

Table 1 Supplement: Variable Descriptions and Sources

Variable	Description	Source
<i>Adoption of performance funding (dependent variable)</i>	The variable is dichotomous and coded 1 if a state adopted the policy for the first time or readopted the policy after abandoning it and zero otherwise.	Burke and Serban 1998; Burke and Modarresi 2000; Burke and Modarresi 2001; Burke, Minassians, and Nelson 2003; Dougherty et al. 2013; Rabovsky 2012, Rutherford and Rabovsky 2014; Tandberg and Hillman 2014
<i>Consolidated governing board</i>	this study follows previous research using a binary variable coded as 1 if a state has a consolidated governing board and 0 if it has a coordinating board or planning agency (Hicklin and Meier 2008; Lowry 2001; Nicholson-Crotty and Meier 2003; McLendon, Heller, and Young 2005; McLendon, Hearn, and Deaton 2006).	McGuinness (1988, 1994, 1997) and Tandberg (personal communication, 2015).
<i>Growth in tuition</i>	This variable measures the 3-year average percent change in tuition for each state's flagship institution, and is lagged one year.	Council for Opportunity in Education
<i>Completion rate</i>	This variable measures degrees (undergraduate and graduate) awarded as a percentage of total enrollment across all public 4-year colleges and universities in a state, and is lagged one year.	Integrated Postsecondary Education Data System
<i>Educational Attainment</i>	This variable measures the percentage of each state's population age 25 and over that has at least a Bachelor's degree, and is lagged one year.	U.S. Census Bureau.
<i>Percent Republicans</i>	This variable measures the total percentage of Republican members in a state's legislature.	Klarner's State Partisan Balance dataset
<i>Republican governor</i>	This is a binary variable indicating whether a state has a Republican governor.	Klarner's State Partisan Balance dataset.
<i>State support for public higher ed</i>	This variable measures state expenditures on higher education as a percentage of GSP, lagged one year.	Council for Opportunity in Education
<i>Change in PCI</i>	This variable measures the three-year average percent change in per-capita personal income, and is lagged one year.	U.S. Department of Commerce, Bureau of Economic Analysis.
<i>Unemployment</i>	This variable measures the percentage of unemployed work-seeking residents in a state	U.S. Department of Labor, Bureau of Labor Statistics.
<i>Diffusion</i>	Percentage of neighboring states, defined as sharing a U.S. Census sub-region or physical border, previously adopting performance funding.	Derived from dependent variable data

Table 2 Supplement: Descriptive Statistics

	Mean	S.D.	Min.	Max.
Consolidated Governing Board	0.492	0.500	0	1
Growth in Tuition	4.364	4.070	-6.833	25.752
Completion Rate	18.472	2.846	6.865	26.388
Educational Attainment	24.692	5.450	11.1	44.408
Percent Republicans	46.442	15.813	8.850	88.571
Republican Governor	0.517	0.500	0	1
Legislative Professionalism	0.197	0.129	0.027	0.659
State Support for Higher Education	2.445	0.929	0.055	6.114
Change in PCI	1.353	1.413	-4.089	5.984
Unemployment	5.453	1.745	2.3	13.7
Diffusion	27.017	23.603	0	80
Observations	1,056			

Table 3 Supplement: State Adoptions of Performance Funding Policies

Year	Adoptions
1991	Missouri^
1993	Kentucky^
1994	Colorado^, Florida
1995	Arkansas^
1996	Minnesota^, South Carolina
1997	South Dakota^, Washington^, Oklahoma
1998	Ohio, Illinois^
1999	Kansas^, New Jersey^, Texas^
2000	Oregon, New York^, Pennsylvania
2005	South Dakota
2007	Indiana, Kentucky*, New Mexico, Virginia
2008	Louisiana*
2009	Texas
2011	Arizona, Arkansas*, Colorado*, Minnesota*, Nevada, North Carolina

^Subsequently abandoned policy; *Readoption