Allocating Higher-Education Stimulus Funds in New Jersey: A Multiple-Streams Case Study

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Available at: https://uknowledge.uky.edu/kjhepp/vol2/iss2/2
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INTRODUCTION

In early 2009, with President Obama in his first 100 days in office, the American Recovery and Reinvestment Act (ARRA) injected $787 billion into the American economy to combat the effects of the Great Recession (Stolberg & Nagourney, 2009). Within the ARRA, the State Fiscal Stabilization Fund (SFSF) provided $48.3 billion to states to support K-12 and higher education. Each state’s allocation was based on its population (ARRA, §§ 14001-14002). Many states, like Kentucky, provided a portion of their state’s SFSF funds directly to public institutions of higher education (Alessi, 2009). In New Jersey, however, Governor Jon Corzine (2009) provided only state-backed financial-aid programs—not institutions themselves—with ARRA funds in his proposed fiscal year 2010 budget. Advocacy by public colleges and universities, higher education associations, and faculty unions during deliberations in the spring of 2009 resulted in New Jersey’s final fiscal year 2010 budget providing $39.6 million of federal stimulus funds to public college and universities.

How did this reallocation of federal stimulus funds occur in New Jersey? The purpose of this study is to understand the forces that effected this change and how the decision was made to support public colleges and universities with ARRA funds. This study uses Kingdon’s (2003) multiple-streams framework to explain agenda-setting within a state government’s budget-making process.

THEORETICAL FRAMEWORK: KINGDON’S AGENDA-SETTING THEORY

This paper uses the multiple-streams framework (Kingdon, 2003) to explain agenda-setting within a state government’s budget-making process. Kingdon (2003) adapted the garbage can model developed by Cohen, March, and Olsen (1972) to understand certain organizations. The garbage can model of choice describes decision making in “organized anarchies” like universities, which feature problematic preferences, unclear technology, and fluid participation. Running through such organizations are four streams: problems, solutions, participants, and choice opportunities. The streams are unrelated, causing the organization to be “a collection of choices looking for problems, issues and feelings looking for decision situations in which they might be aired, solutions

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looking for issues to which they might be the answer, and decision makers looking for work” (Cohen, March, & Olsen, 1972, p. 2).

Kingdon (2003) applied the garbage can theory to the federal government, which he described as “an organized anarchy” (p. 86). Like the four streams in Cohen, March, and Olsen’s (1972) model, Kingdon saw three streams—“each with a life of its own”—running through the federal government: problems, policies, and politics. “These streams are coupled at critical junctures, and that coupling produces the greatest agenda change,” Kingdon (2003) wrote (p. 87). Although Kingdon devised his theory to examine the federal government, scholars have applied it to understand the politics of higher education (Corbett, 2003; McLendon, 2003a; McLendon, 2003b), and it is useful in examining this New Jersey case. Using the Kingdon model helps to construct “a coherent narrative based on the ‘plot’ of how an idea progresses from something in . . . the ‘policy soup’, to the point at which decision makers accept the idea in some form” (Corbett, 2003, p. 316).

Kingdon identifies the key agenda-setting players inside and outside of government. The important people inside the government are the administration, principally the president, his or her staff, and political appointees; civil servants; and members of Congress and their staff. Important players outside the government include interest groups such as business and industry; public interest groups representing, for example, consumers or the environment; and officials from state and municipal governments. Outside groups also include academics, researchers, and consultants; the media; and elections-related participants.

With these participants in mind, Kingdon defines “agenda” as the “list of subjects or problems to which governmental officials, and people outside of government closely associated with those officials, are paying some serious attention at any given time” (2003, p. 3). Therefore, the agenda-setting process narrows the set of possible policy subjects or issues that actually becomes the focus of attention. A “complex combination of factors is generally responsible for the movement of a given item into agenda prominence” (Kingdon, 2003, p 76).

Kingdon (2003) examined these factors and identified three major process streams flowing through the federal government: “(1) problem recognition, (2) the formation and refining of policy proposals, and (3) politics” (p. 87). The three streams develop and operate independently of each another. Once each stream is understood, the key to understanding agenda and policy change is how they are coupled: “The separate streams come together at critical times. A problem is recognized, a solution is available, the political climate makes the time right for change, and the constraints do not prohibit action” (Kingdon, 2003, p. 88).

Among myriad public policy issues, conditions—like crime in the streets—“become defined as problems when we come to believe that we should
do something about them” (Kingdon, 2003, p. 109). Problems come to the attention of policymakers in several ways. First, a systematic indicator—such as highway deaths, disease rates, immunization rates, or consumer prices—may show “that there is a problem out there” (p. 90). Less self-evident problems get the attention of people in and around government through a “focusing event” like a crisis or disaster, such as a bridge collapse (pp. 94, 98); a powerful symbol, such as a high-cost transit system like Washington, D.C.’s Metro; or the personal experience of a policymaker. Governmental officials identify problems through “feedback” from the evaluation of existing programs; citizen complaints and casework; and the daily administration of a program (2003, p. 101).

Budgets, important to this case study of New Jersey, constitute a specific kind of problem. Budgetary considerations “sometimes force items higher on the governmental agenda, acting as a promoter” (Kingdon, 2003, p. 105). At other times, budgets constrain agendas, “holding some items low on (or even off) the agenda because the item would cost more than decision makers are willing to contemplate” (2003, p. 105). Some budget constraints are a matter of a policymaker’s perception, but usually, “budgets form a real constraint: Policy makers anticipate costs and revenues, and if necessary trim back initiatives to make them fiscally manageable” (2003, p. 109).

The policy stream consists of ideas, proposals, and alternatives that float around in communities of specialists that include researchers; legislative staffers; administrators in planning, evaluation, and budget offices; academics; and interest group analysts (2003, p. 116). The key actors are “policy entrepreneurs,” who are “advocates for proposals or for the prominence of an idea” (2003, p. 122). Policy entrepreneurs can be inside or outside of government, in elected or appointed positions, in interest groups or in research organizations. They have a key defining characteristic:

their willingness to invest their resources—time, energy, reputation, and sometimes money—in the hope of a future return. That return might come to them in the form of policies of which they approve, satisfaction from participation, or even personal aggrandizement in the form of job security or career promotion (2003, pp. 122-123).

The origins of policies are typically difficult to discern. According to Kingdon’s (2003) research, “Wholly new ideas do not suddenly appear. Instead, people recombine familiar elements into a new structure or a new proposal. … Change turns out to be recombination more than mutation” (p. 124).

The conditions under which ideas survive are the key to understanding the policy process. Ideas must be technically feasible, compatible with the values of the specialists, affordable and efficient, and believed to gain the acquiescence of
the public (p. 131). Before a subject can grab a strong position on a decision agenda, a viable alternative must be available for decision makers to consider. “It is not enough that there is a problem, even quite a pressing problem. There also is generally a solution ready to go, already softened up, already worked out” (p. 142).

Policy entrepreneurs achieve this softening up. They try to educate the general public and the specialists in the policy communities. If they are legislators, policy entrepreneurs can soften up ideas by introducing a bill or holding a hearing. Prominent appointees and civil servants make speeches explaining their ideas. “Bureaucrats and analysts constantly issue studies, reports, and other papers” (Kingdon, 2003, p. 129). Policy entrepreneurs use all of these means to float trial balloons and gauge reactions.

The third stream is the political stream. Kingdon (2003) uses “politics” to mean electoral, partisan, or pressure group factors (p. 145). It consists of the national mood, organized political forces, and administrative or legislative turnover. The national mood means that “a rather large number of people out in the country are thinking along certain common lines,” which discernibly changes from time to time (2003, p. 146). The sense of the national mood among governmental participants “serves to promote some items on their policy agendas and to restrain others from rising to prominence” (2003, p. 147). Pressure from interest groups is also part of the political stream. If people in and around government hear more from one side of an issue than another, “they assume that the balance lies with the first side,” although most of the time, “a balance of organized forces mitigates against any change at all” (2003, p. 151). Finally, government plays a role in the political stream. Turnover of elected officials or staffers can change the agenda. Jurisdiction, or a battle over turf, also shapes the agenda. Battles over turf by administrative agencies and congressional committees can stagnate or promote an idea, depending on the “perceived or potential popularity of the issue” (2003, p. 158). A bargaining process drives coalitions in the political stream. Potential supporters “are enticed into support by promises of some benefit, and others climb aboard the bandwagon out of fear that they will be left without their share of the benefits” (2003, p. 161).

When two streams merge, or are coupled, a “policy window” appears. A policy window opens because of change in the political stream, such as a change of administration, a shift in the partisan or ideological makeup of a legislature, or a shift in national mood; or because “a new problem captures the attention of governmental officials and those close to them” (2003, p. 168). Solutions floating in the policy stream are suddenly “elevated on the governmental agenda because they can be seen as solutions to a pressing problem or because politicians find their sponsorship expedient” (2003, p. 172).
Policy entrepreneurs help to open policy windows and to get policies through the window. Policy entrepreneurs “play a major part in the coupling at the open policy window, attaching solutions to problems, overcoming the constraints by redrafting proposals, and taking advantage of politically propitious events” (2003, pp. 165-166). Without a policy entrepreneur, “the linking of the streams may not take place” (2003, p. 182). When the policy window opens, the softening up by policy entrepreneurs pays off. “Entrepreneurs try to make linkages far before windows open so they can bring a prepackaged combination of solution, problem, and political momentum to the window when it does open” (2003, p. 183). Policy entrepreneurs succeed because of three qualities: 1) a claim to a hearing based on expertise, an ability to speak for others through leadership of an interest group, or an authoritative decision-making position; 2) a reputation for political connections or negotiating skill; and 3) persistence.

In summary, the key to understanding changes in agendas and policies is the coupling of the three streams of problems, policies, and politics. “The separate streams come together at critical times. A problem is recognized, a solution is available, the political climate makes the time right for change, and the constraints do not prohibit action” (2003, p. 88). A “window of opportunity” is opened and a “policy entrepreneur” then couples the streams and spotlights the problem or solution to get the issue on the agenda at an opportune time.

As discussed below, Kingdon’s (2003) theory played out in New Jersey in the spring of 2009, when higher education “policy entrepreneurs” secured federal stimulus funds for public colleges and universities.


The recession that began in December 2007 and officially ended in June 2009 was one of the longest and most devastating economic downturns in the United States since the end of World War II (Sum, et al., 2009). It has been called the “Great Recession” (Rampell, 2009). It surpassed the two previous longest recessions since World War II, the 16-month recessions of 1973–1975 and 1981–1982 (Lahart, 2009). The recession was as severe as it was long. It has been called “a different breed of recession, with disconcerting similarities to the Great Depression of the 1930s,” such as bank failings, shuttered retail businesses, and stalled investment projects (Breneman, 2009).

The nation’s unemployment statistics reflect the severity of the recession. Between December 2007 and December 2009, the U.S. lost 7.2 million jobs (Lahart, 2010), which was the largest loss ever experienced during any recession in the post-World War II era (Sum, et al., 2009). The unemployment rate increased from 4.7% in November 2007 to 10.2% in October 2009 (Goodman,
2009). This was the highest percentage-point increase in the unemployment rate of any recession since World War II (Sum, et al., 2009).

The growing pressure from unemployment during the Great Recession crushed state budgets. Total state revenues declined for five consecutive quarters from 2008-2009 (Dadayan & Boyd, 2010). Unemployment was a significant cause of these declines. Unemployed workers cannot pay personal income taxes, which is the largest source of tax revenue for many states. As unemployment remains high, consumers have less to spend, resulting in lower sales tax collections, another significant source of state revenue (Husch, 2010). Sales, personal income, and corporate income tax collections compose approximately 80% of states’ general fund revenue (Husch, 2010). Among the 50 states, total general fund tax revenues declined 10.4% from fiscal year 2008 to fiscal year 2010, dropping from $680.2 billion to $609.7 billion (Husch, 2010).

To combat the recession and prop up state budgets, the American Recovery and Reinvestment Act of 2009 (ARRA) infused $787 billion into the American economy when President Obama signed it on February 17, 2009 (Stolberg & Nagourney, 2009). Within the ARRA, the State Fiscal Stabilization Fund provided $48.3 billion to states to support K-12 and higher education. Each state’s allocation was based on its population (ARRA, §§ 14001-14002).

The State Fiscal Stabilization Fund (SFSF) consisted of two components: the Education Stabilization Fund (82% of the SFSF); and the Government Services Funds (18% of the SFSF) (ARRA, § 14002). The ARRA required states to use their Education Stabilization funds to restore state aid to school districts under the state’s K-12 funding formula to the greater of the FY2008 or FY2009 level in each of fiscal years 2009, 2010, and 2011; and to restore state support to “public institutions of higher education in the State” to the greater of the FY2008 or FY2009 level in each of fiscal years 2009, 2010, and 2011 (ARRA, 14002(a)(2)).

Moreover, states had to meet a “maintenance of effort” requirement with regard to their funding of K-12 and higher education in order to secure SFSF funds. The ARRA required state governments, in fiscal years 2009, 2010, and 2011, to maintain support for elementary and secondary education, as well as for public institutions of higher education, at least at the level of support in fiscal year 2006. Support for higher education did not include support for capital projects, support for research and development, or tuition and fees paid by students (§ 14005(d)(1)).

A state was required to restore support for both elementary and secondary education and public institutions of higher education from its Education Stabilization funds. A state could not choose to restore support for only
elementary and secondary education or for only postsecondary education (U.S. Dep’t of Education, 2009, § III-B-8).

Within higher education, the Department of Education (2009) prohibited states from allocating Education Stabilization resources to financial aid programs. The Department of Education’s (2009) guidelines regarding the SFSF include this question and answer, referring to public institutions of higher education as “public IHEs”:

May the Governor award Education Stabilization funds directly to students for scholarships or financial aid or to support State-agency-run scholarship programs for students to attend public IHEs?

No. The Governor must award funds that are needed to restore State support for public higher education directly to public IHEs. However, an IHE may use these funds for scholarship programs and student financial aid (p. 8).

ARRA FUNDS FOR HIGHER EDUCATION NEW JERSEY

Before examining New Jersey, it is helpful to take a quick look at a state that straightforwardly followed the plain language of the ARRA in allocating its federal stimulus funds. Kentucky received about $533 million in Education Stabilization funds (Center on Budget and Policy Priorities, 2009). By April 2009, it was clear that Governor Steve Beshear would divide the funds between K-12 and the commonwealth’s universities and colleges, but “how that money will be divvied out and for what purposes” was not immediately decided (Alessi, 2009). One suggestion was that Kentucky’s public colleges and universities use some of the SFSF proceeds to fund basic expenses, such as employee health care, utility costs, and program funding (Alessi, 2009).

Kentucky submitted its application for SFSF Program funds on July 6, 2009, and it was approved by the U.S. Department of Education. Under its application, Kentucky used Education Stabilization funds in fiscal year 2010 to restore $223,038,700 for elementary and secondary education, and $70 million to its public colleges and universities. The institutions of higher education received lump-sum payments enacted by Kentucky’s legislature. The amount of Education Stabilization funds allocated to each institution was “proportionate to the amount received by each from the state’s General Fund” (Kentucky, 2009, p. 15). After these expenditures, Kentucky had $239,758,883 remaining in Education Stabilization funds for the next fiscal year.

New Jersey received $1.088 billion in Education Stabilization Funds (Center on Budget and Policy Priorities, 2009). Governor Jon Corzine’s proposed
budget for FY2010--released on March 9, 2009--allocated no federal stimulus funds for public colleges or universities. Instead, the proposed budget appropriated $34 million of federal stimulus funds for the Tuition Aid Grant (TAG) program. TAG provides eligible full-time undergraduates up to 100% of the cost of tuition at public institutions, and up to 50% of the average tuition at independent institutions in New Jersey (Richardson, Martinez, & Klein, 2009).

Governor Corzine and his team indicated that when drafting the FY2010 budget in March 2009, they were following advice from President Barack Obama's transition team that Education Stabilization funds could be used for financial aid programs (Symons, 2009). The absence of any allocation of federal stimulus funds toward public colleges and universities in New Jersey, however, contradicted the language in the ARRA, which required states to allocate Education Stabilization funds directly to public institutions of higher education (ARRA, § 14002). Moreover, the guidance document from the U.S. Department of Education (2009) indicated that a governor could not award Education Stabilization funds to support a state-agency-run scholarship program for students to attend public institutions of higher education (IHEs).

NEW JERSEY: ALTERNATIVES IN THE STREAMS, PASSING THROUGH WINDOWS

The Problem Stream

This discrepancy between the Corzine budget and the requirements under the ARRA was part of the “problem stream” (Kingdon, 2003). Under Kingdon’s (2003) model, one way problems are identified is through feedback to elected officials. Information reaches government officials through several channels of feedback, including systematic monitoring and evaluation studies, citizens’ complaints and casework with the public, and day-to-day administration of a program. Information flowing through feedback channels is interpreted as a problem when implementation of a program either fails to meet stated goals, costs too much, causes unanticipated consequences, or “does not square with legislative or higher administrative intent” (2003, p. 102). In this case, the proposed use of the Education Stabilization funds did not square with the intent of the ARRA, and feedback to state legislators caused this concern to rise to the level of a problem to be solved. Distribution of Education Stabilization funds for higher education was rising on New Jersey’s policy agenda.

Advocates for public colleges and universities in New Jersey provided the feedback to policymakers about the contradiction between the ARRA’s requirement that states spend Education Stabilization funds directly on public colleges and universities, and the governor’s proposal to spend the funds on a state-run financial-aid program, helping to elevate the issue of the distribution of
SFSF fund into a problem to be solved. In Kingdon’s (2003) model, these advocates are called policy entrepreneurs.

**Policy Entrepreneurs in the Policy Stream**

Policy entrepreneurs are advocates who are willing “to invest their resources—time, energy, reputation, and sometimes money—in the hope of a future return” (Kingdon, 2003, p. 122). In this case, the policy entrepreneurs included presidents of public colleges and universities, higher education advocates, and the leaders of the state’s faculty unions. The “return” they hoped for was not quite the “promotion of personal interests,” such as “the protection of bureaucratic turf,” in Kingdon’s (2003) model (p. 123), but funding for their institutions that was intended under the federal law. Without this federal funding, public colleges and universities faced a 5% cut under Governor Corzine’s proposed FY2010 budget (Greer, 2009b).

As policy entrepreneurs, college and university presidents tried to “soften up” the general public and the policy community to the idea of direct appropriations of federal stimulus to public institutions of higher education. The presidents used several of the means described by Kingdon (2003, p. 130). First, the presidents publicly noted the purpose behind the SFSF in letters and op-ed articles. In an open letter to the Rutgers University community, President Richard L. McCormick (2009) wrote that the SFSF “is designed to mitigate the need for tuition increases.” By creating this fund, “Congress and the president recognize the burden that decreased state funding has placed upon public universities and the impact this has had on access and opportunity.” McCormick (2009) wrote. The president of The College of New Jersey, R. Barbara Gitenstein (2009), wrote an op-ed piece juxtaposing the federal stimulus act and the governor’s proposed budget. She noted that the governor’s budget completely distributed New Jersey’s share of stabilization funds that could have been used for higher education, and “as a consequence, these stabilization funds are not available to support one of the most effective means of economic recovery—investment in shovel-ready projects on the campuses of the state colleges and universities.”

Higher education advocates in New Jersey also contributed op-eds that were aimed at the general public. The New Jersey Association of State Colleges and Universities (NJASCU), an advocacy organization for the nine state colleges and universities, issued an op-ed piece tying the federal stimulus funds to economic development. Darryl Greer (2009a), NJASCU’s executive director, wrote, “Several states have dedicated a substantial share of their federal stimulus funds toward public higher education, but New Jersey has not. All this should alarm people concerned about the Garden State’s chance for long-term economic
growth” because higher education spending is “a crucial economic investment for individual and national prosperity.”

The public college and university presidents addressed the policy community, particularly legislators and their staff. After legislative hearings on the proposed FY2010 higher education budget concluded, Susan Cole, the president of Montclair State University, said, “There really is some difficulty in how the stabilization funds are being used. In other states, you'll find they have been used to support institutions of higher education. But, thus far, not in New Jersey” (Symons, 2009). Cole indicated that colleges, if they received the funds, could use them for scholarships, general operating costs, and academic programs (Symons, 2009).

Faculty unions, another group of policy entrepreneurs, also softened up the policy community. During a public hearing of the Senate Budget and Appropriations Committee, the president of the state college and university faculty union said, “It is essential that public higher education receive its fair share of the federal stimulus funds—especially since the American Federation of Teachers successfully lobbied Congress to include higher education in the education portion [of the ARRA]” (Yovnello, 2009, p. 2). The leaders of the AAUP at Rutgers urged their members to “tell Governor Corzine and legislative leaders that they must follow the Department of Education guidance that would restore cuts the Governor has proposed for Rutgers” (Klein & Slott, 2009).

**Alternatives**

Under Kingdon’s (2003) model, in addition to being policy entrepreneurs, the individuals commenting on the allocation of federal stimulus funds in New Jersey were participants outside of government who help to create alternatives. An interest group outside of government can have a positive impact on government’s agenda by mobilizing support, writing letters, sending delegations, and stimulating its supporters to take similar action and “get government officials to pay attention to its issues” (2003, p. 49). An important activity by interest groups “is attaching one’s own alternative to agenda items that others may have made prominent” (p. 50). In this case, the college and university presidents, higher education advocates, and the faculty union leaders did not push for agenda status of federal stimulus money for higher education. That issue was already on the agenda through the governor’s proposed budget. Once that agenda item was rolling, the higher education interest groups tried to insure that their interests were protected in the emerging appropriations act by trying to secure direct appropriations to institutions, an alternative to funding for student aid programs. In Kingdon’s (2003) terminology, “they affect the alternatives considered, even if they haven’t affected the agenda” (p. 50).
The Political Stream

The political stream in this case largely involved the mood of the state as interpreted by members of the legislature. As Kingdon (2003) noted, “Governmental participants’ sense of the national mood serves to promote some items on their policy agendas and to restrain others from rising to prominence” (p. 147). Elected officials judge the public mood from communications from, and meetings with, their constituents and other members of the public. In this case, New Jersey legislators and the governor received consistent messages from college and university presidents, higher education advocates, and labor leaders indicating there was a problem with the proposed distribution of the Educational Stabilization funds from the federal stimulus package. In this way, college and university presidents, higher education advocates, and faculty union leaders created a “consensus … among the organized interests” (Kingdon, 2003, p. 150).

Their argument was bolstered by the federal government itself, through the Department of Education’s (2009) SFSF guidelines. Putting these consistent messages together, New Jersey’s governmental leaders heard a lot from one side of the argument and not from the other, a “communication flow” leading them to “assume that the balance lies with the first side” (Kingdon, 2003, p. 151).

Policy Window

By highlighting the discrepancy between the intent of the Education Stabilization funds and their proposed allocation in Governor Corzine’s FY2010 budget, the advocates for public higher education helped to open a policy window. In this case, the window opened because a new problem captured the attention of governmental officials. Now that the problem of the allocation of Education Stabilization funds had become pressing, it created “an opportunity for advocates of proposals to attach their solutions to it” (Kingdon, 2003, p. 168). Under Kingdon’s (2003) model, the opening of a policy window by a pressing problem means that “the alternatives generated as solutions to the problem fare better if they also meet the tests of political acceptance” (p. 175).

To survive in the policy stream, an alternative must be technically feasible, share the values of those within the policy community, have tolerable cost, and meet the acquiescence of the public (Kingdon, 2003, p. 131). In this case, the alternative use of the Education Stabilization funds met all four criteria. The alternative allocation was technically feasible: the FY2010 was not yet final, and the terms of the ARRA allowed the alternate funding proposal. Supporting public colleges and universities fit the values of the policy community, which was led by Democrats in the governor’s office and both houses of New Jersey’s legislature, who belonged the same political party as President Obama, who
signed the ARRA in the first place. The cost was revenue neutral to the bottom line of the state’s budget. Finally, the softening up of the public through the presidents’ open letters and op-eds signaled public acquiescence.

**Coupling of Streams**

Standing at this policy window, the college and university presidents, higher education advocates, and the faculty union leaders—as policy entrepreneurs—were ready to act. “When a window opens, advocates for proposals sense their opportunity and rush to take advantage of it” (Kingdon, 2003, p. 175). The presidents and union leaders pressed their case during legislative hearings on the budget, highlighting the alternative of allocating Education Stabilization funds directly to institutions (Symons, 2009; Yovnello, 2009).

As Kingdon (2003) described, “If an alternative is coupled to a problem as a solution, then that combination also finds support in the political stream” (p. 178). With the alternative use for Education Stabilization funds coupled with the problem of the discrepancy between the language of the ARRA and Governor’ Corzine’s proposed budget, legislators supported the alternative. During the Senate Budget and Appropriations Committee’s hearing on the higher education budget, Senate Majority Leader Stephen Sweeney said the Corzine administration should detail an alternative funding plan, since it seemed "pretty clear" that the federal government would not allow stimulus money to fund TAG awards (Symons, 2009). Senator Barbara Buono, during the hearing on the higher education budget, stated that “affordable higher education is the great equalizer,” and supported providing additional resources to colleges and universities if they were tied to limitations on tuition increases (New Jersey Budget, Fiscal Year 2009-2010: Hearings).

**Bargaining**

When policy windows are open, bargaining among the parties may occur. Kingdon (2003) wrote, “When the issue isn’t really hot, advocates hold firmly to their extreme positions. But when the issue has a serious chance of legislative or other action, then advocates become more flexible” (p. 167). Up until the opening of this policy window, the Corzine Administration stood by its position. Jane Oates, the executive director of the Commission on Higher Education, New Jersey’s higher education coordinating board, said, “The governor and his treasurer operated with the best information they had at the time. We’re going to correct whatever we need to correct” (Symons, 2009).

With the policy window open for an alternative for the Educational Stabilization funds, bargaining began in New Jersey. The state college presidents
met with Senators Buono and Sweeney and proposed to limit tuition increases to 3% in exchange for increased appropriations from the federal stimulus funds (Greer, 2009b). The senators presented the deal to the governor, and he accepted. New Jersey’s state treasurer, David Rousseau, announced on May 19, 2009 that the governor had revised his proposed FY2010 budget to include “funding from Federal Fiscal Stabilization of $34.08 million for TAG and $39.6 million for senior public institutions and county colleges operating support” (p. 30).

New Jersey’s final FY2010 budget included almost $40 million from federal stimulus funds for public higher education, with the cap on tuition. Under language in the “Federal Funds” section of the budget, amounts appropriated from federal economic stimulus funds for senior public institutions of higher education shall be withheld until the institution certifies … that the institution's increase in its in-state undergraduate 2009-10 tuition rates and required educational and general fees does not exceed 3% above the institution's in-state undergraduate 2008-09 tuition rates and required fees (p. D-23).

By mid-July 2009, each senior public college and university adopted tuition rates no higher than 3% than the year before and qualified for its share of stimulus funds (Duffy, 2009).

It is interesting to note, as Treasurer Rousseau’s (2009) statement indicates, that the Corzine administration still allocated a portion of Education Stabilization funds to the state’s financial-aid program. The U.S. Department of Education provided this leeway. The department changed its official guidance to state governments and allowed SFSF resources to be used for tuition assistance (Snyder, 2009). Under guidelines issued in January 2010, the department indicated that certain kinds of financial aid could be included in the definition of “state support” for public higher education that the ARRA required states to maintain at fiscal year 2006 levels. The January 2010 guidance document stated:

State appropriations to public IHEs for financial assistance programs to defray the costs of tuition and fees paid by students (when the appropriated funds flow directly to the IHEs) may be considered State support for such institutions. The fact that the funds represent student financial aid for other purposes does not preclude such funds from consideration as State support for public IHEs in the Stabilization program (p. 4).

**Policy Lessons**

The federal stimulus package under the ARRA was a lifeline for public institutions of higher education. Between fiscal years 2009 and 2011, nearly $9
billion of federal stimulus funds flowed through state budgets to higher education, representing 4% of total state support for higher education (Kelderman, 2011). How states allocated those funds is an important topic of public policy. This study of policymaking in New Jersey offers valuable lessons for public colleges and universities regarding advocacy and formulating viable policy alternatives.

**Importance of Feedback**

Interest groups, including college and university presidents, the state colleges and universities’ advocacy organization, and faculty union leaders, pointed out the contradiction between the federal law and the governor’s proposed budget soon after it was introduced, providing feedback to legislators and to the governor. This feedback helped to place the issue of the discrepancy between the ARRA’s stated uses of SFSF resources and the proposed budget in New Jersey into the problem stream. It is clearly important for higher education advocates to speak up and speak out on public policy problems to get the attention of decision makers.

**Speaking with One Voice**

In Kingdon’s (2003) model, New Jersey’s higher education advocates were “policy entrepreneurs,” investing their time, attention, and reputation to secure federal stimulus money for their institutions. Presidents, higher education advocates, and faculty union leaders reached out to campus constituencies through open letters (Klein & Slott, 2009; McCormick, 2009), to the general public through op-ed pieces in newspapers (Gitenstein, 2009; Greer, 2009a); and directly to legislators during legislative hearings (Symons, 2009; Yovnello, 2009). The power of each of these advocates multiplied through the repetition of their consistent message, creating a “communication flow” within the political stream (Kingdon, 2003, p. 151). In this way, college and university presidents, higher education advocates, and faculty union leaders formed an informal coalition that produced a “consensus … among the organized interests” (Kingdon, 2003, p. 150). Advocates for higher education are often asked by governmental officials to “speak with one voice” (Jaschick, 2011). The successful advocacy effort in New Jersey for federal stimulus funds indicates that speaking with one voice can be a good strategy.

**Achievable Goals**

The alternative presented by New Jersey’s higher education advocates to the governor’s proposed use of the Education Stabilization funds was an achievable goal. Kingdon (2003) indicated that to survive in the policy stream, an
alternative must be technically feasible, share the values within the policy community, have tolerable cost, and meet the acquiescence of the public (p. 131). Most importantly in this case, the alternative met the language of ARRA itself, making it feasible, and was revenue neutral on the state’s budget. This is a valuable lesson for higher education advocates as they pursue their legislative goals.

**FUTURE RESEARCH**

Future scholars could apply Kingdon’s (2003) model to other states to analyze how they used their share of federal stimulus funds. In South Carolina, for example, Governor Mark Sanford initially refused to apply for his state’s share of SFSF funds for K-12 and higher education, which totaled $700 million (Kelderman, 2009). South Carolina’s legislature, called the General Assembly, adopted a concurrent resolution accepting the funds and passed a law designating how the money would be spent. The dispute with the governor resulted in two lawsuits, and the South Carolina Supreme Court upheld the legislature’s actions, ruling that the General Assembly has the sole authority to appropriate funds, including federal funds, and had the authority to require the governor to apply for federal funds that the General Assembly had appropriated (Brundrett, 2009).

Sanford, after reiterating his opposition to the federal stimulus act, applied for the funds the day the South Carolina Supreme Court handed down its decision (Kelderman, 2009).

Future researchers may want to explore the rules devised by the U.S. Department of Education to implement the SFSF funds. As noted above, the department changed its official guidance to state governments and allowed SFSF resources to be used for tuition assistance (Snyder, 2009). Guidelines issued in January 2010 indicated that certain kinds of financial aid could be included in the definition of “state support” for public higher education that the ARRA required states to maintain at fiscal year 2006 levels. Kingdon’s (2003) model could help explain how this change came about, and what the influence of Governor Corzine might have been on this policy shift.

Future scholars could also use this study and Kingdon’s (2003) framework to help public colleges and universities prepare to advocate for a possible second round of stimulus funds. On April 14, 2010, Senator Tom Harkin proposed providing $23 billion to school districts and institutions of higher education to fill budget gaps created when State Fiscal Stabilization Funds were exhausted (Nelson, 2010).

This study could also provide a starting point for analyzing what happened after the ARRA funds expired. As early as November 2010, the National
Conference of State Legislatures warned that state governments would receive $37.9 billion less in federal stimulus funds in FY 2012 than in FY 2011. The NCSL stated:

This will create big holes in state budgets—what many officials are calling the “ARRA cliff.” The stimulus funds have helped support state budgets since FY 2009, so their dramatic decline—they will be essentially gone by FY 2012—will pose additional budget challenges for state officials.

How colleges and universities fared after falling off that cliff carries significant implications for the future of college affordability and access, which are perennial issues on the national policy agenda.
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