



EDLF 8657: ECONOMICS AND FINANCE IN HIGHER EDUCATION

Course Details

Wednesdays 3:30-6:00p, Dell 2/102

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Office hours: By appointment

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Description

This course examines contemporary economic principles along with policies and practices in the financing of higher education in the United States. Discussion of the U.S. system will consider both federal and state policies, financial aid policies, tuition setting, student borrowing, and why the price and cost of higher education continue to rise at rates beyond inflation. The emphasis is on the macroeconomic view of the topic as a case of public finance, rather than on institutional management.

Learning Objectives

1. Demonstrate a familiarity with federal, state and organizational influences on higher education finance.
2. Describe the organizational structure and administrative functions within higher education, especially those related to institutional finance.
3. Demonstrate the ability to link theory to practice.
4. Articulate the influence that diversity exerts between educational systems across postsecondary education.
5. Demonstrate the role of financial systems, policies and practices in advancing social justice within education settings.
6. Develop skills required to analyze educational needs of state systems and propose state specific policy remedies that are grounded in research and scholarship.

Required Course Texts

- Archibald, R., & Feldman, D. (2011). *Why does college cost so much?* New York, NY: Oxford University Press.
- Goldrick-Rab, S. (2016). *Paying the price: College costs, financial aid, and the betrayal of the American dream.* Chicago, IL: The University of Chicago Press.
- Massy, W. (2016). *Reengineering the university: How to be mission centered, market smart, and margin conscious.* Baltimore, MD: The Johns Hopkins University Press.
- Zumeta, W., Breneman, D., Callan, P., & Finney, J. (2012). *Financing American higher education in the era of globalization.* Cambridge, MA: Harvard Education Press.

Course Outline

Note: This is a discussion course. We will be using Collab for posting readings and assignments. The course schedule and readings are subject to change. Any changes will be announced via email and posted on Collab.

Date	Topic	Readings (→) and Assessments (bold)
Jan. 18	The Broader Economic and Financial Context	→Brown, R. (2011). <i>Higher education and the market</i> . New York, NY: Routledge. (Chapters 2-3). →Ehrenberg, R. G. (2009). American higher education in Transition. <i>Journal of Economic Perspectives</i> , 26(1), 193-216. →Weisbrod, B. A., Ballou, J. P., & Asch, E. D. (2008). <i>Mission and money: Understanding the university</i> . New York, NY: Cambridge University Press. (Chapters 1-2).
Jan. 25	Finances and Cost	→Archibald, R., & Feldman, D. (2011). <i>Why does college cost so much?</i> New York, NY: Oxford University. (Chapters 1-4). →Brinkman, P. T. (2000). The economics of higher education: A focus on cost. <i>New Directions for Institutional Research</i> , 106, 5-17. →Paulsen, M. B., & Toutkoushian, R. K. (2006). Overview of economic concepts, models, and methods for institutional research. <i>New Directions for Institutional Research</i> , 132, 5-24.
Feb. 1	Cost and Productivity	→Archibald, R., & Feldman, D. (2011). <i>Why does college cost so much?</i> New York, NY: Oxford University. (Chapters 5-8). →Capaldi, E. D., & Abbey, C. W. (2011). Performance and costs in higher education: A proposal for better data. <i>Change: The Magazine of Higher Learning</i> , 43(2), 8-15. →Massy, W. F., Sullivan, T. A., & Mackie, C. D. (2012). Data needed for improving productivity measurement in higher education. <i>Research & Practice in Assessment</i> , 7(2), 5-15.
Feb. 8	Tuition and Fees	→Archibald, R., & Feldman, D. (2011). <i>Why does college cost so much?</i> New York, NY: Oxford University. (Chapters 9-12). →Hillman, N. W. (2012). Tuition discounting for revenue management. <i>Research in Higher Education</i> , 53, 263-281. →Perna, L. W. (2006). Understanding the relationship between information about college prices and financial aid and students' college-related behaviors. <i>American Behavioral Scientist</i> , 49(12), 1620-1635.
Feb. 15	State/Institutional Financial Policies	→Archibald, R., & Feldman, D. (2011). <i>Why does college cost so much?</i> New York, NY: Oxford University. (Chapters 13-16). →Delaney, J., & Doyle, W. (2011). State spending on higher education: Testing the balance wheel over time. <i>Journal of Education Finance</i> , 36(4), 343-368. →McLendon, M. K., Hearn, J. C., & Mokher, C. G. (2009). Partisans, professionals, and power: The role of political factors in state higher education funding. <i>The Journal of Higher Education</i> , 80(6), 686-713.
		Analytical Memo #1 Due (by 2/15)

Feb. 22	Policy Research and Political Decisions	<p>→Parsons, M. D. (2004). Lobbying in higher education: Theory and practice. In E. P. St. Johns & M. D. Parsons (Eds.), <i>Public funding of higher education: Changing contexts and new rationales</i>, (pp. 215-230). Baltimore, MD: The Johns Hopkins University Press.</p> <p>→St. John, E. P. (2004). Policy research and political decisions. In E. P. St. Johns & M. D. Parsons (Eds.), <i>Public funding of higher education: Changing contexts and new rationales</i>, (pp. 231-252). Baltimore, MD: The Johns Hopkins University Press.</p> <p>→ “Investing in the Future: Sharing Responsibility for Higher Education Attainment” Full Report.</p> <p><u>Guest Speaker</u>: Raymond Scheppach, Director of the National Commission on Financing 21st Century Higher Education</p>
Mar. 1	Workgroups on Paper Topics	<p>→No Readings</p> <p>Working Class Session</p>
Mar. 8	Spring Break	<p>→No Readings</p> <p>Class does not meet</p>
Mar. 15	The University Perspective	<p>→Massy, W. F. (2016). <i>Reengineering the university: How to be mission centered, market smart, and margin conscious</i>. Baltimore, MD: The Johns Hopkins University Press. (Full Book, Chapters 1-5).</p>
Mar. 22	The Student Perspective	<p>→Goldrick-Rab, S. (2016). <i>Paying the price: College costs, financial aid, and the betrayal of the American dream</i>. Chicago, IL: The University of Chicago Press. (Full Book, Chapters 1-10).</p> <p>Analytical Memo #2 Due (by 3/22)</p>
Mar. 29	The Cultural and Societal Need of Higher Education	<p>→Zumeta, W., Breneman, D. W., Callan, P. M., & Finney, J. E. (2012). <i>Financing American higher education in the era of globalization</i>. Cambridge, MA: Harvard Education Press. (Chapters 1-2).</p> <p>→Siegfried, J. J., Sanderson, A. R., & McHenry, P. (2007). The economic impact of colleges and universities. <i>Economics of Education Review</i>, 26(5), 546-558.</p> <p>→Winston, G. C. (1999). Subsidies, hierarchy, and peers: The awkward economics of higher education. <i>Journal of Economic Perspectives</i>, 13(1), 13-36.</p>
Apr. 5	Historical and Contemporary Finance Topics	<p>→Zumeta, W., Breneman, D. W., Callan, P. M., & Finney, J. E. (2012). <i>Financing American higher education in the era of globalization</i>. Cambridge, MA: Harvard Education Press. (Chapters 3-4)</p>

		<p>→Barrow, C. W. (1990). <i>Universities and the capitalist state: Corporate liberalism and the reconstruction of American higher education 1894-1928</i>. Madison, WI: The University of Wisconsin Press. (Intro & Chapters 1-2)</p> <p>→Slaughter, S., & Rhoades, G. (2004). <i>Academic capitalism and the new economy</i>. Baltimore, MD: The Johns Hopkins University Press. (Chapters 1-2).</p>
Apr. 12	State Financing of Higher Education	<p>→Zumeta, W., Breneman, D. W., Callan, P. M., & Finney, J. E. (2012). <i>Financing American higher education in the era of globalization</i>. Cambridge, MA: Harvard Education Press. (Chapter 5).</p> <p>→Hillman, N. W., Tandberg, D. A., & Gross, J. P. K. (2014). Performance funding in higher education: Do financial incentives impact college completions. <i>Journal of Higher Education</i>, 85(6), 826-857.</p> <p>→Kelchen, R., & Stedrak, L. J. (2016). Does performance-based funding affect colleges' financial priorities? <i>Journal of Education Finance</i>, 41(3), 302-321.</p>
April 19	Costs and Cost Sharing	<p>→Zumeta, W., Breneman, D. W., Callan, P. M., & Finney, J. E. (2012). <i>Financing American higher education in the era of globalization</i>. Cambridge, MA: Harvard Education Press. (Chapters 6-7)</p> <p>→Belfield, C., Crosta, P., & Jenkins, D. (2014). Can community colleges afford to improve completion? Measuring the cost and efficiency consequences of reform. <i>Educational Evaluation and Policy Analysis</i>, 36(3), 327-345.</p> <p>→Cheslock, J., & Gianneschi, M. (2008). Replacing state appropriations with alternative revenue sources: The case of voluntary support. <i>Journal of Higher Education</i>, 79(4), 208-229.</p> <p>Trade Paper With Peer (by 4/21)</p>
April 26	Presentations	<p>→No Readings</p> <p>Class Presentations and Peer Critiques</p> <p>Presentations & Critiques (by 4/26)</p>
May 3	Reading Day	<p>→No Readings</p> <p>Class does not meet</p>
May 5		<p>Final Paper Due Upload to Collab (by 5/5)</p>

Grading

Students in Economics and Finance in Higher Education are expected to complete all assignments and will be graded as follows:

- Analytic Responses x2 (15% each)
- Final Paper (40%)
- Class Presentation/Critique (15%)
- Active Engagement (15%)

Assessments

All assignments are to be submitted via Collab in a **MS Word document** (.doc or .docx) by the date and time indicated herein. Some items are due on Wednesdays prior to class (3:30p), whereas others are due on Fridays by the end of the day (11:59p). Please take care to note these differences.

- *Analytic Responses*
You will write 2 analytic responses due by Wednesday 2/15 (3:30p) and Wednesday 3/22 (3:30p). For *each* analytic memo you will select *one* of the ten white papers from the [“National Commission on Financing 21st Century Higher Education”](#) to review and critique. You will choose a different white paper for each analytic memo, two in all. Analytic responses should be 5-6 double-spaced pages in length and employ at least 5 scholarly references from either the course readings or other publications within the field of economics and finance of higher education.
 - [“Crowded Out: The Outlook for State Higher Education Spending” \(PDF\)](#) by Dan White and Sarah Crane, Moody’s Analytics
 - [“Transformations Affecting Postsecondary Education” \(PDF\)](#) by Jeffrey J. Selingo, author and columnist
 - [“State Higher Education Finance: Best Practices” \(PDF\)](#) by Martha Snyder, Brian Fox, and Cristen Moore, HCM Strategists
 - [“Financing American Higher Education in the 21st Century: What Can the United States Learn From Other Countries?” \(PDF\)](#) by D. Bruce Johnstone, professor, Higher and Comparative Education, University at Buffalo
 - [“State Strategies for Leveraging Employer Investments in Postsecondary Education” \(PDF\)](#) by Robert Sheets and Stephen Crawford, George Washington Institute of Public Policy, The George Washington University
 - [“Understanding State and Local Higher Education Resources” \(PDF\)](#) by Sandy Baum and Kim S. Rueben, Urban Institute
 - [“New Directions in Private Financing” \(PDF\)](#) by Andrew P. Kelly, American Enterprise Institute
 - [“Higher Education: Social Impact Bonds and Income Share Agreements” \(PDF\)](#) by Carlo Salerno, higher education economist and analyst
 - [“State Support for Higher Education: How Changing the Distribution of Funds Could Improve College Completion Rates” \(PDF\)](#) by Bridget Terry Long, Harvard Graduate School of Education
 - [“The Federal Role in Financing 21st-Century Higher Education: Effectiveness, Issues, and Alternatives” \(PDF\)](#) by Gabriel R. Serna, Virginia Polytechnic Institute and State University

- *Final Papers*

The final paper will address any aspect of the full report produced by the National Commission on Financing 21st Century Higher Education. The full report was produced by the University of Virginia's Miller Center and is entitled, "[Investing in the Future: Sharing Responsibility for Higher Education Attainment](#)." Choose a specific area of interest within the report and begin reading widely to learn the scope and nature of the discussion. Once you have an overall understanding of the topic/discussion, design an argument (or question) you will address within your paper. Prepare a reading list of 15-20 books/articles that will support your argument (or answer your question) on the selected topic. If necessary, I am available to review the argument/question and the reading list before you begin writing, but not full papers. Final papers should be 10-12 double-spaced pages in length (not including title page or references). The first draft of your paper is due by Friday 4/21 (see "Class Presentations/Critique") whereas the final draft of the paper is due by 11:59p on Friday 5/5.
- *Class Presentation & Critique*

An important aspect of learning is an ability to distill the essence of the argument and to apply ideas to new situations and contexts. You will be asked to complete and exchange the first full draft of your final paper with a classmate by Friday 4/21. Your task is to critique the work of a peer, moving beyond summarizing or proofing the work to an active engagement of it such that you aim to advance it conceptually. You will present your own final paper on 4/26 in a 5 minute presentation (limited to 3 power point slides, if used). Following the presentation of your own work, the respective classmate will offer a 5 minute critique of your work (limited to 3 power point slides, if used). It is expected that the submitted draft of your final paper (5/5) will incorporate any necessary or legitimate critiques. Upload the draft of your paper to Collab by 11:59p on Friday 4/21 and provide a copy to your respective classmate via email.
- *Active Engagement*

Understanding challenges facing higher education and engaging competently in contemporary debates requires not only familiarity with the course material but an active engagement with it. Coming to class, being prepared to discuss the readings, and participating in class discussions and activities is thus crucial for the success of this course. Please bring assigned course readings to class. When articles are assigned, you are welcome to bring them on your computer, but any attention to matters not related to the course will severely impact your performance in this component of the course.
- *Grading rubric: Analytic responses and final papers will follow the same grading rubric. The student presentations and peer critiques will follow a separate grading rubric. Both rubrics can be found on the course Collab site. You can think about analytical responses as shorter, more focused versions of the final paper. Feedback provided during the class sessions and on the analytical responses will thus be instructive for writing the final paper.*

UVA Academic Policies

Statement on Academic Fraud

According to the UVA Honor Committee, “All students at the University of Virginia are bound by the Honor Code not to commit Academic Fraud, which is a form of cheating. “ Consequently, it is required or implied that all work conducted by students conform to the following honor pledge: “On my honor as a student, I have neither given nor received aid on this assignment.” If you are not familiar with or require further information about the honor system, please see <http://www.virginia.edu/honor/>.

Accommodations for Students with Disabilities

All students with special needs requiring accommodations should present the appropriate paperwork from the Learning Needs and Evaluation Center (LNEC). It is the student’s responsibility to present this paperwork in a timely fashion and follow up with the instructor about the accommodations being offered. Accommodations for test-taking (e.g., extended time) should be arranged at least one week before an exam. The LNEC is located in the Department of Student Health and can be contacted at 243-5180/5181. For more information, please see <http://www.virginia.edu/studenthealth/lneec.htm>.

Class Attendance and Excused Absences

Regular attendance in all classes is expected. Absences traditionally excused are those that occur because of death in a student's family, important religious holidays, or authorized University activities. Students who anticipate absence for cause should obtain permission from the instructor in advance of the absence. Unforeseen absences resulting from sickness, or from other circumstances considered to be emergencies, may be excused by the instructor and arrangements may be made with the instructor to complete the assignments missed.

Students in Distress

Services for students in various forms of distress are offered by Counseling and Psychological Services (<http://www.virginia.edu/studenthealth/caps.html>) in the Elson Student Health Center. During evenings and weekends, emergency crisis assistance (434-972-7004) is available. In addition, if you are concerned about another student, call 434-243-5150 during business hours, and request the consulting clinician.

Classroom Civility Statement

Students are asked to refrain from conducting private conversations (both in-person and electronically) in class, and are requested to use appropriate language and behavior that are not demeaning or disruptive to either the instructor or the other members of the class. Failure to consistently abide by these attendance policies will have an adverse impact on one’s final grade.