

EDHE 6760
Higher Education Finance
Wednesdays, 5.30-8.20 pm
Wooten Hall #218
Fall 2015

About the instructor

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Office hours: Mondays, 1.00 pm – 4.00 pm
Wednesdays, 1.00 pm – 4.00 pm

Although I am in my office almost every weekday, I often have meetings scheduled during these times. I therefore strongly suggest that you email me to make an appointment before coming to my office. Simply write to me at one of the two addresses posted above, noting the days and times at which you are available to meet. I generally reply to email within 24 hours, and often even sooner.

Course objectives

This course is designed as part of a sequence of classes intended to prepare you for work in higher education as a scholar-practitioner. To that end, this course has two complementary objectives.

First, this class will familiarize you with basic principles and current issues of higher education finance. Every scholar-practitioner needs an understanding of educational finance because virtually every office oversees a budget and, at times, is required to demonstrate its financial viability to various assessors. I seek to present core concepts in a way that they may be applied readily to educational practice. I will give special attention to the ways in which these topics touch upon other core issues in higher education – such as organization and administration, state and federal policy, and student choices – in an effort to integrate this course’s content with the other classes you will take while at UNT.

Second, this course will help you to develop the range of skills that characterize advanced scholar-practitioners in higher education. Necessary skills include the ability to write clear scholarly prose, and to present academic content orally. Course assignments will be graded accordingly. If you do not possess a copy of a “style guide” to writing, I highly recommend purchasing and familiarizing yourself with one. I remain partial to Strunk and White’s *Elements of Style*, but any of a number of guides can help you to improve your writing. Please note that this is a guide to writing style, mechanics and usage. Strunk and White is not a substitute for the *Publication Manual of the American Psychological Association* (“APA manual”), which is the official referencing guide of this department.

In addition, scholar-practitioners must be able to read and comprehend a variety of sources, including books, policy reports, and peer-reviewed journal articles. This will involve some familiarity with qualitative and quantitative research methods. If you do not possess this familiarity, simply do your best with course readings and raise relevant questions in class. You are responsible for learning all materials presented in the course, so please ask questions that you have so that you can hone your skills as a reader of academic content.

Assignments

There are four assignments in this course:

1. Final examination: This take home exam addresses major themes and content from the course. Evaluation is based upon demonstrated proficiency with course content, apt application of course readings, and the consistent use of a clear academic style of writing. 40% of final grade.
2. Final paper: Term papers should demonstrate a student's fluency with higher education finance by allowing for detailed exploration of a particular topic, concept, or issue. Papers may be: a review of literature related to a particular course topic but not covered in the class; a critical review of a recent scholarly book that is relevant to the financing of US higher education, was published in the last ten years, and addresses one of the major topics presented in the course; an introduction to a proposed research project on the finance of higher education; or another topic that has been approved by the instructor. All papers will briefly summarize the main points of the topic/book reviewed, and then will analyze these points in light of course readings and other relevant scholarly materials. Evaluation is based upon demonstrated knowledge of material, quality of analysis, stylistic clarity, and writing mechanics. 40% of final grade.
3. Class participation: **Attendance at all course sessions is required.** In accordance with Texas state law, absences on religious holy days will be considered excused. Students must complete assignments within a reasonable time frame after the absence at no penalty to their grade. I request that you let me know at your earliest convenience if you will be observing a religious holy day at a time during which we have scheduled a course meeting. If you must miss a course meeting for any other reason, please notify the instructor immediately. In addition to attendance, students are required to:
 - a. Complete all readings and to be prepared to participate in classroom discussions. Please note that "participation" does not necessarily require speaking, and certainly does not indicate speaking out of turn or talking over classmates.
 - b. Once per semester, each student is required to read a supplemental scholarly text – marked with an asterisk – and present this text to classmates. This informal presentation should last no more than 10 minutes, in which the student will discuss the article in light of course readings and concepts reviewed in the class.

- c. Once per semester, each student is required to present a “current events” news item related to higher education finance. This news item should be analyzed in light of course readings, illustrating how theory and research can inform our understanding of practical problems (and, ideally, illuminate potential responses to these problems). This informal presentation should last no more than 10 minutes.
- d. During the last two weeks of the semester, each student will present a preliminary version of his/her final paper. The purpose of this formal presentation, which will last approximately 15 minutes, is to secure feedback on the student’s in-progress final paper.
20% of final grade.

Grades and evaluation

A course grade of “A” (90-100) indicates exemplary work. A “B” (80-89) denotes work that meets expectations of a graduate student. A “C” (70-79) is assigned to work that does not meet expectations of graduate student performance. Grades of “D” (65-69) and “F” (<65) are assigned when work is unacceptable.

Late assignments

Assignments are due at the dates and times specified in the syllabus. Late work will be penalized one plus or minus for each day that it is late

Course readings

There are two required texts for this course:

Archibald, R. N., & Feldman, D. H. (2011). *Why does college cost so much?*. New York: Oxford University Press.

In weekly assignments, I will refer to this text as “A&F.”

Weisbrod, B. A., Ballou, J. P., & Asch, E. D. (2008). *Mission and money: Understanding the university*. New York: Oxford University Press.

In weekly assignments, I will refer to this text as “WB&A.”

In addition to these texts, we will read from a variety of book chapters, peer-reviewed journal articles, and policy reports. Some of these documents will be made available to you through an electronic course reserve. This reserve is offered as a convenient way to access materials available through the UNT library, and its contents are intended only for educational “fair use” within copyright provisions (ie., you are not to distribute these documents to others).

Find the course reserve by clicking the “course reserve” link on the UNT library’s main page. You then can search for this class using the course number found at the top of this syllabus. The password for this reserve is “NetPrice” (case-sensitive). You must not share

this password with others outside the class. Further, library staff will not be able to provide the password to you should you lose it. Please ask a classmate or request a duplicate copy of the syllabus.

Peer-reviewed journal articles are available through the UNT library. They are not part of the electronic reserve because you can find them easily using the citation information found in this syllabus.

Finally, policy reports such as Desrochers and Wellman (2011) are available publicly through the body that published these documents. A simple google search using information in the citation should take you to the item that you need to read.

Academic Integrity

Academic Integrity is defined in the UNT Policy on Student Standards for Academic Integrity. Academic Dishonesty includes cheating, plagiarism, forgery, fabrication, facilitating academic dishonesty, and sabotage. Any suspected case of Academic Dishonesty will be handled in accordance with University policy and procedures. Possible academic penalties range from a verbal or written admonition to a grade of “F” in the course. Further sanctions may apply to incidents involving major violations. The policy and procedures are available at: <http://vpaa.unt.edu/academic-integrity.htm>.

Student Behavior in the Classroom

Student behavior that interferes with an instructor’s ability to conduct a class or other students’ opportunity to learn is unacceptable and disruptive and will not be tolerated in any instructional forum at UNT. Students engaging in unacceptable behavior will be directed to leave the classroom and the instructor may refer the student to the Center for Student Rights and Responsibilities to consider whether the student’s conduct violated the Code of Student Conduct. The university’s expectations for student conduct apply to all instructional forums, including university and electronic classroom, labs, discussion groups, and field trips. The Code of Student Conduct can be found at: www.unt.edu/csrr.

Access to information – Eagle Connect

All UNT students should activate and regularly check their EagleConnect (e-mail) account. EagleConnect is used for official communication from the University to students. Many important announcements for the University and College are sent to students via EagleConnect. For information about EagleConnect, including how to activate an account and how to have EagleConnect forwarded to another e-mail address, visit <https://eagleconnect.unt.edu>. This is the main electronic contact for all course-related information and/or material.

UNT “Student Success” campaign

UNT is committed to your success. The University has determined that the following behaviors increase your chances of succeeding:

- Show up
- Find support

- Take control
- Be prepared
- Get involved
- Be persistent

ADA statement

The University of North Texas makes reasonable academic accommodation for students with disabilities. Students seeking accommodation must first register with the Office of Disability Accommodation (ODA) to verify their eligibility. If a disability is verified, the ODA will provide you with an accommodation letter to be delivered to faculty to begin a private discussion regarding your specific needs in a course. You may request accommodations at any time, however, ODA notices of accommodation should be provided as early as possible in the semester to avoid any delay in implementation. Note that students must obtain a new letter of accommodation for every semester and must meet with each faculty member prior to implementation in each class. Students are strongly encouraged to deliver letters of accommodation during faculty office hours or by appointment. Faculty members have the authority to ask students to discuss such letters during their designated office hours to protect the privacy of the student. For additional information see the Office of Disability Accommodation website at <http://www.unt.edu/oda>. You may also contact them by phone at 940.565.4323.

Student perceptions of teaching (That which used to be SETE)

Completion of an online students' perceptions of teaching is a requirement for all organized classes at UNT. This short survey will be made available to you at the end of the semester, providing you a chance to comment on how this class is taught. I am very interested in the feedback I get from students, as I work continually to improve my teaching. I consider your completion of this online survey to be an important part of your participation in this class.

Emergency notification and procedures

UNT uses a system called Eagle Alert to quickly notify you with critical information in the event of an emergency (i.e., severe weather, campus closing, and health and public safety emergencies like chemical spills, fires, or violence). The system sends voice messages (and text messages upon permission) to the phones of all active faculty staff, and students. Please make certain to update your phone numbers at www.my.unt.edu. Some helpful emergency preparedness actions include: 1) know the evacuation routes and severe weather shelter areas in the buildings where your classes are held, 2) determine how you will contact family and friends if phones are temporarily unavailable, and 3) identify where you will go if you need to evacuate the Denton area suddenly. In the event of a university closure, please refer to Blackboard for contingency plans for covering course materials.

Retention of student records

Student records pertaining to this course are maintained in a secure location by the instructor of record. All records such as exams, answer sheets (with keys), and written

papers submitted during the duration of the course are kept for at least one calendar year after course completion. Coursework completed via the Blackboard on-line system, including grading information and comments, is also stored in a safe electronic environment. You have a right to view your individual record; however, information about your records will not be divulged to other individuals without the proper written consent. You are encouraged to review the Public Information Policy and F.E.R.P.A. (Family Educational Rights and Privacy Act) laws and the university's policy in accordance with those mandates at the following link:

<http://essc.unt.edu/registrar/ferpa.html>

Unit I – Core concepts and basic frameworks

August 26, 2015 – Introductions, syllabus review, general comments

September 2, 2015 – Basic concepts, revenues, and expenditures

A&F Ch. 1

Desrochers, D. M., & Wellman, J. V. (2011). *Trends in college spending, 1999-2009*.
Washington, DC: The Delta Cost Project.

Winston, G. C. (2004). Differentiation among U.S. colleges and universities. *Review of Industrial Organization, 24(4)*, 331-354.

Discussion points: decisions; prices; costs; opportunity costs; supply; demand; marginal benefits; marginal costs; revenue sources; expenditure categories; reading and interpreting descriptive finance statistics; general subsidies; targeted subsidies; sources of subsidies; tuition dependence; hierarchy; peers; organizational stratification; income inequality

September 9, 2015 – No class – CHER Conference

September 16, 2015 – Competition and decisions in a changing context

For everyone to read:

Newfield, C. (2009). Ending the budget wars: Funding the humanities during a crisis in higher education. *Profession, 8*, 270-284.

WB&A Ch. 1-2, 4.

Zemsky, R., & Massy, W. F. (1995). Toward an understanding of our current predicaments. *Change, 27(6)*: 40-49.

Presenters choose one of:

- * Barringer, S. N. (in press). The changing finances of public higher education organizations: Diversity, change, and discontinuity. *Research in the Sociology of Organizations*.
- * Kraatz, M. S., & Zajac, E. J. (1996). Exploring the limits of the new institutionalism: The causes and consequences of illegitimate organizational change. *American Sociological Review, 61(5)*, 812-836.
- * Leslie, L. L., Slaughter, S., Taylor, B. J., & Zhang, L. (2012). How do revenue variations affect expenditures within research universities?. *Research in Higher Education, 53(6)*, 614-639.
- * Slaughter, S., & Cantwell, B. (2012). Transatlantic moves to the market. *Higher Education, 63(5)*, 583-606.

- * Volk, C. S., Slaughter, S., & Thomas, S. L. (2001). Models of institutional resource allocation: Mission, market, and gender. *The Journal of Higher Education*, 72(4), 387-413.

Discussion points: matching resources with mission/values; public and private goods; “illegitimate organizational change”; resource dependence and financial decision-making; mission faithfulness and financial exigency; “sacred bulls and cash cows”; revenue generating departments; high cost departments; quasi-markets and manufactured crises; tuition dependence; “feedback” between prices, subsidies, and selectivity; competition against peers; isomorphism; accumulated advantage; ARWU/THES and global-scale competition

Unit II – Financing colleges and universities

September 23, 2015 – Higher education costs

A&F Ch. 2-5

Leslie, L. L., & Rhoades, G. (1996). Rising administrative costs. *The Journal of Higher Education*, 66(2), 187-212.

Four students present a current event

Discussion points: the revenue theory of costs; the cost disease; prestige, competition, and costs; cost ratchet; (dis)economies of scope and scale; accumulation of capital and skilled labor; personnel costs; administrative costs

September 30, 2015 – Why and how do governments subsidize higher education?

A&F Ch. 11

Ehrenberg, R. G. (2006). The perfect storm and the privatization of public higher education. *Change*, 38(1), 46-53.

Johnstone, D. B. (2004). The economics and politics of cost sharing in higher education: Comparative perspectives. *Economics of Education Review*, 23(4), 403-410.

McLendon, M. K., & Mokher, C. G. (2009). The origins and growth of state policies that privatize public higher education. In C. C. Morpew and P. Eckel (Eds.), *Privatizing the public university* (pp. 7-32). Baltimore, MD: The Johns Hopkins University Press.

Four students present a current event

Discussion points: cost sharing; high tuition, high aid model; low tuition, low aid model; different state coordinating mechanisms and resource allocation; revenues in public university systems “balance wheel”; decline in appropriations (Rizzo 2006); “tax revolt”; sales and income taxes as funding mechanisms; need vs. merit aid; cost-sharing; federal student financial aid programs; FAFSA and EFC; need- and merit-based student financial aid; rising loan usage

October 7, 2015 – Other subsidies: Research, donations, and non-tuition revenues

For everyone to read:

WB&A Chs. 6-9

Presenters choose one of:

- * Cantwell, B. (2014). Laboratory management, academic production, and the building blocks of academic capitalism. *Higher Education*, 70(3), 487-502.
- * Cantwell, B., & Taylor, B. J. (2015). The rise of the postdoctorate and the restructuring of academic research. *The Journal of Higher Education*, 86(5).
- * Colyvas, J. A., & Powell, W. W. (2006). Roads to institutionalization: The remaking of boundaries between public and private science. *Research in Organizational Behavior*, 27(2), 305-353.
- * Ehrenberg, R. G., & Smith, C. L. (2003). The sources and uses of annual giving at selective research universities and liberal arts colleges. *Economics of Education Review*, 22(1), 223-235.
- * Piketty, T. (2014). *Capital in the twenty-first century*. Cambridge, MA: Belknap.
 - Chapter 12, “Global inequality of wealth in the twenty-first century,” pp. 430-467
- * Taylor, B. J. (in press). The field dynamics of stratification among US research universities: The expansion of federal support for academic research, 2000-2008. In S. Slaughter, & B. J. Taylor. (Eds.), *Stratification, privatization and vocationalization of higher education in the US and EU: Competitive advantage*. Dordrecht, the Netherlands: Springer.

Discussion points: federalization of universities; competitiveness policy; importing S&E labor; technology transfer; restricted and unrestricted gifts; auxiliary revenues; community relations and finance; endowments and their management; hierarchy revisited

Unit III – Financing students

October 14, 2015 – Enrollment management: Tuition and discounting

A&F Ch. 9-10

Hillman, N. W. (2012). Tuition discounting for revenue management. *Research in Higher Education*, 53(3), 263-281.

Jaquette, O., & Curs, B. (2015). Creating the out-of-state university: Do public universities increase nonresident freshmen enrollment in response to declining state appropriations?. *Research in Higher Education*, 56(6), 535-565.

WB&A Ch 5

Students discuss preliminary final paper ideas in class

Four students present a current event

October 21, 2015 – Student choice

For everyone to read:

- Belasco, A. S., & Trivette, M. J. (2015). Aiming low: Estimating the scope and predictors of postsecondary undermatch. *The Journal of Higher Education*, 86(2), 233-263.
- Heller, D. E. (1997). Student price response in higher education: An update to Leslie and Brinkman. *The Journal of Higher Education*, 68(6), 624-659.
- McDonough, P. M. (1994). Buying and selling higher education: The social construction of the college applicant. *The Journal of Higher Education*, 65(4), 427-446.
- Stevens, M. L. (2007). *Creating a class: College admissions and the education of elites*. Cambridge, MA: Harvard University Press.
- Chapter seven, “Yield,” pp. 228-241
- Weis, L. (in press). Positioning for elite and quasi-elite colleges and universities in the United States: Parent and student strategies for “maintaining advantage” in a new economic and postsecondary context. In S. Slaughter, & B. J. Taylor. (Eds.), *Stratification, privatization and vocationalization of higher education in the US and EU: Competitive advantage*. Dordrecht, the Netherlands: Springer.

Guest speakers – Dr. Andrew Belasco and Dr. Michael Trivette, College Transitions

Presenters choose one of:

- * Grodsky, E., & Jones, M. T. (2007). Real and imagined barriers to college entry: Perceptions of cost. *Social Science Research*, 36(1), 745-766.
- * Gross, J. P. K., & Berry, M. S. (in press). The relationship between state policy levers and student mobility. *Research in Higher Education*. DOI: 10.1007/s11162-015-9377-8.
- * Kim, J., DesJardins, S. L., & McCall, B. P. (2009). Exploring the effects of student expectations about financial aid on postsecondary choice: A focus on income and racial/ethnic differences. *Research in Higher Education*, 50(8), 741-774.
- * Lopez Turley, R. N. (2006). When parents want children to stay home for college. *Research in Higher Education*, 47(7), 823-846.
- * Jacob, B., McCall, B., & Stange, K. M. (2013). College as country club: Do colleges cater to students’ preferences for consumption?. *NBER Working Paper #18745*. Cambridge, MA: National Bureau of Economic Research.
- * Rizzo, M. J., & Ehrenberg, R. G. (2004). Resident and nonresident tuition and enrollment at flagship state universities. In C.M. Hoxby (Ed.), *College choices: The economics of where to go, when to go, and how to pay for it* (pp. 303-349). Chicago: University of Chicago Press.
- * Rodriguez, A. (2015). Tradeoffs and limitations: Understanding the estimation of college undermatch. *Research in Higher Education*, 56(6), 566-594.

Discussion points: competition for students; equity; (mis)alignment of individual and institutional incentives; institutional student financial aid and tuition discounting; the return of tuition dependence; *habitus*; student choice and social reproduction

October 28, 2015 – Institutions, individuals, and stratification

Hearn, J. C., & Rosinger, K. O. (2014). Socioeconomic diversity in selective private colleges: An organizational analysis. *The Review of Higher Education, 38*(1), 71-104.

Posselt, J., Jaquette, O., Bielby, R., & Bastedo, M. N. (2012). Access without equity: Longitudinal analyses of institutional stratification by race and ethnicity, 1972-2004. *American Educational Research Journal, 49*(6), 1074-1111.

Taylor, B. J., & Cantwell, B. (2015). Global competition, US research universities, and international doctoral education: Growth and consolidation of an organizational field. *Research in Higher Education, 56*(5), 411-441.

WB&A Ch. 11

Four students present a current event

Instructor will answer questions as an exam review

Final exams distributed

November 4, 2015 – No class (ASHE) – Final exams due via email by 5.30 pm CST

November 9, 2015 – Fall course evaluations are available

November 11, 2015 – Student presentations, part one

November 18, 2015 – Student presentations, part two

November 22, 2015 – Fall course evaluations due

November 25, 2015 – No class – University holiday

December 2, 2015 – Final papers due via email by noon