vote of 130 to 10 in the House, and 25 to 6 in the Senate. Zaffirini and several Democratic colleagues voted against. The bill generated bipartisan support and opposition – Senator Schwertner, while he opposed the program, voted against the bill because it did not require institutions to cut tuition in the amount of the five percent set-asides they were no longer required to return for B-On-Time. Ultimately, “it was a very political issue,” as a state agency participant summarized. The combination of a conservative culture critical of its funding mechanism and power changes that removed program's advocates from favor led politics to play a significant role in HB 700's passage and B-On-Time's demise.

### **Senate Bill 1735: Hazlewood Tuition Exemptions**

As discussed in Chapter Five, Senate Bill 1735 developed in response to massive growth in utilization of the Hazlewood program by veterans and their children, after passage of the Hazlewood Legacy Act in 2009 permitted veterans to pass on unused hours to their dependents. Nearly all participants acknowledged that inaccurate data projections led the Legislature to pass that bill, which proved unsustainable when the program grew from \$24.7 million in exemptions in 2009 to \$169.1 million in 2014 (Legislative Budget Board, 2014). The problem stream shaping this bill was relatively straightforward: this was a program too big to sustain, and institutions voiced concerns as

the cost grew. Politically, the issue was much more complicated. One participant described this bill as the most contentious political issue affecting higher education in his/her time at the Capitol.

Recognizing that Hazlewood had become a critical issue for the state, Governor Abbott asked Republican Senator Brian Birdwell of Waco, a decorated veteran disabled in the 9/11 attack on the Pentagon, to carry a bill that would narrow eligibility requirements for Hazlewood. House Higher Education Committee Chairman John Zerwas would sponsor the bill. Given the political and emotional sensitivity of veterans' issues, Birdwell's selection represented a strategic effort to position the bill carefully with veteran constituents. With his leadership, SB 1735 passed the Senate and a heavily amended version passed the House, but the bill died when the two chambers failed to reconcile in conference committee. The political stream shaping SB 1735 centered on two themes: the influence of the veteran lobby and the role of electoral politics.

**Influence of the veteran lobby.** SB 1735's attempts to alter Hazlewood benefits attracted the vehement opposition of veterans interest groups in Texas. Groups such as the Texas Association of Veteran Organizations, American Legion Department of Texas, and Lone Star Veterans Association rallied in full force to demonstrate their disapproval and the insult of taking away elements of a hard-earned benefit like Hazlewood. Withstanding this political opposition was difficult and risky for legislators. As a government relations participant stated, "Veterans groups are very, very vocal and well organized." Similarly, a state agency participant shared: "The veterans have a very strong lobby...it's a strong stance and it's a strong lobby group, strong stakeholder



group...there are close ties to the leadership of the state.” Participants described Texas as a proudly conservative and patriotic state and acknowledged that veterans formed a critical constituency for policymakers. Along with Florida and California, Texas is home to one of the largest veteran populations in the country (U.S. Department of Veterans Affairs, 2010), with nearly 1.6 million in 2011 (Texas Workforce Investment Council, 2012). Any policy change that alienated or adversely affected Texas veterans was likely to cause political ramifications for anyone involved.

Compounding this challenge, in 2013 the Legislature transferred administration of the Hazlewood program from the Texas Higher Education Coordinating Board to the Texas Veterans Commission. Moving the program from an agency dedicated to higher education efficiency to an agency dedicated to veteran advocacy increased veteran groups’ authority over the issue; Hazlewood became more about veterans, and less about higher education. Several participants suggested this shift was politically motivated. The Coordinating Board underwent sunset review in 2013, and the Legislature limited the agency’s regulatory authority as a result of that process. Shifting management of Hazlewood from the Coordinating Board to Veterans Commission corresponded with this adjustment of the higher education agency’s responsibilities, and several participants implied that the change also catered to the more influential veterans lobby. A state agency participant explained how this shift changed the role and future of the program:

Veterans programs are very much seen as entitlements. So by moving that program over there, it almost solidifies its role as an entitlement. And by the way, the Veterans Commission's whole role and purpose is to promote [veteran benefits]. The Coordinating Board’s role is to promote efficiency in higher education...when you move it over there, suddenly it's a veterans’ program.

With Hazelwood under the jurisdiction of the TVC, veterans were naturally even more protective of the program. Under the Coordinating Board, higher education stakeholders supported veteran students but were mindful too of the unfunded program's sustainability for institutions. TVC was not obligated to address issues of cost for higher education; their goal was to maximize veterans' utilization of their state benefits. Participants recognized that this structural change made limiting the program's scope more difficult at a time when the state needed to address Hazlewood's cost. Since TVC served a veteran advocacy mission, shifting Hazlewood to TVC gave the veteran lobby more authority over the program; it now fell under their own agency.

In light of the veteran lobby's influence in Texas and ingrained cultural respect for their service, policymakers were highly sensitive to veterans' concerns. A state agency participant commented on the difficult position in which this placed the Legislature: "Nobody wants to oppose our veterans. I mean it politically is not a smart thing to do...if you're patriotic too, you know you're not going to go against, do anything that's going to be detrimental toward veterans." Avoiding any policy position that might upset veterans groups meant Hazlewood was dangerous territory, even with the Legislature's most decorated war veteran strategically leading the bill. An elected official explained: "So there is an institutional inertia – I think inertia's the right word. I wouldn't even say bias, it's inertia – that veterans come in – or veteran's groups lobby for something and nobody wants to tell them no." These dynamics were somewhat more manageable in the Senate, where the smaller nature of the chamber and the scope of the districts each Senator represented made the issue more substantive than political. Senator

Birdwell was able to educate the Senate Higher Education Committee about the issue with data from the Legislative Budget Board, and he leveraged his personal political capital as a veteran to secure a vote of five to one in the Committee, and 25 to six in the Senate. An elected official recalled, “It didn’t get through the Senate easily. There was a lot of veteran pushback.” Yet in his home chamber, Birdwell was able to address individual members’ concerns and build a coalition that acknowledged the impending crisis if the program continued to grow. Even so, seven voted against the bill in the Senate, primarily Democrats. One elected official explained this position:

We who opposed it...believed that before cutting the program or redefining benefits, the Legislature should fund the cost of the program it created. This view was heavily influenced by the military members, veterans, and associated groups and constituents who forcefully advocated to their legislators in defense of the program.

As this member acknowledged, veterans groups played an important role in shaping policymakers’ views on the bill, and particularly those who voted against it. Rather than scale back the program, these Democrats in the Senate argued that the state should fund the program so veterans could participate as intended.

SB 1735 followed a different path in the House. The bill’s genesis in the Senate gave veteran organizations more time to organize for debate in the larger House chamber, where representation was much more local and many members represented districts with significant veteran populations. A government relations leader reflected:

Between the time that bill passed the Senate and the time we were able to get it out of committee in the House, the veterans that were working the Capitol and working through their interest groups were able to convince enough members, particularly representative Blanco from El Paso, and Menendez and a couple of the others who were very vocal...that they were taking away an entitlement.

Any success Birdwell achieved in the Senate by presenting the issue as substantive and essential for preservation of the program disappeared in the House. Rather than a pragmatic solution advocated by a respected veteran legislator, SB 1735 became an affront to veterans' rights and benefits. An elected official commented: "It was characterized as something that was compromising the veteran, and taking the benefit away from them." Similarly, a government relations leader noted: "It's a very emotional issue...when you can wrap yourself in the flag and say, somebody's taking away an entitlement I earned." The nature of smaller House districts, compared to larger Senate districts, meant that Representatives might be more attuned to veterans groups based on their constituent base. An elected official explained: "You have smaller districts in the House that are more sensitive to a veterans issue – because a House guy in Austin may have more veterans in the density of this district than what [Austin Senator] Kirk Watson does." Consequently, while the issue was more substantive in the Senate, it became personal and political in the House. As the same legislative participant summarized: "The Senate acted like statesmen...but [the House members] were being politicians."

As SB 1735 devolved into a political battle over who could best protect veterans, the House stripped the bill of all its substance and left only one change from current law: requiring veterans to live in Texas for eight years in order to qualify for benefits. Birdwell's version would also have required a minimum of six years of service in order to pass benefits on to a legacy, and would end legacy benefits fifteen years after the veteran's service. These proposed limitations prompted an emotional revolt in the House. A policy advisor explained:

So, they get up and they start screaming about how...these people who fought for you in 9/11 and Iraq, their widows and orphans deserve – it wasn't any more about the merits of that bill than it was about anything else....I mean I watched it, it was remarkable... they basically took Birdwell's bill and cut it into pieces.

Adding fuel to the fire, the final House vote on the bill was scheduled for Memorial Day – timing that many participants acknowledged could not have been worse. The bill passed 140 in favor, none against, but the amended version lacked the eligibility changes Birdwell had designed to scale back the program. In conference committee, House and Senate members were unable to resolve their two drastically different bills, and bill leaders tabled the issue rather than pass a policy that no longer reflected its original goals. The same policy advisor explained:

So they discharged conferees and let the bill die, and so you're back to current law....I mean the politics of this...if you don't pay attention to those, you're gonna miss the whole thing....I remember we were having this conversation...saying is it worth the eggs you're gonna break to make the omelet to jam this through. And everybody looked around going, no. It's not. Not this time, not in this climate.

The issue became so divisive that the Governor and Senate leadership chose to withdraw the bill rather than cause more political damage. Despite the backing of a prominent veteran legislator and well-reasoned data to support it, SB 1735 was laid to rest.

**Electoral politics.** The political issues undermining SB 1735 in the House were driven by the electoral politics of members' local districts and by the strategic efforts of bill opponents to place members in positions where a vote for the bill would affect their reelection prospects. Between the Senate and House hearings, veterans groups had time to organize and meet personally with representatives about their concerns, elevating the personal and political stakes on the issue. An elected official explained:

So I think that's really what it was, is that the veterans' groups and the champions that they had in the House were better organized, better prepared to challenge the bill. Because they already saw what the bill was going to look like, you know, so they had a better way to challenge it and let the politics work in their favor.

Both the veteran lobby and the House members had the advantage of watching the bill in the Senate and using that time to prepare a strategy to stop its progress. By the time it arrived to the House, the strong veteran lobby and emotional, sensitive nature of veterans issue had dramatically heightened the intensity of debate over the Hazlewood proposal.

The structure of the House also made SB 1735 more difficult to manage and electoral politics more significant. Because of smaller districts and two-year election cycles (the Senate ran every four years), House members were constantly concerned with maintaining positions that would not alienate constituents. This was particularly important for members with military bases in their districts, such as Fort Bliss, Fort Hood in Killeen, and San Antonio; Texas is home to 16 state military installations (U.S. Department of Defense, 2016). A policy advisor commented, “The politics were all local. You had guys from El Paso with Fort Bliss. You had guys from San Antonio with all the five or six different military bases.” Smaller and more homogeneous House districts made the issue more politically divisive than in the Senate, where districts were larger and more heterogeneous. Two-year terms meant House members were already looking ahead to their next campaign and could not afford to take a vote that portrayed them as unpatriotic; voting records were too easily manipulated by opponents. A state agency participant elaborated, “Any time you’re voting...your votes are what are going to be used for or against you in your subsequent elections.” Even a vote intended to protect Hazlewood by improving its sustainability could easily be portrayed or perceived

as a vote to limit veteran benefits. A policy advisor commented: “It’s just a really, really tough vote to take...these guys, they are just worried about what looks good on their voting record.” Limiting veteran benefits did not look good on a voting record, especially in a conservative state. Responding to their constituencies and mindful of who would vote in their reelection, Representatives with higher veteran density in their districts, such as Cesar Blanco of El Paso and Joe Farias of San Antonio, both veterans themselves, spoke out in favor of protecting the program and led a series of amendments that stripped away the contents of Birdwell’s bill so it did little to change existing law.

The size of the House also meant it was more difficult than in the Senate to educate members and build consensus around the cost and need for. The financial issues motivating Birdwell’s bill fell into the background, and local politics dominated members’ attention. A state agency participant explained how in the large – and as some described, unruly – House, “it’s tougher for [the members] to organize and also particularly with issues involving veterans...they’re afraid of being tarred as anti-veteran.” Similarly, a legislative aide reflected:

It was politicized in a way where there were just a lot of cooks in the kitchen, and I think that's really what led to its demise. And no clear leadership, because it was a sensitive issue, and nobody wants to be seen as taking away a promise to veterans.

The issue became local, political, and divisive. While the Senate had Birdwell to generate understanding and support, the House sponsor, Higher Education Chairman John Zerwas, carried less clout with veterans and was unable to keep the bill intact. Instead, strong veteran leadership in the House emerged from Democrats – veterans Blanco and Farias. Even with his decorated status, when the bill reached the House,

Birdwell was vehemently and decried by veterans groups and legislators who saw protecting and funding the program as a better solution than narrowing eligibility.

This combination of chamber size, term length, and the opportunity for the veteran lobby to mobilize between chamber debates created major impediments for the bill's progress in the House. In addition, another critical political development sealed the bill's fate: in the House, Democrats rose up against the bill in an interesting reversal of traditional party lines. Participants explained how Democrats, in a weaker position of power in the Capitol, saw an opportunity to generate support in an area often dominated by Republicans: veterans and the military. A government relations leader shared:

So Hazelwood broke down very interestingly this last session because the Democrats stepped forward and decided to be the protectors of veterans. And they said hey, this is a meat and potato issue, we can hit them on their own spot, right? Because that's a – historically a more conservative appeal, the protection of veterans.... So in the House, there were a few kind of, the loudest barking members, but the Democratic Caucus took it on. They said, okay, you know, we're going to...hit them where it hurts.

The Texas Democratic Party capitalized on the opportunity to appear more pro-veteran than Republicans and ultimately turned the tide against the bill. The Party issued emails strategically portraying the Republicans as failing to support veterans and threatened to use an anti-veteran vote against any member who took one – elevating the electoral politics around the issue. An April 23, 2015 article on the Texas Democratic Party's website, titled "Texas Republicans Set to Break Promise to Veterans," exemplifies this strategy (Texas Democrats, 2015). An advocacy organization participant shared:

When it sailed through the Senate it was looking pretty bleak for us to be able to change anything, but we knew that there was Republicans that were working with [Representative] Joe Farias [of San Antonio] that were very concerned about what could happen. We politically started putting out messages that, you know, we will



make this a TV commercial and a mailer any day on any of these House members in tough seats, and I think that message was received.

On an already sensitive issue, this political strategy was highly effective at reorienting the bill's direction and watering down any policy changes it originally included. Democrats and Republicans alike were open and honest about the intentionality and success of this approach by the Democratic Party. A legislative aide commented:

They put up all these bad amendments to make Republicans take bad votes...you know, never waste a crisis, so they saw opportunities and they took them...we would have done the same thing to them if it was the other way around, I'm sure....Democrats just sensed a partisan opportunity, and you had a couple of members who had upcoming elections, like Menendez, who knew he was going to get challenged again.... he knew he had to run on something, right? And San Antonio is military town, USA.

By proposing amendments that members could not support, Democrats forced Republicans either to take a vote that would hurt their careers, or to withdraw the issue. An elected official shared: "This became basically a Republican versus a Democrat issue – the Democrats were very effective in crafting questions...that required votes that would make the opposing vote look like they're very anti-veteran, and nobody wanted to take those votes." The bill saw a total of 14 amendments in the House (after eight in the Senate); eight of these were adopted, and six were tabled or withdrawn. As the aforementioned legislative aide explained, "I think that helped kill the bill... there were so many members like, you know, we want to get this over with." Extending a divisive and emotional debate became politically risky for all involved, and Republican leadership realized the simplified proposal on the table no longer reflected Birdwell's bill.

Democrats praised the leadership of key members, such as Representatives Farias and Blanco, for swaying the House against the original bill and ultimately returning a

version to the Senate that no longer achieved the purpose Birdwell and his supporters intended. An elected official commented on this perceived victory:

You know, [Representatives] Joe Farias and Cesar Blanco both deserve all the credit, in my opinion, for being incredibly staunch and effective advocates – not just that day, but leading up to it...and you know, the Speaker and his team and Chairman Zerwas, all of whom are very decent people, just saw that this thing was going south and it probably wouldn't pass, and if they went forward with the vote they were going to put their Republican members in an awful position, either voting against the leadership or voting against veterans on Memorial Day...so they wisely pulled the plug.

While Republicans who supported Birdwell's proposal saw the outcome as an irresponsible decision that failed to preempt a court decision that could further expand the program, Democrats viewed the result as upholding a promise to veterans. Opponents of SB 1735 argued that a better solution was to fund the program, not limit it to make it more sustainable. The issue became highly controversial and politicized; Republican House members were reluctant to mar pro-veteran voting records, and Democrats seized an opportunity to gain credibility with influential veteran constituents. Higher education issues and institutional concerns slid out of focus as the debate focused on veterans and political power. A legislative aide commented:

A lot of things went wrong for Hazelwood, and I think members...kind of go into it thinking, well, the leadership wants this, the Chairman of Higher Ed wants this, Republicans are going to get in line and vote for it, and that was not the case...I think so many members just thought if you're making me choose between universities and veterans, universities are never going to win.

Because members naturally prioritized veterans over higher education, amending the Hazlewood program shifted from an issue that responded to unsustainable costs to universities to a matter of protecting benefits veterans had earned. Protecting veterans was politically popular – and perhaps politically necessary for reelection. Supporting

higher education was important, but the emotional and electoral value of doing so was marginal. A legislative aide commented, “You can make a political ad about veterans issues. You're not going to make a political ad about higher ed funding. It's the definition of unsexy.” Given the influence of the veteran lobby and electoral politics at the Capitol, an elected official summarized SB 1735 this way: “Politics played an outsized role in the development and eventual failure of this bill.”

### **Summary and Discussion**

The influence of the political stream on these three policies reveals how much of the policymaking process emerges from the contextual dynamics and culture within the immediate political environment. SB 28 developed out of budget constraints and interest in outcomes, but the politics of party, race, and equity complicated the bill's progress through the Legislature. To succeed, the Priority Model required the political capital and policy entrepreneurship of Senator Zaffirini, who effectively integrated the policy and political streams by addressing stakeholder concerns and forming a coalition that would support her bill. In HB 700, the policy stream generated rapid momentum and the bill easily passed because its priorities aligned with the political stream; conservative leaders disapproved of tuition set-asides, and Senator Zaffirini's absence from a leadership role created a policy window to end the program. Lastly, SB 1735 resulted from unsustainable cost and Hazlewood program growth – but the political stream took priority once the bill entered the public arena, and the lobbying power of veterans and electoral politics of veteran issues prevented a policy solution. In each case, politics shifted the outcome of the bill by altering the policy design (SB 28), fueling its progress and passage

(HB 700), and rendering a policy solution untenable (SB 1735). The interaction of problems, policies, and politics produced a very different result for each bill.

These cases reveal two overarching political themes: the influence of policy entrepreneurs and political leadership in shaping the policy agenda, and the role of higher education institutions in bringing issues to the legislature. First, each bill demonstrates the need for key leaders to serve as advocates and coalition builders in order for a policy to succeed. Without such leadership from Senator Zaffirini, SB 28 might never have evolved in a way that invited the participation and support of concerned policymakers and higher education stakeholders. As a policy entrepreneur, Zaffirini deftly manipulated the political and policy streams so they addressed the problems of a constrained budget and lackluster graduation outcomes – without alienating constituents concerned with equity and access for students of color. Alternatively, when HB 700 emerged several years later, Zaffirini no longer held the political power necessary to function as a policy entrepreneur and build a coalition in defense of B-On-Time. Lieutenant Governor Patrick’s political agenda against tuition set-asides took precedence and dominated the political stream, which overtook the program.

Though the Governor and Senate leadership strategically aligned SB 1735 with a decorated veteran leader in Senator Birdwell, Birdwell’s political capital and coalition in the Senate faltered when the bill reached the House. Veterans organizations, the Democratic Party, and veteran Democratic Representatives Cesar Blanco and Joe Farias took control of the political stream and manipulated the issue to present Birdwell and his Republican colleagues as anti-veteran. SB 28 succeeded through Zaffirini’s policy

entrepreneurship; HB 700 succeeded because of a larger political agenda from the Lieutenant Governor, and SB 1735 failed because legislators and interest groups turned on leadership advocating for the bill. In each bill, differences in political leadership and power dynamics produced a unique outcome.

These cases also reveal the variety of ways in which institutional advocacy can affect the policy process – as well as the policy agenda, as discussed in Chapter Five. Institutions’ voices proved influential in the outcome of SB 28, as higher education stakeholders participated in shaping a Priority Model that would not affect their allocations or disadvantage broader access schools. In HB 700, institutions in Giddings’ district brought the issue to her attention, but other institutions were largely quiet. While some financial aid officers testified on the bill and expressed support of the B-On-Time program, government relations and higher education leaders were mixed in their views of whether the program’s effectiveness and administrative challenges. Several participants suggested that institutions preferred the flexibility to use B-On-Time set-asides for general financial aid, and therefore were less vocal about the bill. Finally, Hazlewood emerged primarily because institutions voiced their concerns to the Legislature, and members responded. Institutions were successful in elevating the Hazlewood issue to the state’s policy agenda, but as the resulting bill progressed, higher education’s political clout paled in comparison to the strength of the veteran lobby. Each case shows a different degree to which institutions engaged with and affected the policy outcome: institutions shaped SB 28, disengaged from HB 700, and were both effective and ineffective in their advocacy for HB 1735.

Building on Chapter Five, these institutional roles and outcomes continue to reinforce and expand on research by Tandberg (2008; 2010a; 2010b) and Tandberg and Ness (2011) on the role of the higher education lobby in the policymaking process. The outcomes of each bill provide evidence that higher education institutions can effectively influence the policy process. Tandberg and colleagues have primarily examined the influence of lobbying on appropriations, and these findings reveal the potential for additional research on the effectiveness of institutions' advocacy efforts related to affordability and aid. Institutions generally share a common goal when advocating for greater appropriations, but tuition and aid policies may affect institutions differently due to their diverse student bodies. In the cases of B-On-Time and TEXAS Grants, institutions' diverging responses to the proposed policies reveal the challenge of coordinating positions and presenting a unified voice on complex issues that may affect institutions in different ways. Texas Southern University, for example, brought concerns to Representative Giddings about the equity and utilization of the B-On-Time Program because they felt it did not effectively serve their needs as a regional institution. Alternatively, financial aid and government relations leaders at more selective institutions, such as UT-Austin, supported the program because their students were more likely to qualify for its forgivable loans. Similarly, early versions of the TEXAS Grants Priority Model might have disadvantaged broader-access institutions that enrolled fewer students meeting the model's merit requirements, while the most selective institutions were likely to enroll the state's highest-achieving students and therefore expressed less concern about the policy. This study extends Tandberg's findings on the influence of

institutions as interest groups, but suggests the need for more research on the ways in which institutional advocacy efforts may interact, and even negate one another, in cases of more divisive policies with the potential for differential impact on institutions.

The role of the political stream in shaping these three bills also expands existing literature on the role of partisanship in higher education policymaking. Research on these factors' influence in the higher education arena is mixed, suggesting that party politics may shape some higher education policy issues more than others. This study specifically illuminates the partisan dynamics surrounding the issue of college affordability: findings reveal bipartisan concern over college costs, but indicate that Democrats and Republicans advocated different policy positions in response to the problem of cost. Consistent with findings by Doyle (2007a), both parties were critical of tuition increases, but differed in the policy responses they proposed. As discussed in Chapter Four, Democrats and Republicans expressed interest in reregulating tuition, but diverged in their views on corresponding state funding. Supporting research indicating liberal legislatures are more generous to higher education (McLendon, Hearn, & Mokher, 2009; Doyle, 2012), Democrats in this study were stronger proponents of simultaneously reregulating tuition and increasing appropriations, while Republicans advocated reregulation with cost containment and no new funding. In addition, partisan differences over SB 28 invoke previous research demonstrating that Democrats are more likely to be concerned about access and opportunity for low-income students. Doyle (2007a) concluded that Democrats and Republicans held different views on whether college is accessible to all; his study found strong Republicans to be 10% more likely than strong Democrats to see

low-income students as having the same level of college opportunity as other students. Democrats' and progressive advocacy organizations' concerns over the addition of merit criteria to need-based TEXAS Grants demonstrate this difference of perspective, as do conservative lawmakers' emphasis on middle class affordability due to perceptions that low-income students were adequately covered by Pell and other need-based aid.

The political stream surrounding these three cases also contributes to existing research on the role of electoral politics in higher education policymaking. The HB 1735 case in particular offers support for Erikson, Wright, and McIver's (1989) argument that elected officials position themselves in the ways most likely to preserve their positions. Small districts and more frequent elections in the Texas House meant that Representatives could not afford to support a policy that would alienate them from their constituents and undermine their reelection prospects. House Democrats were highly effective in defeating the bill by exploiting these electoral politics and positioning supporters in competitive districts to take votes their constituents would oppose. While research on the influence of electoral politics in higher education is mixed – McLendon, Hearn, and Mokher (2009) and McLendon, Mokher, and Flores (2011) found no effects for electoral competition, partisanship, or ideology on state appropriations or consideration of in-state resident tuition bills, while Doyle, McLendon, and Hearn (2010) found states with more competitive elections less likely to adopt prepaid tuition and savings plans – this study offers evidence that electoral politics does in some cases influence higher education. As with the influence of partisanship on higher education policy, it appears the role of electoral politics may vary based on the issue in question.



The relevance of partisanship and electoral politics to this study's findings, however, supports Doyle's (2007a) argument that higher education is becoming increasingly partisan and political. While other higher education policies may have a narrower impact, rising college costs are widely relevant to voters and taxpayers. The accessibility and broad impact of this issue may make affordability more political, more divisive, and perhaps, as argued in Chapter Four, more easily malleable by politicians than other higher education issues.

This study offers evidence that policy entrepreneurs and political leadership play a key role in shaping higher education policy. In particular, SB 28 demonstrates the value and effectiveness of policy entrepreneurs in building alliances and navigating the policy process. These findings on the role of policy entrepreneurs strengthen the growing body of literature on their influence in higher education (see Dougherty et al., 2013; Doyle, 2006; McLendon, 2003a; Ness, 2010; Tandberg & Anderson, 2012). In addition, HB 700 reveals how changes in state leadership – such as a new Lieutenant Governor, his appointment of new committee chairs, and Senator Zaffirini's removal from power – can shift power dynamics, open policy windows, and enable legislation to pass that previous political environments would not have permitted. These findings are consistent with previous research on elected officials and state leadership as higher education policy entrepreneurs (Gittell & Kleiman, 2000; Leslie & Novak, 2003; Tandberg & Anderson, 2012), and with McLendon, Deaton, and Hearn (2007)'s conclusion that higher education policy change is more likely after a change in governorship.

In sum, the findings of this study situate policy entrepreneurs and state leadership as central to the policy process, shaping the agenda and heavily coloring what the Legislature can and does accomplish. Previous work in this area has focused primarily on the role of governors in higher education agenda setting and policymaking (see McLendon, Deaton, & Hearn, 2007; McLendon, Hearn, & Mokher, 2009; Christakis, 2009); given the influence of Texas Lieutenant Governor Dan Patrick on the political stream shaping HB 700 in particular, and on broader concerns over rising college costs in general, this work indicates that lieutenant governors also play an influential role in setting the higher education agenda. Christakis (2009) noted that formal and informal gubernatorial authority varies across the 50 states; according to his analysis, the Texas governor wields relatively weak statutory authority. This study's findings suggest the need for further research on the influence of Lieutenant Governors and other key state leaders on states' higher education policy agendas and political climates.

Finally, the overarching influence of Texas's ingrained conservative political ideology supports previous research by Gittel and Kleiman (2000), Richardson and Martinez (2009), and Perna and Finney (2014) on the role of political culture and context in state higher education policymaking. This study's findings regarding Texas's conservative paradigm, preference for cost containment, small government, and individual responsibility reinforce Koven and Mausolff's (2002) analysis of Texas as a traditionalistic state that focuses budget priorities on the status quo, rather than redistributive functions like education and welfare. Based on Elazar's (1966) political typology of individualistic, traditionalistic, and moralistic states, Miller (1991)

categorized Texas as both traditionalistic and individualistic – prioritizing low state expenditures, local investment, and maintaining the status quo. The three bills studied here support these previous findings, as each bill sought to ration resources and control costs without providing additional funding for institutions or aid. The influence of the state political context on the emergence and outcomes of these bills also reinforces Perna and Finney’s (2014) argument that state-specific context profoundly shapes policy development and higher education performance, as well as Richardon and Martinez’s (2009) conclusion that states’ underlying, even unspoken “rules in use” about areas such as information, access and achievement, fiscal policies, and leadership shape their policy decisions and educational outcomes.

Viewed in tandem with analysis of the policy stream in Chapter Five, the findings discussed in Chapter Six demonstrate the substantial role of political factors in shaping higher education policymaking concerning college affordability in Texas. The influence of these political themes across the three policies in question suggests that political forces cannot be underestimated or neglected within the study of higher education policy. Chapter Seven will summarize and synthesize this study’s overarching themes and examine its theoretical contributions to Kingdon’s (1984) multiple streams approach. In closing, I will suggest implications for higher education leaders and policymakers and offer avenues for future research.

## **Chapter Seven: Conclusions and Implications**

### **Summary**

Given the importance of state financial aid in offsetting rising tuition costs and the influence of a state's political context on the development of such policies, this study sought to provide in-depth analysis of how the political environment contributed to three policies related to college affordability in Texas. As noted in Chapter One, I have relied on a broad definition of affordability as "the share of income required to pay the net price of college" (Delaney, 2014, p. 2014), rather than offering a ratio or point at which college is or is not affordable. By examining how Texas policymakers defined the problem of college affordability, the emergence of three state policies between 2011 and 2015, and the political forces shaping their evolution, this study offered an illustration of the complex environment surrounding the issue of college affordability and shaping higher education policymaking at the state level.

I selected the three bills considered in this multiple case study (Yin, 2014) because they represent three unique types of financial aid: a need-based grant, a forgivable loan, and a tuition exemption. The differences among these programs provided an opportunity to assess how politics may shape different aid policies in different ways. SB 28 in 2011 established a Priority Model by which students meeting merit criteria would be first to receive aid through the state's need-based grant program. HB 700 discontinued the B-On-Time program, which offered zero-interest loans forgiven if students graduated in four years with a B average. SB 1735 sought unsuccessfully to curtail rapid growth in utilization of the Hazlewood Tuition Exemption by dependents of

military veterans. The case study method allowed me to examine in-depth the context and process shaping these three bills. All three occurred within the recent five-year period from 2011-2015, a timeframe I selected in order to increase the likelihood I could gain access to direct participants and stakeholders involved with each policy.

I applied Kingdon's (1984) multiple streams approach to this multiple case study because it emphasizes the dynamic, complex, and interrelated nature of the problem, policy, and political streams shaping the legislative process. Informed by this framework, I addressed three research questions: (1) How have policy stakeholders defined the problem of college affordability in Texas within the last five years; (2) Why did SB 28 (2011), HB 700 (2015), and SB 1735 (2015) emerge as policy solutions to the problem of college affordability in Texas during this time, and (3) How did politics in Texas affect the development and outcomes of these bills? I conducted 50 stakeholder interviews with elected officials, legislative aides and policy advisors, state agency and advocacy organization staff, government relations and financial aid administrators, media relations and reporters, and higher education leaders. These interviews were recorded and transcribed verbatim. I also reviewed 135 archival documents, including news articles and government, state agency, and policy organization reports, in order to provide contextual background on each case and corroborate interview testimony. Using pattern matching and constant comparison methods (Merriam, 2009; Yin, 2014), I coded this data in Atlas.ti using a priori codes from my literature review and theoretical framework, as well as emergent coding based on themes arising from interviews and documents.

I analyzed and condensed the resulting 47 codes into categorically rich and meaningful themes, which I have presented in the preceding chapters.

In Chapter Four, I discussed how policy stakeholders defined the problem of college affordability in Texas within the five years under consideration by this study. Three overarching themes emerged. First, lacking a clear or shared definition of what it meant for college to be “affordable,” the term lent itself to malleability and manipulation in the service of legislators’ agendas. An increasingly conservative Legislature used the issue of college affordability as political ammunition against higher education. Second, the state’s conservative political paradigm fostered criticism of higher education as an example of irresponsible and inefficient use of state resources. This conservative ideology contributed to the state’s business-minded approach to higher education, which emphasized productivity and return on investment and criticized institutions for failing to operate based on corporate principles. Lastly, policymakers expressed bipartisan concern over the issue of affordability, but diverged in the solutions they proposed to address the problem of college costs. Democrats advocated for greater appropriations and aid, while Republicans preferred cost control and fiscal responsibility; both parties, however, indicated support for reinstating Legislative regulation of tuition. Together, these three themes revealed how the political stream surrounding college affordability shaped the problem stream by coloring how policymakers viewed and framed the issue. Interest from both parties in reregulating tuition also demonstrated that the problem stream and policy stream do not always align: controlling tuition would limit the price of college, but does not ultimately address the root issue of rising costs to institutions.

In Chapter Five, I described the emergence of SB 28, HB 700, and SB 1735 as policy solutions to the problem of college affordability discussed in Chapter Four. SB 28, the TEXAS Grants Priority Model, developed in response to state budget constraints, growing interest in aligning student metrics with desired graduation outcomes, and the influence of Commissioner Raymund Paredes and Senator Judith Zaffirini as policy entrepreneurs who advocated for the proposal and built a strategic, bipartisan coalition to support its passage. HB 700, which discontinued the B-On-Time Loan program, emerged due to political antipathy toward its funding mechanism, which relied on set-asides from student tuition and was seen as inequitable to some institutions and students; challenges with utilization of the program, which federal preferred lending laws categorized as a private loan, and misinformation and misunderstanding regarding the program's structure and administration. SB 1735, which sought to amend the Hazlewood Legacy Program to curtail growing costs to institutions, arose due to misinformation that resulted in the passage of a bill dramatically expanding the program in 2009; massive increase in utilization of the program by dependents of veterans, who could access unused credit hour exemptions from their guardians, and federal legal proceedings that threatened to further expand eligibility for Hazlewood, creating a policy window for amending the program in advance of a court ruling. Together, these three cases revealed the role of information in shaping the policy stream, the effectiveness of institutions as policy actors and advocates, and overarching concerns for equity across institutions, which was exacerbated by a diverse and fragmented state system of higher education.

Finally, in Chapter Six, I examined how politics in Texas affected the development and outcomes of SB 28, HB 700, and SB 1735. I found that politics shaped SB 28 by way of partisanship and policy entrepreneurship. Minority lawmakers and the Democratic caucus were effective in voicing concerns about the proposal's impact on underrepresented students. The leadership of Senator Zaffirini, as bill author and policy entrepreneur, adeptly incorporated these concerns and ultimately created a bipartisan coalition around a bill that was more palatable to all stakeholders. Considering HB 700, I suggested that the state's conservative political paradigm and aversion to redistributive practices, such as the B-On-Time program's tuition set-aside funding mechanism, contributed to the program's eventual demise. In addition, I argued that changes in political leadership in the Legislature created a policy window in which B-On-Time's creators were no longer in positions of power, enabling opponents to dismantle the program. Lastly, I concluded that SB 1735 was heavily influenced by the role of interest groups such as the veteran lobby, a constituency that held strong support in the conservative and patriotic state of Texas. As a result of this constituency's power, electoral politics played a significant role in impeding the bill's passage because lawmakers were ultimately unwilling to take votes that would limit veteran benefits and hinder their reelection prospects. In sum, the political dynamics shaping these three cases revealed how policy entrepreneurs, leadership changes, and the state's conservative political culture influence Texas higher education policymaking.



## Summary of Key Findings

In conclusion, I offer three overarching findings that emerged across these policy cases. First, data revealed that the three primary stakeholder groups in this study – policymakers, higher education leaders, and state agency staff – all blame one another for the growing cost of higher education. I refer to this finding as “finger-pointing,” paraphrasing a comment from a participant. Second, participants described an environment in which these stakeholder groups disagreed about who should ultimately control the price of higher education; this power struggle also extended to disagreement over whose data was accurate and reliable. Third, although each of these bills was categorized by the Legislature as a financial aid or higher education cost issue, none actually addressed affordability. Each bill ultimately responded to underlying issues of budget, politics, and power; financial aid was an afterthought in a broader ideological debate over who should control tuition.

**Key finding #1: Finger-pointing.** The Legislature, Higher Education Coordinating Board, and higher education institutions disagreed over who was to blame for rising tuition, and each was quick to assign fault to the others for contributing to the problem. Finger-pointing and scapegoating created and perpetuated a tense and political environment surrounding the issue of college cost, as well as its potential solutions.

Higher education leaders felt the state was driving tuition costs up by defunding public universities. While some policymakers recognized a relationship between these two trends, most were highly critical of institutions for managing their money poorly and creating their own cost crisis. As a legislative aide explained, “there’s not a lot of owning

the fact that the state has decreased their share. It's more, why are you raising tuition?" Another legislative aide observed, "we blame the institutions for their increasing costs...but the state has failed to invest in them at a rate that would keep that down." As a state agency responsive to both institutions and the Legislature, the Coordinating Board occupied a unique and tenuous role in this environment; state agency participants recognized the effect of declining appropriations on tuition prices, but also saw the need for institutions to operate more efficiently. Higher education staff and leaders criticized the Coordinating Board for its reluctance to press the Legislature for more generous appropriations and greater funding for financial aid; state agency staff expressed that their role was to be realistic in light of the conservative Legislature. Institutions perceived this approach as complacency, seeing the agency as catering to the Legislature and failing to advocate for their needs. In sum, the relationships among these three key stakeholder groups were fraught with distrust and skepticism, quick to blame and slow to accept responsibility for the role each played in contributing to the issue of rising college costs.

The lack of a definition for affordability and consequent malleability of that term added fuel to the fire among these stakeholders. Policymakers critical of higher education for fiscal irresponsibility and lackluster outcomes could mold the issue of rising tuition prices to serve their agendas, advocating for more limited government spending, greater efficiency, and more affordable college for their constituents – however undefined that amount might be. Finger-pointing catered to the interests of those in the political arena who spoke most loudly, such as Lieutenant Governor Dan Patrick and members of the Tea Party who were critical of higher education as inefficient and out of

touch. Amidst this cycle of blame and political manipulation, policies arose that did not necessarily address the root causes of rising college costs. This phenomenon invokes Kingdon's (1984) concept of policy primordial soup, or the murky process by which solutions look for problems and attach themselves to the most visible issues most likely to capture attention and support. Reregulating tuition, eliminating B-On-Time and its tuition set-aside funding stream, and increasing merit criteria for TEXAS Grants in order to ration dollars without providing more aid can all be seen as policy solutions to other issues that coupled with the more visible problem of college costs by way of the political stream, facilitated by each stakeholder group's tendency to blame the others for the growing cost of higher education.

**Key finding #2: Power struggle over tuition control.** In an environment heavily shaped by the history of tuition deregulation in 2003, political disagreement over who was to blame for rising costs led to a power struggle over who should be responsible for controlling tuition in the future. Institutions and the Legislature disagreed over whether the Legislature had more effectively managed tuition prior to 2003 than institutions had since deregulation; participants commented that it was relatively easy to provide or manipulate data to support either side's claim. Naturally, the balance of power in this debate between the state and higher education institutions weighed heavily in favor of the government. The Legislature expressed strong interest in reregulating tuition during and following the 2015 session, when HB 700 and SB 1735 were considered.

Higher education stakeholders were increasingly wary of the growing potential they would lose tuition authority, and many expressed concern about their ability to

deliver high-quality education if the Legislature were to limit tuition and provide no new resources for public institutions. Alternatively, influential policymakers, such as the Lieutenant Governor and higher education committee leadership, argued that higher education institutions could not capably manage their own costs; consequently, they “should always be restrained,” as one elected official commented. This power struggle – however unequal, given the Legislature’s authority – shaped the context surrounding the 2015 bills in particular, though was undoubtedly growing in 2011 when SB 28 was passed as well. Concerned they would lose their primary revenue source, institutions were highly sensitive to issues affecting their financial aid and general budgets; HB 700 eliminated a financial aid source, while SB 1735 would have limited the financial pressure created by a growing share of students who paid no tuition. Due to institutions’ collaboration with Senator Zaffirini on the Priority Model, SB 28 ultimately did not affect institutions’ allocations for TEXAS Grants – but concern that it might had undermined previous attempts to pass the bill.

This power and governance struggle also manifest in more subtle ways. The shift in management of the Hazlewood Exemption from the Higher Education Coordinating Board to the Veterans Commission meant a loss of influence over the growing program by higher education institutions, the stakeholders most significantly affected by Hazlewood’s structure and cost. Participants suggested this change in authority was politically motivated, part of an effort by the Legislature to strip the Coordinating Board of regulatory authority and refocus the agency on statewide coordination. As discussed in Chapter Six, the veteran lobby also saw the Hazlewood Exemption as a veteran

entitlement and held considerable sway with the Legislature. Moving the program to TVC aligned with political interest in limiting the Coordinating Board's power in relation to the Legislature, and in maintaining the goodwill of veteran groups and constituents.

Disagreement over Hazlewood data from different sources – particularly the Veterans Commission, Coordinating Board, and institutions – and misunderstanding and misinformation about B-On-Time also underscored this tension over ownership and oversight. Institutions indicated it was difficult to provide accurate data on Hazlewood utilization and cost, as students could enroll, stop out, return, and even claim benefits retroactively – making the population difficult to track and causing cost and utilization to fluctuate. Participants indicated that B-On-Time's administration was widely misunderstood, an issue compounded by assertions that the Coordinating Board had incorrectly appropriated funds for the program. Ultimately, discord over data undermined both of these programs by raising skepticism and questions of credibility. This finding illustrates Kingdon's (1984) framework by alluding to MSA's definition of a "problem" as a "change in an indicator" (p. 97), often presented by way of a data point or set. If stakeholders cannot agree on data indicators, they are unlikely to agree on the definition or scope of a problem. Without the necessary data available, an information vacuum can facilitate the manipulation of whatever tangential data does exist, and use of that data can result in a policy based on inaccurate or incomplete information. Disagreement over data and oversight across these three cases demonstrates how different information can lead to different definitions of a problem.

**Key finding #3: Financial aid as an afterthought.** Although the intent of this study was to examine policies related to college affordability, findings revealed that these bills were largely the result of budget constraints and political dynamics rather than efforts to increase college affordability. All stakeholders agreed financial aid was important in principle, but tuition dominated the discourse surrounding college cost and left little room for policies truly focused on improving aid programs and college access.

Financial aid fell to the background in an environment consumed by assigning blame for cost increases and by the debate over who should control tuition. As a legislative aide explained, “financial aid is seen as a band-aid, not a solution.” Despite support for financial aid as a concept, policymakers generally felt the best financial aid was simply lower tuition. Institutions, for their part, needed flexible general revenue that they could use to offset costs where needs were greatest; consequently, participants suggested that institutions were more likely to advocate for greater appropriations than funding for state financial aid programs. With the Legislature and institutions focusing their attention on appropriations and tuition, financial aid ultimately became an afterthought – even though at face value, each of these bills dealt with that exact issue. The political stream effectively dominated the conversation around college cost, and the politically malleable issue of affordability became interchangeable with tuition and regulation. The result was an over-simplistic view of affordability, the problems contributing to rising costs, and the solutions that might ensure students could afford college and institutions could afford to educate them.

Ironically, “none of these bills are really about affordability” – as a government relations participant succinctly stated. HB 700 was about doing away with redistributive tuition set-asides and ending a program key policymakers saw as mismanaged and representative of past leadership; the discontinuance of this program ultimately made college less affordable for students who could have qualified for its forgivable loans. SB 28 was about rationing resources and increasing return on investment – not about making college more affordable for all students. SB 1735 was about crisis aversion due to Hazlewood’s burgeoning and unsustainable growth. Of all three cases, however, this unsuccessful bill was most relevant to college affordability because of the potential for Hazlewood Legacy exemptions to increase costs on non-Hazlewood students. Alternatively, the potential restriction of those benefits would also have made college less affordable for Hazlewood Legacy beneficiaries. Despite being the only one of three bills to address a program not categorized as financial aid – Hazlewood is a veteran benefit and exemption, administered by the Veterans Commission – SB 1735 was arguably the most relevant to college affordability and best aligned with the state’s avowed interest in lowering college costs. Of all three cases, this bill alone failed to pass due to an active political stream driven by the veteran lobby, House Democrats, and electoral politics.

### **Implications for Policy, Practice, and Theory**

This study offers significant implications for policy and practice, as well as for the use of theory to understand the higher education policymaking process. Here, I offer several key ways in which this study can inform policymakers and higher education leaders. I also discuss the ways in which Kingdon’s (1984) multiple streams approach

proved useful to this study, offer my own model of Kingdon's multiple streams as applied to college affordability policymaking, and discuss how other theoretical approaches might provide similar or different insights. Finally, I reflect on how these implications have both challenged and reinforced my perspective on the role of politics in higher education policymaking.

**Implications for policy and practice.** This study's implications for policymakers and higher education leaders focus on three areas: the role of data, institutions as legislative constituents and policy advocates, and relationship-building between higher education leaders and legislators.

*The role of data.* Each of these cases reveals how data can help or hinder the policymaking process. In Texas, policy actors rely regularly on statewide higher education data collected and reported by the Higher Education Coordinating Board related to enrollment, demographics, transfer and graduation outcomes, revenue and expenditures, facilities use, and faculty and staff salaries, among other topics. This study underscores the importance of ensuring these data collection efforts include the most relevant and precise information, and that policymakers base their legislative proposals on accurate, credible data upon which all stakeholders can agree.

In SB 28, the use of demographic data assuaged concerns from critics of the Priority Model who believed the proposal would negatively impact underrepresented students. In HB 700 and SB 1735, disagreement over data and concerns about its accuracy ultimately made higher education less affordable for students who could have benefited from the discontinued B-On-Time program, as well as for students who



continued to absorb the exempted tuition of Hazlewood Legacy beneficiaries when the latter bill did not pass. Participants also attributed the passage of the Legacy Act itself in 2009 to inaccurate data about the fiscal implications of that bill.

Scholars have described Texas as a data-rich and data-driven state (Perna & Finney, 2014); certainly, the Coordinating Board collects and makes available a wide array of metrics and indicators for higher education statewide. This commitment to data, however, does not prevent policymakers from falling victim to inaccurate, incomplete, or misrepresented data that may be selectively used to advance the agenda of any given stakeholder group. The challenge of providing and navigating “good” data calls for trained researchers as part of legislative, state agency, and institutional staffs who are equipped and committed to ensure data-driven decisions are driven not just by data, but by accurate data. Policymakers and higher education leaders alike must be diligent and cautious in vetting data, considering multiple sources, and ensuring careful consideration of all information – despite the time constraints of their fast-paced work environments. It is particularly important to establish who “owns” data in a certain area in order to prevent duplication of data collection efforts and disagreement over conflicting sets of numbers. The Legislative Budget Board serves this fiscal oversight role in Texas, but also relies on state agencies and institutions to provide relevant data when preparing fiscal notes for proposed legislation. So while the LBB serves as the state’s fiscal authority, all agencies shoulder the responsibility of collecting and maintaining data related to their missions.

States should regularly assess whether the data collected by higher education institutions and the state agency or governing board can meet ever-evolving policy needs.

Participants indicated, for example, that data on the graduation and career outcomes of Hazlewood beneficiaries was limited. Particularly given Texas's interest in return on investment and economic development, tracking these students into the workforce could strengthen the case for funding Hazlewood. Similarly, understanding not only the graduation outcomes, but also the career outcomes of graduates receiving aid through programs such as TEXAS Grants and B-On-Time could help provide broader context and rationale around the value of supporting those programs. While remaining mindful of placing unnecessary reporting requirements on institutions, the Coordinating Board, in conjunction with the Legislature and Legislative Budget Board, should regularly assess whether available data meets the needs of policymakers and analysts. The legislative interim provides a key opportunity to collect and assess this information as needs evolve.

*Institutions as political constituents.* These cases also reveal the potential for institutions to affect the policy process by voicing their priorities and concerns – even if they are restricted from direct “lobbying” activities. Statute prohibits the use of appropriated funds “to influence the passage or defeat of a legislative measure” (Texas Government Code, 1997). However, statute also calls the Coordinating Board to “advocate” for the resources and authority to allow institutions and students to fulfill their missions and potential (Texas Education Code, 1971). Consequently, the Legislature invites the Coordinating Board and institutions to testify “on,” rather than “for” or “against” bills and issues by providing relevant information to support the policy process.

The bills in this study illustrate that institutions can and do engage successfully in such activities. SB 28 demonstrates the effectiveness of institutional agents in

contributing to a more palatable policy outcome for universities; government relations and financial aid leaders were engaged in critical conversations as part of developing the Priority Model, and their involvement made the result something they could support. HB 700 shows how individual institutions, as legislative constituents, can be successful in moving their legislators to address certain issues and concerns. SB 1735 again reveals the effectiveness of institutional advocacy on critical issues; however, given the eventual dominance of the veteran lobby, this bill also serves to reinforce where higher education stands in the power dynamics of electoral politics.

These three cases should serve to encourage higher education leaders to foster greater engagement with state policymaking in order to ensure their views are considered. These bills demonstrate that college and university presidents and chancellors can and do contribute to policy outcomes for higher education. Given their impact on the cases examined here, a key takeaway from this study is the need for these executive college and university leaders to maintain their advocacy efforts. This is particularly critical as higher education becomes increasingly politicized around issues of cost and affordability. The presence, expertise, and advocacy of higher education leaders at the Legislature during the interim and session can serve as a check and balance on the role of politics, which, as this study shows, can too easily dominate higher education policy. Given the diverse array of institutions in Texas, colleges and universities may not always agree on their positions or priorities – but it is imperative that they continue communicating their interests to the Legislature in order to facilitate a more informed and nuanced view of higher education by policymakers. This study also reveals the potential to increase

engagement of specialized, mid-level administrators such as financial aid directors; these staff members are closest to the front lines serving students and can speak authoritatively on the role and impact of aid programs, tuition changes, and other cost concerns.

Presidents and chancellors should leverage the expertise of these administrators and encourage their engagement with the Legislature on issues of import to their institutions.

***Be indispensable.*** Each of these bills demonstrates the critical role of developing and maintaining relationships between higher education leaders and policymakers. As an example, Senator Zaffirini’s relationships and credibility with presidents, government relations staff, and financial aid leaders enabled her to build an effective coalition around improving and passing the Priority Model with SB 28. Institutional representatives leveraged their relationships with legislators in voicing their concerns about the unsustainability of the Hazlewood program, leading to SB 1735; institutions such as Texas Southern University addressed Representative Giddings about their concerns with the B-On-Time program, resulting in HB 700. Pre-existing relationships between higher education leaders and the elected officials representing their districts make this process of convening and sharing information easier by creating a sense of shared interests and understanding. Policymakers should proactively seek out input and perspectives from higher education leaders in their districts; similarly, higher education leaders should communicate regularly with their legislators in order to ensure they are included in conversations about key issues.

Legislators and their staff often have “go-to” higher education stakeholders they consult on relevant issues, and higher education leaders should endeavor to become

indispensable and reliable advisors on the issues affecting their institutions. However, policymakers must be mindful that such relationships can also contribute to narrow-minded policy views if legislators rely too heavily on any individual higher education representative. Institutions vary widely, and legislators and their staff should solicit a wide array of higher education stakeholders when examining policy problems and vetting potential solutions. Relying only on the most visible institutions and leaders can produce insular policy ideas that discount the experiences of other student bodies, institution types, and regions – particularly when the views of flagship institutions with close ties to the Capitol may tend to dominate policy discourse. Policymakers and their staff should seek to build a “cabinet” of diverse and experienced higher education leaders, rather than referring continually to one or two. As new presidents, chancellors, and mid-level experts such as financial aid directors take office, legislators and their staff should initiate new relationships with those individuals; vice-versa for higher education leaders new to office, who should promptly seek out opportunities to meet key legislators in order to include their voice in the policy process.

As this study clearly demonstrates, the elected officials influencing higher education may quickly change as power and politics fluctuate. This reality underscores the ongoing, dynamic nature of relationship building with the Legislature. Higher education stakeholders must stay abreast of political developments in order to understand how best to position themselves for involvement and influence. This is not to suggest that advocacy efforts should focus solely on who holds power and abandon relationships with leaders whose influence may decline – the cyclical and dynamic nature of this

environment means those relationships, too, may again prove critical. In this complex and capricious environment, higher education leaders must continually observe and assess political dynamics around the Legislature and higher education, ensuring they are acting strategically by building relationships with previous, new, and emerging legislative leaders shaping issues of interest. As part of this ongoing effort, the work of government relations and financial aid leaders cannot be overstated – presidents and chancellors will be well served to counsel those in their employ with expertise in financial aid, affordability, and the policy process so they can best advocate for institutional issues.

*Align policies with problems.* Lastly, each of these cases reveals how legislation may develop under the auspices of financial aid or affordability, but in reality address deeper underlying issues of a more political nature. Kingdon’s (1984) framework suggests that policies rarely follow problems in a linear fashion; rather, policies often attach themselves to the problems that are most convenient, visible, and most likely to produce legislative outcomes. This study’s findings demonstrate that higher education leaders and policymakers must hold themselves, and each other, accountable for ensuring policies related to college affordability do indeed seek to address that problem.

Though a financial aid policy, SB 28 rationed funds and increased return on investment; its goal was not to enhance affordability. HB 700 ended a financial aid program that key leaders found politically unpalatable due to its funding mechanism and administration. SB 1735 was perhaps the most straightforward of these three cases; it sought to narrow Hazlewood eligibility in order to curtail unsustainable costs. Ultimately, the agenda driving each policy was more about the budget and political

priorities than about broadening financial aid and increasing affordability. At the risk of encouraging a cynical perspective on higher education policymaking around college cost, this reality suggests that higher education stakeholders must carefully consider the content, motives, and implications of these policies and ensure they identify the underlying issues that such bills may not immediately present. These cases demonstrate that the political stream can easily dominate and subsume important policy problems in higher education. To ensure legislation truly addressing college affordability reaches the surface of the policy stream, higher education leaders and policymakers must work together to craft bills that directly address and contribute to this critical issue.

Particularly by including financial aid administrators and other relevant experts in policy conversations, higher education leaders can help refocus the affordability conversation on its most important stakeholders: students. Financial aid participants expressed concerns that state policy and affordability discourse largely ignored the needs and experiences of students. Indeed, interviews with state actors largely focused on the needs of the state, constraints of the budget, and politics of blame and power struggle. By virtue of their educational missions, higher education stakeholders have a responsibility to infiltrate this conversation by offering data and professional experience working with the families and students most affected by higher education cost. Institutions should encourage student testimony on bills related to tuition and aid, and student organizations should engage with the Legislature on these critical issues. The involvement of financial aid directors and students can help refocus the college affordability discourse around student success, rather than political agendas.

**Implications for theory.** Kingdon's (1984) multiple stream approach carried extensive explanatory power as the theoretical framework guiding this study. Others have used MSA to underpin their research on higher education policymaking (see McLendon, 2003a; Ness, 2010); this study reiterates the framework's relevance to higher education policy and offers three cases in which MSA specifically illuminates the politics and policies surrounding college affordability. Within this study, Kingdon's approach is particularly insightful in its illustration of the role of power and leadership and the nonlinear nature of policymaking. This study also suggests, however, that in some cases Kingdon's three streams are indistinguishable from one another. In such a case, the streams become jumbled and Kingdon's model may require further development and illustration in order to explain how and why policy efforts succeed or fail.

**Power and leadership.** MSA is particularly valuable here in its emphasis on power dynamics and policy entrepreneurs as key components of the political stream. Viewing SB 28 through Kingdon's (1984) lens illuminates Senator Zaffirini's skillful policy entrepreneurship in building a coalition around the Priority Model during the 82<sup>nd</sup> Legislature in 2011. Changes in political power prior to the 2015 session, however – a new Governor and Lieutenant Governor, new committee leadership, and exclusion of Senator Zaffirini from the Senate Higher Education Committee – created a very different political environment for the 84<sup>th</sup> Session than SB 28 encountered four years prior. In 2011, Zaffirini's influence contributed to SB 28's successful passage; in 2015, after gubernatorial leadership changes curtailed Zaffirini's political influence, HB 700 quickly eliminated the B-On-Time program she had created 12 years earlier. Changes in the



political stream therefore created a policy window for HB 700 that would likely not have occurred if Zaffirini still held significant power in the Legislature. These developments illustrate MSA's emphasis on the role of policy entrepreneurs, policy windows, and the political stream in shaping legislative outcomes. MSA's attention to shifts in power and political agendas allows for a more nuanced understanding of the intangible factors shaping higher education policymaking.

*Policymaking is not linear.* This study's findings also reinforce Kingdon's (1984) depiction of the policymaking process as nonlinear and ambiguous. Legislative outcomes do not result from a sequential process of problem definition and policy development; rather, Kingdon argues, policy change results from a complex interaction between and among the problem, policy, and political streams. The cases discussed in this study lend further credibility to Kingdon's framework. SB 1735 responded to a problem (unsustainable growth in foregone tuition revenue) – but that problem might also be traced back to a political decision to extend Hazlewood benefits to veterans' dependents in 2009, a vote participants explained was based on inadequate data and ultimately represented a political favor from Senator Leticia Van de Putte to her veteran constituent base. In HB 700, Representative Giddings responded to concerns from constituent institutions about utilization of the B-On-Time program, but participants attributed the bill's momentum and passage to political antipathy toward tuition set-asides and changes in leadership at the Capitol. On its surface, SB 28 responded to budget constraints with a model for prioritizing state aid resources – but participants identified a subliminal political agenda aimed at diverting aid to more deserving students,

rather than expanding access to all. These bills offer examples of politics disguised as problems, resulting in policies that often addressed political agendas rather than state needs. In prioritizing analysis of politics as well as problems and policies, Kingdon's framework draws attention to the less visible forces shaping these policies.

Consequently, these three cases demonstrate the cyclical nature of policymaking – rather than progressing from problems to solutions, policies may emerge from the political stream and attach themselves to the problems they are most likely to appear to solve.

*Intermingled streams.* Finally, Kingdon's (1984) depiction of these three interconnected streams is both insightful and insufficient. The process of applying MSA through my interview protocol, coding procedures, and the organization of findings in response to questions intentionally aligned with each stream revealed how difficult it can be to disconnect and differentiate policies, problems, and politics – particularly the latter two. Kingdon describes these forces as dynamic, interdependent, and interconnected; indeed, it is nearly impossible to identify where one stream ends and another begins. Such is the point of Kingdon's approach – but also its primary limitation. MSA is highly effective in illustrating the policymaking context when taking all three streams as an interconnected whole. When attempting to view the problem or political streams independently of one another, for example, Kingdon's MSA offers less explanatory power and reveals an opportunity to fine-tune or supplement his model.

Untangling the three streams shaping these bills is particularly difficult because in effect, the political stream absorbs the policy and problem streams across the cases in this study. Each case shows that politics heavily colors problem definition: Texas's

conservative ideology and political leadership shaped the way policymakers viewed tuition set-asides, return on investment of state aid programs, and veteran benefits. These issues emerged as problems because of the political values influencing the state's agenda. Perhaps the political stream simply played an "over-sized role" (to quote one elected official) in these cases. Consequently, this study points to a need for additional definition and examination of the role of the political stream in shaping problems and policies. Kingdon describes policies emerging from a "policy primordial soup" in which ideas slowly evolve or die out within murky depths of policy subsystems. In these cases, I suggest that Kingdon's primordial soup may contain more politics than policies. Rather than policy primordial soup, this study depicts a *political* primordial soup. Problems and policies emerge as products of this political primordial soup, adapting and evolving as the three streams carry them toward a legislative outcome, or lack thereof.

Following the examples of McLendon (2003a) and Ness (2010), I offer Figure 1 as a visual model of the application of Kingdon's (1984) multiple streams approach to higher education policymaking related to college affordability in Texas. For context and comparison, Figures 2 and 3 present previous models of Kingdon's application to higher education governance reform and lottery scholarship eligibility by McLendon (2003a) and Ness (2010).

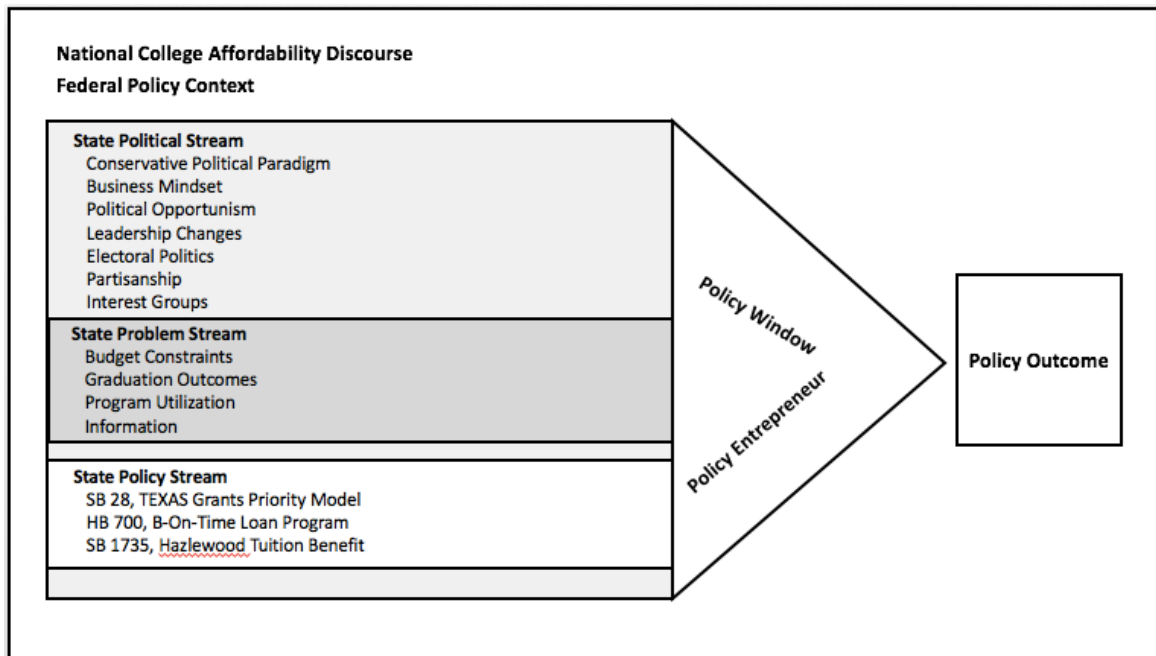


Figure 1. Multiple Streams Model of College Affordability Policymaking in Texas.

This model is intended to communicate the dominance of the political stream across the three cases included in this study. Rather than three independent streams, I depict the state problem and state policy streams as contained within the state political stream, situated within the broader context of national college affordability discourse and federal policy. The “outside” environment depicted beyond the streams attracted attention and visibility to the issue of affordability, while federal issues such as preferred lending laws and the pending University of Houston court case compounded the challenges facing B-On-Time and the Hazlewood program. According to this model, the problem and policy streams are a product of the overarching political stream, which shapes problem definition and the policies that reach the state agenda. Rather than streams, one might even view problems and policies as currents within the overarching

political stream. The currents in this stream progress to a policy window, where they are captured by a policy entrepreneur and maneuvered through the legislative process.

Figure 1 differs from Figures 2 and 3 in its treatment of the problem and policy streams as elements of the political stream, rather than presenting each stream independently. While McLendon (2003b) examined state higher education governance reform and Ness (2010) studied the process of determining merit aid eligibility criteria, I have focused my multiple streams analysis on policies related to college affordability. On this issue, I find that politics dominates the policy process and the political stream absorbs the policy and problem streams. McLendon and Ness also include more extensive governance, regional, and national context in their models, while I focus on the political context in Texas immediately surrounding SB 28, HB 700, and SB 1735. Despite these variations, each model incorporates Kingdon's (1984) three streams, the role of policy entrepreneurs (which McLendon calls "policy opportunists"), and the presence of policy windows. The structural similarities and differences across these adapted models underscore the relevance and versatility of Kingdon's multiple streams approach to the study of higher education policymaking. These frameworks also reinforce the importance of conducting qualitative research to illustrate and expand theories of the policy process.

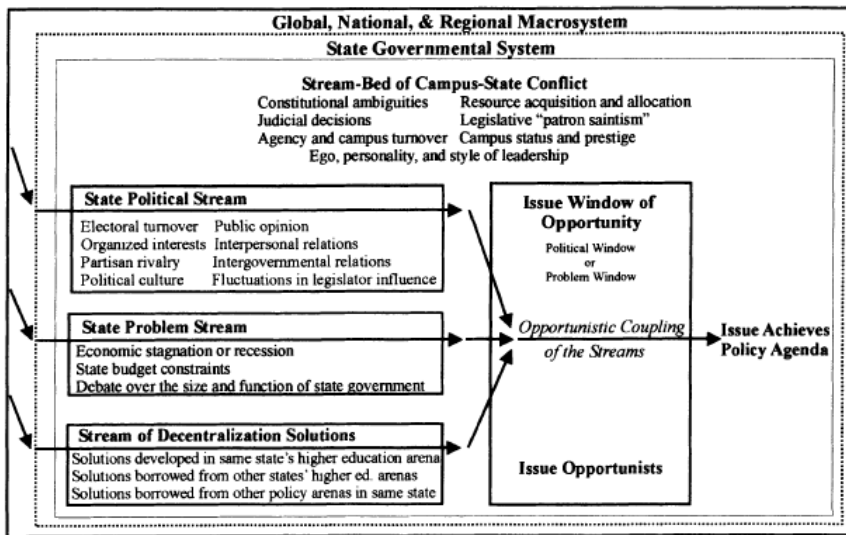


Figure 2. Revised Garbage Can Model by McLendon. Source: McLendon, M. K. (2003). Setting the governmental agenda for state decentralization of higher education. *The Journal of Higher Education*, 74(5), 479-515.

### Revised Multiple Streams Model of Lottery Beneficiary Decision

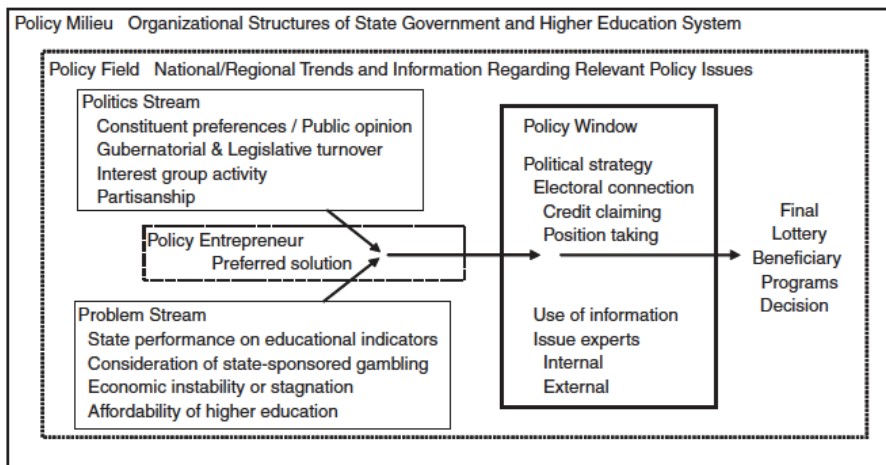


Figure 3. Revised Multiple Streams Model of Lottery Beneficiary Decision by Ness. Source: Ness, E. C. (2010). The politics of determining merit aid eligibility criteria: An analysis of the policy process. *The Journal of Higher Education*, 81(1), 33-60.

*Additional and alternative theories.* While Kingdon's (1984) multiple streams approach clearly illuminates the dynamic and complex environment shaping college affordability legislation in Texas, other theories may supplement and deepen these findings. Theories that focus on the forces contained in Kingdon's political stream – particularly power, policy entrepreneurs, and policy windows – may be especially useful given the political stream's dominant role in these cases. Sabatier's (1991) advocacy coalition framework describes the work of interest groups and policy communities focused on advancing a certain agenda. Coalitions form around shared values and beliefs; multiple such groups compete and compromise with one another to produce policy change on key issues. Viewed through this framework, policymakers opposed to tuition set-asides, veterans groups opposed to changes to Hazlewood, and Democrats and higher education stakeholders concerned about the effects of the Priority Model each played a role as coalitions shaping the legislative outcomes of the cases in this study. Considering Sabatier's approach may provide further insight into the work of institutions as legislative constituents seeking to communicate their concerns to the Legislature.

Additionally, Baumgartner and Jones' (1993) punctuated equilibrium theory may offer valuable insight into the cases considered in this study. Baumgartner and Jones describe long periods of policy stability, interrupted by sudden changes in awareness, information, or power. Such shifts enable more dramatic policy change than might occur during periods of stability; this approach is not unlike Kingdon's (1984) concept of a policy window. In particular, viewing the three cases in this study through the lens of

punctuated equilibrium theory could further illuminate the role of changes in leadership and power in the Legislature and Governor's Office.

**Researcher perspective.** I approached this study expecting to find that politics heavily influenced the development and outcomes of my three selected cases. Indeed, I selected my cases for their potential to illustrate these political dynamics. In retrospect, conducting this research has both reinforced and evolved my perspective on the role of politics in these three cases and in higher education policymaking more broadly. I found these bills, and the issue of college affordability, to be even more political than I anticipated. During the course of this study, I also realized that the three cases I originally viewed as independent policies were in reality deeply interconnected.

Politics was even more central to the outcomes of these bills than I expected. While problems and policies certainly played a role in each case, I was surprised to find that these problems and policies more often reflected the state's budget constraints and competing priorities than the specific issue of higher education cost. I selected these cases to illustrate the politics surrounding college affordability, and while they did indeed allow me to explore these dynamics, they also addressed broader underlying issues that I did not anticipate would play such a significant role. As a result, I expect many of this study's findings may speak not only to the politics of higher education policymaking, but also to the politics of policymaking in general. The politics of higher education are perhaps not so different from the politics shaping the role of government more broadly: stakeholders and policymakers must wrestle with how to pay for state programs, who



should pay and how they should qualify, and how best to distribute limited resources for the greatest outcome. Politics boils down to the allocation of values and money.

As a consequence of this work, I view the politics of higher education as something that is perhaps less unique to higher education than I anticipated. I believe this study demonstrates that politics affects higher education in many of the ways we expect and acknowledge politics to affect other policy arenas: power, budget constraints, and policymakers' and states' underlying values and ideologies heavily shape the way problems are viewed and which policies are proposed and considered. This conclusion is significant because higher education has traditionally received less political attention than other, more broad-based policy issues, such as public education or healthcare. With growth in higher education enrollment, it seems policies in this arena are increasingly relevant to constituents and therefore to their representatives, making higher education issues more visible and controversial. As Doyle (2007a) and Sabloff (1997) have noted, higher education is becoming increasingly politicized. The dynamics surrounding college affordability illustrate this ongoing shift in higher education as a political issue.

I also conclude this research with a distinct awareness of the interconnectedness among state higher education policies. I selected three independent bills affecting different programs and originally viewed them as separate, unique cases. While they are indeed unique and separate, the issues they address are ultimately intertwined. This realization underscores the importance of acknowledging context and considering the broader landscape when conducting higher education policy research. SB 28 in 2011 dealt with rationing funds for TEXAS Grants, the state's largest financial aid program.

Over time, as the recommended award size for these need-based grants has shrunk in order to support more students, the Legislature has required institutions to use their own resources to provide the balance of TEXAS Grants recipients' tuition and fees. Institutions meet this matching requirement primarily through tuition set-asides. Tuition set-asides were also used to fund the B-On-Time program, which HB 700 in 2015 discontinued due in great part to political opposition to set-asides themselves. Lastly, the Hazlewood program exempts veterans and their dependents from tuition and fees in public higher education. However, the growing number of legacy beneficiaries ultimately places additional financial pressure on institutions to compensate for lost revenue, further limiting the resources they might use to provide need-based financial aid, and increases the cost of tuition for non-Hazlewood students. I am struck that despite the interconnectedness of these policies, participants indicated that policymakers rarely viewed them in concert. I complete this study more acutely aware of the danger posed by looking at one policy in isolation, when in reality any change to one will likely affect the other – potentially producing unintended consequences that hinder, rather than help, the state's avowed interests. None of these policies actually improved college affordability, and their interplay may even compound the cost issue.

### **Future Research**

This study reveals a variety of opportunities for future research on the politics of higher education policymaking. First and foremost, as this work has focused specifically on the political context in Texas during the time period surrounding these bills, other studies should examine how politics shapes policies related to college affordability in

other states. Additional case study research examining how politics shapes policy outcomes in other contexts can illuminate the diverse policy environments affecting higher education across the U.S. The politics surrounding college cost and affordability provide timely, critical issues to examine, and researchers should capitalize on the opportunity to investigate this area in order to contribute both to theory, and to the policymaking process itself. Policy insights and recommendations from higher education scholars can and should play an important role in the policy process.

Subsequent research should also consider how changes in leadership and political capital influence both the broader higher education policy agenda and specific bills addressing higher education. This study has demonstrated that key legislators and elected officials can play a pivotal role in generating support for – or opposition to – higher education policies. Changes in power dynamics and political authority can also create policy windows for legislative changes that previous leadership might not have permitted. Future research should examine other examples of changes in state political leadership and its effects on policy agendas and outcomes for higher education. Investigating these dynamics in other states through single and multi-state case studies can contribute to the emergent and valuable literature on higher education politics. Such research will also equip higher education stakeholders with a deeper understanding of the political forces they must navigate in order to support institutions and students.

This study also points to the need for further research on the role of institutions as legislative constituents and interest groups, and particularly their potential to impact policy outcomes through advocacy, governmental relations, and lobbying efforts. The

cases in this study offer examples of institutions engaging in the policy process – contributing to policy design (SB 28), voicing both concerns and support for financial aid programs (HB 700), and communicating about financial challenges due to legislative mandates (SB 1735). Further research should examine the strategies institutions use to engage most effectively in the policy process; the types of bills and issues in which they most frequently engage, and with the most success; and how these findings vary across states, institution types, and issue areas. In addition, given Texas’s complex higher education landscape comprised of seven public university systems, public institutions unaffiliated with systems, 50 community colleges, and private institutions (Education Commission of the States, 2016), research should also investigate how government relations activity varies across different higher education governance and structural contexts. Studies might examine the contexts and issues most likely to unite or divide institutions and systems, and the postsecondary governance structures that best facilitate effective policy engagements on behalf of institutions and students.

Given the explanatory power of Kingdon’s (1984) multiple streams approach to this study of higher education politics and policymaking in Texas, future higher education policy research should also consider applying this and other frameworks from the field of political science. Sabatier’s (1988) advocacy coalition framework and Baumgartner and Jones’ (1993) punctuated equilibrium theory may also illuminate the role of interest groups, political coalitions, and policy windows. As noted earlier, deeper examination of the political stream may benefit from supplementing MSA with the

contributions of these and other frameworks that focus more specifically on political agendas and changes in the political environment.

### **Concluding Remarks**

This study examined how politics shapes legislation related to college affordability in Texas. Considering three bills affecting three different types of tuition assistance – a need-based grant, forgivable loan, and tuition exemption – I reviewed archival data and conducted stakeholder interviews in order to analyze how policymakers defined the problem of college affordability, why these three bills emerged onto the policy agenda, and how politics shaped their development and outcomes. I found that affordability was largely undefined and politically malleable, that these three bills primarily emerged due to budget constraints rather than concerns over affordability for students, and that politics dominated the lifecycle of each bill through policy entrepreneurs, leadership changes, and electoral politics. While each case offers a valuable and unique illustration of the political forces shaping higher education policymaking, these policies ultimately addressed concerns other than college affordability – despite the declining ability of students and families to finance higher education (Delaney, 2014; Perna & Li, 2006).

The growing state and national discourse over college affordability invokes many questions: *what* it means for college to be affordable; *how* to make college affordable, and for *whom* college is or is not affordable, to name a few. In considering these three bills, their political dynamics, and their policy implications, I suggest in closing that there are two separate, but intertwined debates at hand: whether college is affordable and how

to make it so, and the issue of making college affordable *for whom*. For low-income students; for middle class students? For all students, or for meritorious students? In considering these questions and related policies, researchers, analysts, and higher education stakeholders – myself included – must be mindful of the differences, politics, and interplay between these two debates.

College affordability represents a major national issue that policymakers and higher education leaders must address in substance, not just in rhetoric. Policies addressing college affordability should, in fact, address and improve college affordability – and they must focus on the needs of students and the fiscal challenges facing institutions, not just the needs of the state. I present this study in an effort to contribute to the college affordability discourse by calling attention to the role of politics surrounding this issue, and to demonstrate the need for policies that directly address the needs of students and institutions in order to make college more affordable.

## Appendix A

### Participant Recruitment Email

Subject Line: Dissertation Interview Request

Dear <Title, Last Name>:

I am a Doctoral Candidate in the Department of Educational Administration at the University of Texas at Austin, and my dissertation focuses on the politics surrounding college affordability in Texas. I am studying three financial aid bills considered by the Legislature during the last 5 years: SB 28, 82<sup>nd</sup> Legislature, creating the Texas Grants Priority Model; HB 700, 84<sup>th</sup> Legislature, discontinuing the B-On-Time Loan Program; and SB 1735, 84<sup>th</sup> Legislature, seeking to amend the Hazlewood Legacy Program.

I am conducting interviews with stakeholders who have special insight into one or more of these bills. *<If their name has been suggested by another contact, state that here.>* I would be grateful for the opportunity to speak with you about your perspective. Interviews are approximately 45-60 minutes in length, scheduled at your convenience in March and April 2016, and will be audio-recorded for transcription and analysis. While in-person interviews are preferable, I can also arrange to speak with you by phone.

Your participation in this study is confidential and anonymous; you will be assigned a pseudonym and a general descriptor for the purpose of my findings, and I will make no reference to your name or position. I have attached my study's UT-Austin Institutional Review Board approval letter for more information.

Please reply to this email or contact me by phone at (803) 603-7302 to schedule an interview. Thank you for your efforts on behalf of higher education in Texas. I hope to speak soon.

Best regards,

Anna Drake, M.S.  
Doctoral Candidate  
The University of Texas at Austin  
[annapdrake@austin.utexas.edu](mailto:annapdrake@austin.utexas.edu)  
803.603.7302

## Appendix B

### Interview Protocol

<p><b><i>Warm-Up</i></b></p> <p><i>Introduce myself, background, and briefly describe study – this research examines how politics affects financial aid policy in Texas, specifically studying three bills within the last five years.</i></p> <ol style="list-style-type: none"><li>1. Can you tell me a little bit about your role and work with Texas higher education?</li></ol>
<p><b><i>Policy Context</i></b></p> <ol style="list-style-type: none"><li>2. Can you describe the political climate in Texas over the last decade or so?</li><li>3. What about the political climate surrounding college affordability in Texas?</li><li>4. What role do you think state financial aid plays in promoting college affordability?</li><li>5. To what extent do you think affordability and financial aid are partisan issues?</li><li>6. Who are the key stakeholders and interest groups with a voice in these issues?</li></ol>
<p><b><i>Policy Agenda</i></b></p> <ol style="list-style-type: none"><li>7. What made each of these bills a priority for the Legislature to consider?</li><li>8. Who were the key leaders of these policy initiatives?<ol style="list-style-type: none"><li>a. How did these policies align with their/their constituents' interests?</li></ol></li><li>9. Who were the key critics or opponents of these efforts?<ol style="list-style-type: none"><li>b. How did opposing these policies align with their/their constituents' interests?</li></ol></li></ol>
<p><b><i>Policy Development</i></b></p> <ol style="list-style-type: none"><li>10. What do you recall about the debate over these bills?<ol style="list-style-type: none"><li>c. What were the contentious issues?</li><li>d. What were the key positions/arguments, and from whom?</li></ol></li><li>11. How did each bill change throughout the session?</li><li>12. What strategies did the authors and supporters use to promote each bill?</li><li>13. What strategies did opponents use to counter each bill?</li></ol>
<p><b><i>Policy Outcomes</i></b></p> <ol style="list-style-type: none"><li>14. What role do you think politics played in the outcome of each bill?</li></ol>



15. How might different factors have produced different outcomes?

e. Components of the bills themselves?

f. Factors related to political leadership?

g. Factors related to the broader political and economic environment?

16. Is there anything else you would like to share or that would be helpful for me to know?

## ATLAS.ti Report

### Dissertation

### Codes grouped by Code groups

Report created by Anna Drake on Oct 6, 2016

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#### ◊ CASES

3 Codes:

- **HB 700, B-On-Time Loan Program**

**Groups:**

◊ Cases

**Comment:**

|Related to HB 700 case, addressing the B-On-Time Loan program.

- **SB 28, Texas Grants Priority Model**

**Groups:**

◊ Cases

**Comment:**

|Related to SB 28 case, addressing TEXAS Grants program.

- **SB 1735, Hazlewood Exemption**

**Groups:**

◊ Cases

**Comment:**

|Related to SB 1735 case, addressing Hazlewood Legacy Program.

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#### ◊ EMERGENT THEMES

33 Codes:

- **Anti-Intellectualism**

**Groups:**

◇ Emergent Themes

**Comment:**

Related to or indicating the presence of anti-intellectual forces or factions, critical of higher education as elitist and intangible ideas as unnecessary.

● **Bipartisanship**

**Groups:**

◇ Emergent Themes ◇ RQ1: Problem Definition

**Comment:**

Both sides are concerned about cost, but diverge on why and how to address the issue. Democrats tend to see affordability based on an interest in promoting equity and access, and want to provide more appropriations and aid. Republicans tend to see affordability as a way to ensure cost containment, and want to cut back on funding and see institutions be more efficient.

● **Budget Climate/Constraints**

**Groups:**

◇ Emergent Themes ◇ RQ2: Policy Solutions

**Comment:**

Economic and budget reality of the state, supply and demand - for Texas Grants in particular, the state wasn't able to meet the needs of all eligible students as the population and number of students with financial need grew.

● **Business Mindset**

**Groups:**

◇ Emergent Themes

**Comment:**

Related to or indicating the influence of the business community in Texas politics; viewing higher education as a business enterprise with students as consumers and degrees as products. A view of government focused on return on investment.

● **Coalition Building**

**Groups:**

◇ Emergent Themes

**Comment:**

Related to policy entrepreneurship; intentional efforts to convene a broad group of stakeholders and supporters, particularly around the Texas Grant Priority Model and led by Commissioner Paredes and Senator Zaffirini as a strategy to increase support in the face of Democrat and minority caucus concerns.

● **Commissioner Leadership**

**Groups:**

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

**Comment:**

Comissioner Paredes's interest in expanding the use of "need plus merit" criteria in the state's financial aid programs, in order to increase achievement, outcomes, and reward hard working students.

## ● Conservative Political Paradigm

**Groups:**

⊞ Emergent Themes ⊞ RQ1: Problem Definition

**Comment:**

Texas's ingrained political culture and ideology, critical of taxes, redistribution, and heavily populist and interest in hard work and merit. Increasing right-wing conservatism since the 1990s and political competition, showboating, and emulation of Rick Perry and Ted Cruz. Increasing influence of the Tea Party, particularly on social issues.

## ● Cost of Higher Education

**Groups:**

⊞ Emergent Themes

**Comment:**

Pertaining to cost changes, drivers of cost increases, and views of the cost of public higher education.

## ● Defining Affordability

**Groups:**

⊞ Emergent Themes ⊞ RQ1: Problem Definition

**Comment:**

Policymakers have not defined what it means for college to be affordable - although they hav established affordability as a broad issue of concern affecting state and students. Malleability of the term enables defining and manipulating the issue to serve political interests. Affordability is part of a bigger debate in which cost and inefficiency in higher education are symptoms and weapons in a larger attack on higher education.

## ● Economy and Demography

**Groups:**

⊞ Emergent Themes ⊞ Literature Review ⊞ RQ2: Policy Solutions

**Comment:**

The state's population growth, particularly among nonwhite students and many with greater financial need, and the ways this affects the state budget and higher education pipeline.

## ● **Fingerpointing**

### **Groups:**

◇ Emergent Themes

### **Comment:**

Legislature unwilling to take responsibility for funding levels, institutions blaming legislature for lack of funding, coordinating board “stuck in between.” Institutions seen as hypocritical for raising tuition and expanding campuses, administrative bloat. Skepticism and impatience from the legislature, disillusionment with legislature from institutions for inability to understand and respond to their needs. Lack of owning on the cost issue from all sides.

## ● **Graduation Outcomes**

### **Groups:**

◇ Emergent Themes ◇ RQ2: Policy Solutions

### **Comment:**

Concern for the state’s return on investment and the extent to which students receiving state aid (and state subsidies through appropriations to offset tuition) are graduating in a timely manner and entering the workforce to contribute to the economy.

## ● **Influence of Veteran Lobby**

### **Groups:**

◇ Emergent Themes

### **Comment:**

Aversion to taking anything away from veterans or voting against veterans’ rights or benefits. Closely connected to conservative political paradigm.

## ● **Institutional Concerns**

### **Groups:**

◇ Emergent Themes ◇ RQ2: Policy Solutions

### **Comment:**

For B on Time, institutions unable to maximize the program because of federal limitations on promotion of the program as a private loan. For Hazlewood, concerns about the burgeoning cost and the state’s unfunded mandate that they absorb the cost of veteran students and legacy. For Texas Grants, concern that metrics would prevent individual institutions from receiving aid for their students depending on their campus composition.

## ● **Institutions as Interest Groups**

### **Groups:**

◇ Emergent Themes

### **Comment:**

Related to institutional concerns; institutions' voicing of their concerns and the Legislature's response to institutions as a constituency and interest group. Institutions' ability, or inability, to speak collectively for broader impact on state policy.

### ● **Lack of Advocacy**

**Groups:**

🔍 Emergent Themes

**Comment:**

Bill or policy idea lacking support, due to factors such as change in political leadership or environment; for HB 700 in particular, Zaffirini and Dewhurst's transitions out of power leaving the BOT program without an influential ally.

### ● **Leadership Changes**

**Groups:**

🔍 Emergent Themes 🔍 RQ2: Policy Solutions

**Comment:**

Elections, transitions, and the resulting shifts in priorities and agendas related to higher education. At the governor level, Perry to Abbott; and the lieutenant governor level, Dewhurst to Patrick. A role reversal in many ways for higher education, moving from a more conservative governor and more moderate lieutenant governor, to the opposite - a more moderate governor and tea party lieutenant governor. These elected officials appoint committee chairs and therefore heavily shape the policy agenda around key issues.

Merged comment from Past Political Leadership on 8/8/16, 11:47 AM

The influence of past political leaders, primarily elected officials, who created certain programs - such as B-On-Time and the Hazlewood Legacy benefit - but left power and are no longer in a position to advocate for or defend their programs, potentially leaving those programs disadvantaged when bills affecting them are on the table.

### ● **Limitations on Promotion**

**Groups:**

🔍 Emergent Themes 🔍 RQ2: Policy Solutions

**Comment:**

For B-On-Time, institutions were unable to promote the program to students because of federal regulations that categorized it as a private loan and required them to meet preferred lender requirements. These limitations undermined the program's utilization.

### ● **Misinformation/Ignorance**

**Groups:**

🔍 Emergent Themes 🔍 RQ2: Policy Solutions

**Comment:**

Incorrect information, misunderstanding, lack of understanding or blatant ignorance, and poor communication - resulting in some cases in poor management of programs or

policies. For B-On-Time, a misunderstanding about how the program was funded; for Hazlewood, inaccurate and incomplete data projections on the program's utilization and budgetary impact on institutions.

### ● **Mistrust/Skepticism of Higher Education**

**Groups:**

⊞ Emergent Themes ⊞ RQ1: Problem Definition

**Comment:**

The legislature (and other groups') skepticism of higher education's fiscal responsibility, efficiency, outcomes, and transparency. A low point in trust of higher education by the legislature and public. Sentiment that funding higher education was not well spent, and therefore not a good use of state funds.

### ● **Need for Financial Flexibility**

**Groups:**

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

**Comment:**

Institutions' interest in greater financial flexibility due to budget pressures from Hazlewood exemptions, Texas Grants' requirement that aid offices make up the difference between state funding of the program and students' cost of attendance, and the growing need of students and cost of higher education. Need for flexibility influenced institutions' positions on aid programs, criteria, and end of the B-On-Time program.

### ● **Partisan Ideological Differences**

**Groups:**

⊞ Emergent Themes

**Comment:**

Shared interest in affordability, but more party-line views on higher education's role and the state's role in it. Greater republican interest in merit and workforce outcomes, and democratic interest in need and access. Republicans may tend to view higher education opportunity as more naturally equitable based on hard work, while democrats may be more likely to see opportunity as related to class and race and inequitable based on those factors.

### ● **Political Manipulation**

**Groups:**

⊞ Emergent Themes

**Comment:**

Political leaders' manipulation of data, issues, rhetoric, and other opportunities in order to advance their own agendas. Closely related to Kingdon's definition of the political stream and elected officials' manipulation of situations for their interests. For affordability, the lack of a clear definition for this term allows politicians to define it in the

way that best serves their agents. The democrats also leveraged the Hazlewood issue to advance their position on veterans.

## ● Program Equity/Inequity

### Groups:

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

### Comment:

Concerns about the inequitable utilization and distribution of benefits related to higher education aid and exemption programs. For Texas Grants, concerns that the priority model would disadvantage students of color; for B-On-Time, concerns that the program was unequally distributed and involved cross-subsidization across campuses; and for Hazlewood, campuses with larger veteran populations were required to absorb greater costs.

## ● Program Utilization

### Groups:

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

### Comment:

Utilization of aid programs by students and institutions, related to return on investment and the state's interest in efficient use of resources, graduation rates, and workforce outcomes. For B-On-Time, difficulty accessing the program due to promotion regulations, and also unequal utilization across campuses due to student body characteristics. For Hazlewood, dramatic increase in utilization, particularly on some campuses with higher veteran communities.

## ● Role of Financial Aid

### Groups:

⊞ Emergent Themes

### Comment:

The role of financial aid in addressing affordability concerns and the relationship(s) between and among appropriations, tuition, and aid. Ideological and party views of financial aid priorities and how the state should fund them.

## ● Role of Higher Education

### Groups:

⊞ Emergent Themes

### Comment:

How the state and different stakeholders understand the role of public higher education in relation to students, the workforce, and taxpayers.

## ● Student Aid Eligibility Metrics



**Groups:**

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

**Comment:**

The metrics and criteria affecting eligibility for aid programs. For Texas Grants, the priority model debate involved fine-tuning these metrics so they were not seen to disadvantage lower-income and minority students. Due to budget constraints, changing metrics also allowed the state to claim to fund more of the students who qualified for aid.

● **Tea Party Influence**

**Groups:**

⊞ Emergent Themes

**Comment:**

Related to the influence of the ultraconservative Tea Party in Texas and their political rhetoric, particularly around social issues.

● **Timing**

**Groups:**

⊞ Emergent Themes

**Comment:**

The influence of timing on bill development and outcomes. For Hazlewood, the House had time to mobilize after the Senate voted, and the bill was scheduled for a vote on Memorial Day; for B-On-Time, the bill was heard later in the session, which may have increased its momentum and limited debate.

● **Tuition Setasides**

**Groups:**

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

**Comment:**

Political campaign against tuition setasides, led by the Lieutenant Governor. Related to the state's conservative political culture and aversion to taxes and redistribution. Setasides funded the B-On-Time program and made the program a political target as part of a larger policy issue.

● **Use of Data**

**Groups:**

⊞ Emergent Themes

**Comment:**

Use of data and research to inform decisions and the manipulation of that data to serve political or policy agendas.

● **Workforce Emphasis**

**Groups:**

◇ Emergent Themes ◇ RQ1: Problem Definition

**Comment:**

Higher education and affordability seen as primarily about the economy; legislators concerned about money and the budget and think in terms of return on investment. 60x30 state higher education plan and its focus on workforce outcomes. Business-minded view of higher education with students as consumers and degrees as products for workforce. Higher education's engagement with this view and use of its rhetoric in order to increase funding and speak in a way the legislature understands.

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## ◇ LITERATURE REVIEW

**9 Codes:**

- **Economy and Demography**

**Groups:**

◇ Emergent Themes ◇ Literature Review ◇ RQ2: Policy Solutions

**Comment:**

The state's population growth, particularly among nonwhite students and many with greater financial need, and the ways this affects the state budget and higher education pipeline.

- **Elected Officials**

**Groups:**

◇ Literature Review ◇ RQ3: Political Influence

**Comment:**

The role and influence of elected officials in shaping higher education policy.

- **Electoral Politics**

**Groups:**

◇ Literature Review ◇ RQ3: Political Influence

**Comment:**

Politicians' sensitivity to constituents, interest groups, and competition due to their interest in securing re-election; the effects this sensitivity may have on their statements, behaviors, and policy decisions.

- **Governance Structure**

**Groups:**

◇ Literature Review

**Comment:**

The structure of state higher education governance and other related state agencies, and the influence of these structural characteristics on higher education policymaking and politics.

### ● Interest Groups

**Groups:**

◇ Literature Review ◇ RQ3: Political Influence

**Comment:**

Role and influence of interest groups in relation to legislators and their policy priorities; participation of these groups in the policy and political process.

### ● Policy Entrepreneurs

**Groups:**

◇ Literature Review ◇ RQ3: Political Influence ◇ Theoretical Framework

**Comment:**

Based on Kingdon's framework, "advocates for proposals or for the prominence of an idea" who are adept at manipulating the policy, problem, and political streams in order to bring their ideas to fruition.

### ● Political Culture

**Groups:**

◇ Literature Review ◇ RQ3: Political Influence

**Comment:**

The state's values, traditions, and ideological undercurrents and context, and how these dynamics may influence politics and policy.

### ● Political Party

**Groups:**

◇ Literature Review ◇ RQ3: Political Influence

**Comment:**

Political party and partisanship; how these identities and ideologies influence views on higher education and shape the outcomes of the case bills.

### ● Political Stream

**Groups:**

◇ Literature Review ◇ RQ3: Political Influence ◇ Theoretical Framework

**Comment:**

Based on Kingdon's framework, "such things as public mood, pressure group campaigns, election results, partisan or ideological distributions in Congress, and changes of administration...politicians' attention to voter reactions, their skewering of

members of the opposite political party, and their efforts to obtain the support of important interest group leaders..."

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## ◇ RQ1: PROBLEM DEFINITION

6 Codes:

### ● **Bipartisanship**

**Groups:**

◇ Emergent Themes ◇ RQ1: Problem Definition

**Comment:**

Both sides are concerned about cost, but diverge on why and how to address the issue. Democrats tend to see affordability based on an interest in promoting equity and access, and want to provide more appropriations and aid. Republicans tend to see affordability as a way to ensure cost containment, and want to cut back on funding and see institutions be more efficient.

### ● **Conservative Political Paradigm**

**Groups:**

◇ Emergent Themes ◇ RQ1: Problem Definition

**Comment:**

Texas's ingrained political culture and ideology, critical of taxes, redistribution, and heavily populist and interest in hard work and merit. Increasing right-wing conservatism since the 1990s and political competition, showboating, and emulation of Rick Perry and Ted Cruz. Increasing influence of the Tea Party, particularly on social issues.

### ● **Defining Affordability**

**Groups:**

◇ Emergent Themes ◇ RQ1: Problem Definition

**Comment:**

Policymakers have not defined what it means for college to be affordable - although they have established affordability as a broad issue of concern affecting state and students. Malleability of the term enables defining and manipulating the issue to serve political interests. Affordability is part of a bigger debate in which cost and inefficiency in higher education are symptoms and weapons in a larger attack on higher education.

### ● **Mistrust/Skepticism of Higher Education**

**Groups:**

◇ Emergent Themes ◇ RQ1: Problem Definition

**Comment:**

The legislature (and other groups') skepticism of higher education's fiscal responsibility, efficiency, outcomes, and transparency. A low point in trust of higher education by the

legislature and public. Sentiment that funding higher education was not well spent, and therefore not a good use of state funds.

### ● **Problem Stream**

**Groups:**

◇ RQ1: Problem Definition ◇ Theoretical Framework

**Comment:**

Problems are changes in indicators that rise to the surface through focusing events or information; they become problems when policymakers decide it is necessary to do something about them.

### ● **Workforce Emphasis**

**Groups:**

◇ Emergent Themes ◇ RQ1: Problem Definition

**Comment:**

Higher education and affordability seen as primarily about the economy; legislators concerned about money and the budget and think in terms of return on investment. 60x30 state higher education plan and its focus on workforce outcomes. Business-minded view of higher education with students as consumers and degrees as products for workforce. Higher education's engagement with this view and use of its rhetoric in order to increase funding and speak in a way the legislature understands.

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## ◇ **RQ2: POLICY SOLUTIONS**

**14 Codes:**

### ● **Budget Climate/Constraints**

**Groups:**

◇ Emergent Themes ◇ RQ2: Policy Solutions

**Comment:**

Economic and budget reality of the state, supply and demand - for Texas Grants in particular, the state wasn't able to meet the needs of all eligible students as the population and number of students with financial need grew.

### ● **Commissioner Leadership**

**Groups:**

◇ Emergent Themes ◇ RQ2: Policy Solutions

**Comment:**

Commissioner Paredes's interest in expanding the use of "need plus merit" criteria in the state's financial aid programs, in order to increase achievement, outcomes, and reward hard working students.

## ● Economy and Demography

### Groups:

📦 Emergent Themes 📦 Literature Review 📦 RQ2: Policy Solutions

### Comment:

The state's population growth, particularly among nonwhite students and many with greater financial need, and the ways this affects the state budget and higher education pipeline.

## ● Graduation Outcomes

### Groups:

📦 Emergent Themes 📦 RQ2: Policy Solutions

### Comment:

Concern for the state's return on investment and the extent to which students receiving state aid (and state subsidies through appropriations to offset tuition) are graduating in a timely manner and entering the workforce to contribute to the economy.

## ● Institutional Concerns

### Groups:

📦 Emergent Themes 📦 RQ2: Policy Solutions

### Comment:

For B on Time, institutions unable to maximize the program because of federal limitations on promotion of the program as a private loan. For Hazlewood, concerns about the burgeoning cost and the state's unfunded mandate that they absorb the cost of veteran students and legacy. For Texas Grants, concern that metrics would prevent individual institutions from receiving aid for their students depending on their campus composition.

## ● Leadership Changes

### Groups:

📦 Emergent Themes 📦 RQ2: Policy Solutions

### Comment:

Elections, transitions, and the resulting shifts in priorities and agendas related to higher education. At the governor level, Perry to Abbott; and the lieutenant governor level, Dewhurst to Patrick. A role reversal in many ways for higher education, moving from a more conservative governor and more moderate lieutenant governor, to the opposite - a more moderate governor and tea party lieutenant governor. These elected officials appoint committee chairs and therefore heavily shape the policy agenda around key issues.

Merged comment from Past Political Leadership on 8/8/16, 11:47 AM

The influence of past political leaders, primarily elected officials, who created certain programs - such as B-On-Time and the Hazlewood Legacy benefit - but left power and are no longer in a position to advocate for or defend their programs, potentially leaving those programs disadvantaged when bills affecting them are on the table.

## ● Limitations on Promotion

### Groups:

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

### Comment:

For B-On-Time, institutions were unable to promote the program to students because of federal regulations that categorized it as a private loan and required them to meet preferred lender requirements. These limitations undermined the program's utilization.

## ● Misinformation/Ignorance

### Groups:

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

### Comment:

Incorrect information, misunderstanding, lack of understanding or blatant ignorance, and poor communication - resulting in some cases in poor management of programs or policies. For B-On-Time, a misunderstanding about how the program was funded; for Hazlewood, inaccurate and incomplete data projections on the program's utilization and budgetary impact on institutions.

## ● Need for Financial Flexibility

### Groups:

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

### Comment:

Institutions' interest in greater financial flexibility due to budget pressures from Hazlewood exemptions, Texas Grants' requirement that aid offices make up the difference between state funding of the program and students' cost of attendance, and the growing need of students and cost of higher education. Need for flexibility influenced institutions' positions on aid programs, criteria, and end of the B-On-Time program.

## ● Policy Stream

### Groups:

⊞ RQ2: Policy Solutions ⊞ Theoretical Framework

### Comment:

Based on Kingdon's framework, the stream of policies developing independently and interactively in relation to the political and problem streams; the evolution of these policies and their relationship to problems and politics.

## ● Program Equity/Inequity

### Groups:

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

### Comment:

Concerns about the inequitable utilization and distribution of benefits related to higher education aid and exemption programs. For Texas Grants, concerns that the priority model would disadvantage students of color; for B-On-Time, concerns that the program was unequally distributed and involved cross-subsidization across campuses; and for Hazlewood, campuses with larger veteran populations were required to absorb greater costs.

### ● Program Utilization

**Groups:**

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

**Comment:**

Utilization of aid programs by students and institutions, related to return on investment and the state's interest in efficient use of resources, graduation rates, and workforce outcomes. For B-On-Time, difficulty accessing the program due to promotion regulations, and also unequal utilization across campuses due to student body characteristics. For Hazlewood, dramatic increase in utilization, particularly on some campuses with higher veteran communities.

### ● Student Aid Eligibility Metrics

**Groups:**

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

**Comment:**

The metrics and criteria affecting eligibility for aid programs. For Texas Grants, the priority model debate involved fine-tuning these metrics so they were not seen to disadvantage lower-income and minority students. Due to budget constraints, changing metrics also allowed the state to claim to fund more of the students who qualified for aid.

### ● Tuition Setasides

**Groups:**

⊞ Emergent Themes ⊞ RQ2: Policy Solutions

**Comment:**

Political campaign against tuition setasides, led by the Lieutenant Governor. Related to the state's conservative political culture and aversion to taxes and redistribution. Setasides funded the B-On-Time program and made the program a political target as part of a larger policy issue.

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## ⊞ RQ3: POLITICAL INFLUENCE

**8 Codes:**

### ● Elected Officials

**Groups:**

⊞ Literature Review ⊞ RQ3: Political Influence



**Comment:**

The role and influence of elected officials in shaping higher education policy.

● **Electoral Politics**

**Groups:**

◇ Literature Review ◇ RQ3: Political Influence

**Comment:**

Politicians' sensitivity to constituents, interest groups, and competition due to their interest in securing re-election; the effects this sensitivity may have on their statements, behaviors, and policy decisions.

● **Interest Groups**

**Groups:**

◇ Literature Review ◇ RQ3: Political Influence

**Comment:**

Role and influence of interest groups in relation to legislators and their policy priorities; participation of these groups in the policy and political process.

● **Policy Entrepreneurs**

**Groups:**

◇ Literature Review ◇ RQ3: Political Influence ◇ Theoretical Framework

**Comment:**

Based on Kingdon's framework, "advocates for proposals or for the prominence of an idea" who are adept at manipulating the policy, problem, and political streams in order to bring their ideas to fruition.

● **Policy Windows**

**Groups:**

◇ RQ3: Political Influence ◇ Theoretical Framework

**Comment:**

Based on Kingdon's framework, opportunities for policy change that arise as a result of shifts in the political stream, events in the environment, or new information drawing attention to a problem.

● **Political Culture**

**Groups:**

◇ Literature Review ◇ RQ3: Political Influence

**Comment:**

The state's values, traditions, and ideological undercurrents and context, and how these dynamics may influence politics and policy.

## ● Political Party

### Groups:

◇ Literature Review ◇ RQ3: Political Influence

### Comment:

Political party and partisanship; how these identities and ideologies influence views on higher education and shape the outcomes of the case bills.

## ● Political Stream

### Groups:

◇ Literature Review ◇ RQ3: Political Influence ◇ Theoretical Framework

### Comment:

Based on Kingdon's framework, "such things as public mood, pressure group campaigns, election results, partisan or ideological distributions in Congress, and changes of administration...politicians' attention to voter reactions, their skewering of members of the opposite political party, and their efforts to obtain the support of important interest group leaders..."

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## ◇ THEORETICAL FRAMEWORK

### 5 Codes:

## ● Policy Entrepreneurs

### Groups:

◇ Literature Review ◇ RQ3: Political Influence ◇ Theoretical Framework

### Comment:

Based on Kingdon's framework, "advocates for proposals or for the prominence of an idea" who are adept at manipulating the policy, problem, and political streams in order to bring their ideas to fruition.

## ● Policy Stream

### Groups:

◇ RQ2: Policy Solutions ◇ Theoretical Framework

### Comment:

Based on Kingdon's framework, the stream of policies developing independently and interactively in relation to the political and problem streams; the evolution of these policies and their relationship to problems and politics.

## ● Policy Windows

### Groups:

◇ RQ3: Political Influence ◇ Theoretical Framework

### Comment:

Based on Kingdon's framework, opportunities for policy change that arise as a result of shifts in the political stream, events in the environment, or new information drawing attention to a problem.

### ● **Political Stream**

**Groups:**

ⓧ Literature Review ⓧ RQ3: Political Influence ⓧ Theoretical Framework

**Comment:**

Based on Kingdon's framework, "such things as public mood, pressure group campaigns, election results, partisan or ideological distributions in Congress, and changes of administration...politicians' attention to voter reactions, their skewering of members of the opposite political party, and their efforts to obtain the support of important interest group leaders..."

### ● **Problem Stream**

**Groups:**

ⓧ RQ1: Problem Definition ⓧ Theoretical Framework

**Comment:**

Problems are changes in indicators that rise to the surface through focusing events or information; they become problems when policymakers decide it is necessary to do something about them.

## Appendix D

### Code Frequency

Code Name	Groundedness	Density	Groups	Code Description
Political Stream	327	4	3	Based on Kingdon's framework, "such things as public mood, pressure group campaigns, election results, partisan or ideological distributions in Congress, and changes of administration...politicians' attention to voter reactions, their skewering of members of the opposite political party, and their efforts to obtain the support of important interest group leaders..."
SB 1735, Hazlewood Exemption	278	1	1	Related to SB 1735 case, addressing Hazlewood Legacy Program.
Cost of Higher Education	261	1	1	Pertaining to cost changes, drivers of cost increases, and views of the cost of public higher education.
SB 28, Texas Grants Priority Model	182	1	1	Related to SB 28 case, addressing TEXAS Grants program.

Elected Officials	181	0	2	The role and influence of elected officials in shaping higher education policy.
Budget Climate/Constraints	173	0	2	Economic and budget reality of the state, supply and demand - for Texas Grants in particular, the state wasn't able to meet the needs of all eligible students as the population and number of students with financial need grew.
HB 700, B-On-Time Loan Program	171	1	1	Related to HB 700 case, addressing the B-On-Time Loan program.
Role of Financial Aid	158	0	1	The role of financial aid in addressing affordability concerns and the relationship(s) between and among appropriations, tuition, and aid. Ideological and party views of financial aid priorities and how the state should fund them.
Political Party	136	2	2	Political party and partisanship; how these identities and ideologies influence views on higher education and shape the outcomes of the case bills.
Program Equity/Inequity	125	0	2	Concerns about the inequitable utilization and distribution of benefits related to higher education aid and exemption

				programs. For Texas Grants, concerns that the priority model would disadvantage students of color; for B-On-Time, concerns that the program was unequally distributed and involved cross-subsidization across campuses; and for Hazlewood, campuses with larger veteran populations were required to absorb greater costs.
Role of Higher Education	124	0	1	How the state and different stakeholders understand the role of public higher education in relation to students, the workforce, and taxpayers.
Student Aid Eligibility Metrics	112	0	2	The metrics and criteria affecting eligibility for aid programs. For Texas Grants, the priority model debate involved fine-tuning these metrics so they were not seen to disadvantage lower-income and minority students. Due to budget constraints, changing metrics also allowed the state to claim to fund more of the students who qualified for aid.
Political Culture	104	1	2	The state's values, traditions, and ideological undercurrents and context, and how these dynamics may influence politics and policy.
Interest Groups	98	1	2	Role and influence of interest groups in relation to legislators and their policy priorities; participation of these groups in the policy and political process.

Leadership Changes	97	0	2	Elections, transitions, and the resulting shifts in priorities and agendas related to higher education. At the governor level, Perry to Abbott; and the lieutenant governor level, Dewhurst to Patrick. A role reversal in many ways for higher education, moving from a more conservative governor and more moderate lieutenant governor, to the opposite - a more moderate governor and tea party lieutenant governor. These elected officials appoint committee chairs and therefore heavily shape the policy agenda around key issues. Merged comment from Past Political Leadership on 8/8/16, 11:47 AM The influence of past political leaders, primarily elected officials, who created certain programs - such as B-On-Time and the Hazlewood Legacy benefit - but left power and are no longer in a position to advocate for or defend their programs, potentially leaving those programs disadvantaged when bills affecting them are on the table.
Problem Stream	97	2	2	Problems are changes in indicators that rise to the surface through focusing events or information; they become problems when policymakers decide it is necessary to do something about them.
Conservative Political Paradigm	95	0	2	Texas's ingrained political culture and ideology, critical of taxes, redistribution, and heavily populist and interest in hard work and merit. Increasing right-wing

				conservatism since the 1990s and political competition, showboating, and emulation of Rick Perry and Ted Cruz. Increasing influence of the Tea Party, particularly on social issues.
Influence of Veteran Lobby	95	0	1	Aversion to taking anything away from veterans or voting against veterans' rights or benefits. Closely connected to conservative political paradigm.
Electoral Politics	94	1	2	Politicians' sensitivity to constituents, interest groups, and competition due to their interest in securing re-election; the effects this sensitivity may have on their statements, behaviors, and policy decisions.
Graduation Outcomes	84	0	2	Concern for the state's return on investment and the extent to which students receiving state aid (and state subsidies through appropriations to offset tuition) are graduating in a timely manner and entering the workforce to contribute to the economy.
Governance Structure	77	0	1	The structure of state higher education governance and other related state agencies, and the influence of these structural characteristics on higher education policymaking and politics.



Policy Stream	76	3	2	Based on Kingdon's framework, the stream of policies developing independently and interactively in relation to the political and problem streams; the evolution of these policies and their relationship to problems and politics.
Political Manipulation	74	0	1	Political leaders' manipulation of data, issues, rhetoric, and other opportunities in order to advance their own agendas. Closely related to Kingdon's definition of the political stream and elected officials' manipulation of situations for their interests. For affordability, the lack of a clear definition for this term allows politicians to define it in the way that best serves their agents. The democrats also leveraged the Hazlewood issue to advance their position on veterans.

Misinformation/Ignorance	72	0	2	Incorrect information, misunderstanding, lack of understanding or blatant ignorance, and poor communication - resulting in some cases in poor management of programs or policies. For B-On-Time, a misunderstanding about how the program was funded; for Hazlewood, inaccurate and incomplete data projections on the program's utilization and budgetary impact on institutions.
Mistrust/Skepticism of Higher Education	70	0	2	The legislature (and other groups') skepticism of higher education's fiscal responsibility, efficiency, outcomes, and transparency. A low point in trust of higher education by the legislature and public. Sentiment that funding higher education was not well spent, and therefore not a good use of state funds.
Institutional Concerns	69	0	2	For B on Time, institutions unable to maximize the program because of federal limitations on promotion of the program as a private loan. For Hazlewood, concerns about the burgeoning cost and the state's unfunded mandate that they absorb the cost of veteran students and legacy. For Texas Grants, concern that metrics would prevent individual institutions from receiving aid for their students depending on their campus composition.

Business Mindset	68	0	1	Related to or indicating the influence of the business community in Texas politics; viewing higher education as a business enterprise with students as consumers and degrees as products. A view of government focused on return on investment.
Fingerpointing	66	0	1	Legislature unwilling to take responsibility for funding levels, institutions blaming legislature for lack of funding, coordinating board "stuck in between." Institutions seen as hypocritical for raising tuition and expanding campuses, administrative bloat. Skepticism and impatience from the legislature, disillusionment with legislature from institutions for inability to understand and respond to their needs. Lack of owning on the cost issue from all sides.
Defining Affordability	65	0	2	Policymakers have not defined what it means for college to be affordable - although they have established affordability as a broad issue of concern affecting state and students. Malleability of the term enables defining and manipulating the issue to serve political interests. Affordability is part of a bigger debate in which cost and inefficiency in higher education are symptoms and weapons in a larger attack on higher education.

Tuition Setasides	61	1	2	Political campaign against tuition setasides, led by the Lieutenant Governor. Related to the state's conservative political culture and aversion to taxes and redistribution. Setasides funded the B-On-Time program and made the program a political target as part of a larger policy issue.
Partisan Ideological Differences	58	1	1	Shared interest in affordability, but more party-line views on higher education's role and the state's role in it. Greater republican interest in merit and workforce outcomes, and democratic interest in need and access. Republicans may tend to view higher education opportunity as more naturally equitable based on hard work, while democrats may be more likely to see opportunity as related to class and race and inequitable based on those factors.
Tea Party Influence	58	0	1	Related to the influence of the ultraconservative Tea Party in Texas and their political rhetoric, particularly around social issues.
Institutions as Interest Groups	53	0	1	Related to institutional concerns; institutions' voicing of their concerns and the Legislature's response to institutions as a constituency and interest group. Institutions' ability, or inability, to speak

				collectively for broader impact on state policy.
Bipartisanship	51	0	2	Both sides are concerned about cost, but diverge on why and how to address the issue. Democrats tend to see affordability based on an interest in promoting equity and access, and want to provide more appropriations and aid. Republicans tend to see affordability as a way to ensure cost containment, and want to cut back on funding and see institutions be more efficient.
Policy Entrepreneurs	50	0	3	Based on Kingdon's framework, "advocates for proposals or for the prominence of an idea" who are adept at manipulating the policy, problem, and political streams in order to bring their ideas to fruition.
Program Utilization	46	0	2	Utilization of aid programs by students and institutions, related to return on investment and the state's interest in efficient use of resources, graduation rates, and workforce outcomes. For B-On-Time, difficulty accessing the program due to promotion regulations, and also unequal utilization across campuses due to student body characteristics. For Hazlewood, dramatic increase in utilization, particularly on some campuses with higher veteran communities.

Coalition Building	45	0	1	Related to policy entrepreneurship; intentional efforts to convene a broad group of stakeholders and supporters, particularly around the Texas Grant Priority Model and led by Commissioner Paredes and Senator Zaffirini as a strategy to increase support in the face of Democrat and minority caucus concerns.
Economy and Demography	41	0	3	The state's population growth, particularly among nonwhite students and many with greater financial need, and the ways this affects the state budget and higher education pipeline.
Anti-Intellectualism	40	0	1	Related to or indicating the presence of anti-intellectual forces or factions, critical of higher education as elitist and intangible ideas as unnecessary.
Workforce Emphasis	40	0	2	Higher education and affordability seen as primarily about the economy; legislators concerned about money and the budget and think in terms of return on investment. 60x30 state higher education plan and its focus on workforce outcomes. Business-minded view of higher education with students as consumers and degrees as products for workforce. Higher education's engagement with this view and use of its rhetoric in order to increase funding and speak in a way the legislature understands.
Commissioner Leadership	35	0	2	Comissioner Paredes's interest in expanding the use of "need plus merit"

				criteria in the state's financial aid programs, in order to increase achievement, outcomes, and reward hard working students.
Use of Data	33	0	1	Use of data and research to inform decisions and the manipulation of that data to serve political or policy agendas.
Policy Windows	26	0	2	Based on Kingdon's framework, opportunities for policy change that arise as a result of shifts in the political stream, events in the environment, or new information drawing attention to a problem.
Lack of Advocacy	19	0	1	Bill or policy idea lacking support, due to factors such as change in political leadership or environment; for HB 700 in particular, Zaffirini and Dewhurst's transitions out of power leaving the BOT program without an influential ally.
Timing	17	0	1	The influence of timing on bill development and outcomes. For Hazlewood, the House had time to mobilize after the Senate voted, and the bill was scheduled for a vote on Memorial Day; for B-On-Time, the bill was heard later in the session, which may have increased its momentum and limited debate.
Need for Financial Flexibility	16	0	2	Institutions' interest in greater financial flexibility due to budget pressures from Hazlewood exemptions, Texas Grants' requirement that aid offices make up the difference

				between state funding of the program and students' cost of attendance, and the growing need of students and cost of higher education. Need for flexibility influenced institutions' positions on aid programs, criteria, and end of the B-On-Time program.
Limitations on Promotion	14	0	2	For B-On-Time, institutions were unable to promote the program to students because of federal regulations that categorized it as a private loan and required them to meet preferred lender requirements. These limitations undermined the program's utilization.

**Groundedness** = The number of quotations connected to a code, or the number of applications of a code

**Density** = The number of codes linked to a code

**Groups** = The number of groups to which a code is linked



## Appendix E

### Interview Participants

#	Descriptor/Category	#	Descriptor/Category
1	Media Relations	26	Financial Aid Leader
2	Government Relations Staff Member	27	Policy Advisor
3	State Agency Staff Member	28	Advocacy Organization Staff Member
4	Legislative Staffer	29	Government Relations Staff Member
5	State Agency Staff Member	30	Legislative Staffer
6	Advocacy Organization Staff Member	31	Higher Education Leader
7	Financial Aid Leader	32	Higher Education Leader
8	Policy Advisor	33	Advocacy Organization Staff Member
9	Media Relations	34	Advocacy Organization Staff Member
10	Media Relations	35	Elected Official
11	Legislative Staffer	36	Government Relations Staff Member
12	State Official	37	Advocacy Organization Staff Member
13	Legislative Staffer	38	Elected Official
14	State Agency Staff Member	39	Government Relations Staff Member
15	State Agency Staff Member	40	Advocacy Organization Staff Member
16	Legislative Staffer	41	Legislative Staffer
17	Advocacy Organization Staff Member	42	Elected Official
18	State Agency Staff Member	43	Advocacy Organization Staff Member
19	Legislative Staffer	44	Elected Official
20	Financial Aid Leader	45	Elected Official
21	Legislative Staffer	46	Financial Aid Leader
22	Elected Official	47	Legislative Staffer
23	Higher Education Leader	48	Elected Official
24	Higher Education Leader	49	Advocacy Organization Staff Member
25	State Agency Staff Member	50	Advocacy Organization Staff Member

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