

ELMP 9995 NA, Fall 2017
Financial Administration of Higher Education
Wednesday, 7:15-9:25 PM
Course Syllabus—Version 1.0

Contact Information

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Course Description

This course examines the foundations of higher education finance. We will discuss institutional revenue and expenditure patterns, students' costs and benefits from higher education, and the public policy landscape regarding student and institutional funding as well as performance management. By the end of the semester, students will be expected to have a solid understanding of higher education finance and will write an original term paper on a topic of their choice within this field.

Course Expectations

Attendance and class participation: Students are expected to attend and participate in each class during the course of semester. Although there is no explicit credit given to regular attendance, it is unlikely that a student will succeed in the course without attending class. I recognize that many of your schedules are extremely busy and that a class may be occasionally missed, so please let me know in advance if you will be unable to attend. I am also happy to patch you into class via Blackboard Collaborate if you are out of town—just let me know if that works for you.

Office hours: I hope that everyone in the class meets with me on a one-on-one basis at least once during the semester to discuss the class paper and your goals for the class and graduate study. Appointments are not necessary during regular office hours, but are encouraged to avoid a potential wait. I am happy to arrange alternative office hours, either in person or via Skype or Google Hangout, if the regular office hours do not work for you.

Communications: I will use both Blackboard and e-mail to communicate important course messages. E-mails will be sent to your SHU account so I can guarantee that they are received. I typically respond to student e-mails within 24 hours; if the message is urgent and you have not received a response acknowledging receipt, please send your message again.

A note on readings: This course has a rather high reading load, with some weeks having nearly 200 pages of readings. I do not expect you to read each word in each reading, as that would be incredibly time-consuming. Rather, I expect you to develop the art of *skimming* many of the readings, focusing on the key points of the article. This does not mean that you skip the methods sections and anything that looks technical every time, though—as being effective consumers of research is a key outcome of our programs. If you have any questions about how to read the articles in an effective way, please let me know as skimming is an acquired skill.

Academic integrity: All students are expected to maintain high standards of academic integrity. All completed assignments must be original work for this course, must consist of original ideas and writing, and must include appropriate citations of others' ideas. Your written work may be electronically tested for plagiarized content. As a student in this course, you are responsible for knowing and adhering to the spirit of University and ELMP policies regarding academic integrity and student conduct.

Department of ELMP – Cheating and Dishonesty

I. Statement —The Department of ELMP will not tolerate any form of academic dishonesty. Infractions will be appropriately penalized; students should understand that suspension or expulsion from the University is a possible result.

II. Definitions — “Academic Dishonesty” shall be understood to encompass at least the following:

Cheating — whether on tests or on other course assignments, whether by the giving, receiving or taking of information.

Plagiarism — stealing and/or passing off as one's own the ideas or words of another; using without crediting the source. It includes: (1) copying of text/research/assignments; (2) using someone else's papers/research/assignments without permission and citation; (3) representing as one's own work what is really the work of another person. This includes downloading from WEB sources.

III. Penalties:

1. A student determined to be cheating on any test or who plagiarizes on a course assignment will be appropriately penalized at the **discretion of the instructor**. This may include receiving a zero on the assignment or “F” for the course.
2. Notice that a student has cheated or plagiarized will be sent to the department chair. All cases of plagiarism resulting in an “F” for the course will be reported to the Dean. This can result in a recommendation to the Dean for suspension or expulsion from the university.

3. If the chair of the ELMP department finds that a student has been found to have committed acts of academic dishonesty in more than one ELMP course, the student is expelled from the ELMP program after due notice of the discovery. After one year, the department may rescind the expulsion upon the application of the student provided the student evidences a genuine, informed, and vigorous commitment to academic integrity to the satisfaction of the department's faculty as a whole.
4. All department or instructor actions resulting from suspected violations of this policy will be taken in accordance with the students' due process rights. Nothing in this policy statement shall be construed to preclude the department from taking appropriate disciplinary action against forms of academic dishonesty not stipulated here.

Services: Disability Support Services offers services to students with disabilities to facilitate their full participation in all campus activities in accordance with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990. The office provides documentation review, reasonable accommodations, training groups, resource materials and referrals. For more information, see <http://www.studentaffairs.shu.edu/dss/>

Course Evaluation and Assignments

Analyzing a budget: The first assignment of the semester is to analyze a budget of a college or university of your choosing (do not choose your current employer, Seton Hall University, or The College of New Jersey—our in-class example). Make sure to choose an institution that makes its budgets publicly available, and ideally has budgets from several years available. The assignment has the following components:

- Revenues and expenditures. For the most recent year available, summarize the key revenue and expenditure types. For example, how much money comes from tuition revenue, state funding, donations, or sponsored research? How much money is spent on salaries, instruction, or facilities costs? Do any of the key revenue and expenditure categories surprise you, and why?
- Budget trends. Going back at least five years (but ideally prior to 2008 if data exist), what are the trends in revenues, expenditures, and endowments (if applicable)? Which categories have changed the most or least over time?
- Fiscal stability. Does your institution appear to be fiscally stable (consistently increasing revenues, ideally from multiple sources) or not? What could the institution do in order to place itself on a better financial footing, or are no actions necessary?
- “Readability” of budget. Is the institution's budget easy to comprehend? Are additional documents or summaries provided to help with interpretation? Were there key questions that were not answered in either the budget or supporting materials, and do you have recommendations for improvement?

This assignment will be worth **35%** of your final grade and is due **October 11 at 7 PM** via Blackboard. The completed assignment should be between 10 and 15 pages (excluding tables and references) in standard APA format (12-point Times New Roman font, double-spaced with one-inch margins) and be well-written.

Opinion piece and discussion on free college: One of the key higher education finance debates occurring right now is whether college should be free. While the definitions of both “free” and “college” vary considerably across the wide range of policies that have been adopted in recent years, they are all designed to address concerns about college affordability and increase educational attainment levels. However, skeptics and opponents of these plans contend that these plans are at best poorly-targeted and at worst remove individuals’ incentives to put effort into their own education.

To better understand this important policy issue, we will spend the class period on November 15 having a structured discussion of the idea of free college and the various plans that have been proposed to this point. Before class, you will write a blog post of between 700 and 1000 words (with no exceptions) using one of the following three frameworks.

- (1) Arguing for or against a particular policy that has been proposed and/or implemented.
- (2) Proposing your own free college system based on other systems and prior research.
- (3) Making the case for why students should have to pay for a substantial portion of their own education.

Here are some good examples of what scholarly blog posts can look like. (Note how they hyperlink sources instead of using APA format—that is what you want to do here.)

- Brookings Institution’s Brown Center Chalkboard blog: <https://www.brookings.edu/blog/brown-center-chalkboard/>
- The Conversation: <https://theconversation.com/us/education>
- New America’s Ed Central blog: <https://www.newamerica.org/education-policy/higher-education/>
- The Upshot (NYT): <https://www.nytimes.com/section/upshot>

The blog post will be due on **Sunday, November 12 at 11:59 PM** so I have time to read them and to share them with your classmates. I expect you to read your classmates’ posts before class that Wednesday night. The blog post will be worth **10% of your grade** and will be graded based on the quality of your analyses and writing.

Term paper: The culminating assignment of the class is to write an original paper analyzing a policy of your choosing in the area of higher education finance. Your paper should take a position defending an existing policy or a policy of your own design and should focus on a segment of higher education. For example, you could focus on financial aid reforms and look at the effects from one of many different perspectives: students and their families, institutional

financial aid and budget offices, state and federal governments, or the general public. (Do not use free college as a topic, as that is covered in another assignment.) In order to write a focused paper, please try to narrow your scope and audience as much as possible.

I am looking for the following components in the paper:

- Introduction and literature review. In this section, provide a brief overview of the importance of your topic as well as related literature in that area. You should also provide background data in addition to other studies' findings, where applicable. This section should be fairly concise, as the goal of the paper is to analyze a policy within higher education finance instead of solely constructing a review of the literature.
- Policy statement and details. Discuss the policy that you would like to advance and its broad goals. Then explain how this policy would benefit your group of interest (students, colleges, taxpayers, the general public, etc.) If you are supporting a policy which has been enacted before, discuss how it has worked in practice. Next, provide more details about the policy and how you think it might work in the case you are examining.
- Policy outcomes. What are the intended outcomes of your proposed policy, and how would you like to see those outcomes measured? Think carefully about the unintended consequences of your policy and argue that they are small enough to merit advancing your policy. You should also pay close attention to who would be affected by the policy and whether you can actually measure the outcomes in the way you would like.
- Costs and benefits. Any decision in higher education finance results in both costs and benefits. Briefly discuss the potential monetary and non-monetary costs and benefits that might result from your proposed policy and who would be affected. Even if the focus of your paper is on institutions, think about the costs and benefits faced by other stakeholders in this section.
- Alternative policies. Briefly describe several alternatives to your proposed policy, one of which should typically be the status quo. This section should convince readers that your policy is likely to work better than the alternatives for your audience of interest, so some details about other policies should be provided here.
- Analysis and conclusion. By this point in the paper, you should have already convinced readers that your proposed policy is better than the alternatives for a certain group of stakeholders. In this section, consider how your proposed policy could actually be implemented. If the same or a similar policy has been implemented elsewhere, cite studies which examine that policy. If it is a new policy, think through how the policy could be implemented. Also consider which groups or political agents would be likely to

support or oppose such a policy. It is perfectly fine to propose a policy with little chance of being adopted, but that should be acknowledged in this section.

There are three separate grading components to the term paper:

- **Paper proposal (5% of final grade, due October 18 at 7 PM):** You will be expected to submit a 1-2 page summary of the proposed topic, which will include a motivation for your topic, research question, potential data source(s), and a plan to complete the paper by the end of the semester. Full credit will be given to proposals which are submitted on time and address the criteria discussed above. Early submissions are encouraged, as are inquiries about potential topics. Students may change their topic at any time by contacting me and submitting a second paper proposal.
- **Presentation (10%, in class on December 6):** You will give a presentation of approximately 8 minutes (depending on final enrollment) summarizing the key points of your paper. Presentations must be uploaded by noon that day to Blackboard so it can be loaded on the computer in advance of class. Grades will be assigned based on the quality of the presentation. Please contact me in advance if you will not be present on that date.
- **Final paper (40%, due December 13 at 7 PM):** The final paper must be submitted by this time and should meet all of the criteria discussed above. It should be between 10 and 15 double-spaced pages in length (excluding tables and references) in standard APA format and 12-point Times New Roman font.

Paper guidelines: Your papers will be graded in part based on the quality of writing, which includes clarity, proper APA formatting and citations, and correct spelling and grammar. Students are encouraged to make an appointment with the Writing Center (<http://www.shu.edu/academics/artsci/writing-center/>) as soon as a draft paper is complete in order to receive feedback. I am also happy to look at a draft paper to provide general feedback, as long as you give me at least one week to read the paper. All assignments should be submitted via Blackboard; please let me know immediately if you encounter any problems uploading papers.

Presentation guidelines: Learning how to give an effective presentation is one of the most important skills that you can learn in graduate school. The effectiveness of a presentation is strongly correlated with the amount of preparation, so take time to practice your presentation and make sure it is as clear as possible. I strongly recommend using simple slides with large font sizes that can be easily read in the back of the classroom.

There are three course-specific requirements for presentations. First, all slideshows must be submitted via Blackboard by noon that day so it can be loaded on the computer in advance of class. Second, I request that students not use Prezi for presentations and also avoid special graphics for transitions. (My eyes cannot handle the sudden zooms and transitions of Prezi, and they make some other people dizzy.) Finally, course presentation days are designed to be

interactive. Grades will be assigned based on both the quality of the presentation and the feedback you provide to other students' presentations.

Late assignments: There will be a 10% penalty assessed per day for late paper proposals, draft papers, or final papers unless an emergency exists. Late assignments will also receive minimal feedback. Class presentations cannot be made up unless prior arrangements have been made.

Grading scale: The grading scale for assignments and the overall class is as follows:

93-100 pts- A
90-92 pts - A-
86-89 pts - B+
82-85 pts - B
78-81 pts - B-
73-77 pts - C+
70-72 pts - C
Below 70 pts - F

Schedule (subject to change)

August 30: Introduction

Discuss syllabus and deadlines

Introduction to the course and material

September 6: The higher education finance landscape and data sources

Lumina Foundation video on how the federal government distributes financial aid to students:
<https://www.luminafoundation.org/looking-back-to-move-forward-4>

Chetty, R., Friedman, J. N., Saez, E., Turner, N., & Yagan, D. (2017). *Mobility report cards: The role of colleges in intergenerational mobility*. Working paper. (Also, look at their website for data on how your favorite college fares: <http://www.equality-of-opportunity.org/college/>.)

Ehrenberg, R. G. (2012). American higher education in transition. *Journal of Economic Perspectives*, 26(1), 193-216.

Madzellan, D. (2013). *The politics of student aid*. Washington, DC: American Enterprise Institute.

Schanzenbach, D. W., Bauer, L., & Breitwieser, A. (2017). *Eight economic facts on higher education*. Washington, DC: The Hamilton Project.

National Center for Education Statistics (2015). *IPEDS data center user manual*. Washington, DC: Author. (skim as a reference)

September 13: Institutional budgeting

Barr, M.J., & McClellan, G.S. (2010). Understanding budgets. In *Budgets and financial management in higher education* (pp. 55-85). San Francisco, CA: Jossey-Bass.

Varlotta, L.E. (2010). Becoming a leader in university budgeting. *New Directions for Student Services*, 129, 5-20.

Seton Hall's FY 2016 Forms 990 and 990-T to the Internal Revenue Service:
<https://www13.shu.edu/offices/finance/index.cfm>

The College of New Jersey's FY 2016 audited financial statements:
<https://treasurer.tcnj.edu/files/2016/02/FY2016-Audited-Financials-and-Schedules-of-Federal-State-Awards.pdf>

Moody's credit rating report for The College of New Jersey:

<https://treasurer.tcnj.edu/files/2016/09/Moodys-TCNJ-Final-Report-8.15.2016.pdf>

Information on The College of New Jersey's budgeting cycle:

<https://treasurer.tcnj.edu/files/2012/06/FY2018-TCNJ-Strategic-Budget-Planning-Cycle.pdf>

September 20: Policy analysis and higher education finance

DesJardins, S.L. (2001). Understanding and using efficiency and equity criteria in the study of higher education policy. In J.C. Smart & W.G. Tierney (Eds.), *Higher education: Handbook of theory and research, Vol. 17* (pp. 173-220). Norwell, MA: Kluwer Academic Publishers.

Ness, E. C. (2010). The role of information in the policy process: Implications for the examination of research utilization in higher education policy. In J. C. Smart (Ed.), *Higher education: Handbook of theory and research, Vol. 25* (pp. 1-49). Dordrecht, The Netherlands: Springer.

Weimer, D.L., & Vining, A.R. (1999). Thinking strategically about adoption and implementation. In *Policy Analysis: Concepts and Practice (3rd Ed)* (pp. 382-416). Upper Saddle River, NJ: Prentice-Hall.

Winston, G. C. (1999). Subsidies, hierarchy and peers: The awkward economics of higher education. *Journal of Economic Perspectives, 13*(1), 13-36.

September 27: Higher education expenditures

Altonji, J. G., & Zimmerman, S. D. (2017). *The costs of and net returns to college major*. Cambridge, MA: National Bureau of Economic Research Working Paper 23029.

Archibald, R. B., & Feldman, D. H. (2008). Explaining increases in higher education costs. *The Journal of Higher Education, 79*(3), 268-295.

Cheslock, J. J., & Knight, D. B. (2015). Diverging revenues, cascading expenditures, and ensuing subsidies: The unbalanced and growing financial strain of intercollegiate athletics on universities and their students. *The Journal of Higher Education, 86*(3), 417-447.

Hurlburt, S., & McGarrah, M. (2016). *Cost savings or cost shifting? The relationship between part-time contingent faculty and institutional spending*. New York, NY: TIAA Institute.

Commonfund Institute (2015). *2015 higher education price index*. Wilton, CT: Author. (skim)

Desrochers, D. M., & Hurlburt, S. (2016). *Trends in college spending: 2003-2013*. Washington, DC: American Institutes for Research. (skim)

October 4: Federal sources of revenue

Note: I will add one more reading (a paper in progress) as we get closer to the class date.

Cellini, S. R. (2010). Financial aid and for-profit colleges: Does aid encourage entry? *Journal of Policy Analysis and Management*, 29(3), 526-552.

Kirshstein, R. J., & Hurlburt, S. (2012). *Revenues: Where does the money come from?* Washington, DC: American Institutes for Research.

Pew Charitable Trusts (2015). *Federal and state funding of higher education*. Washington, DC: Author.

Pew Charitable Trusts (2017). *How governments support higher education through the tax code*. Washington, DC: Author.

October 11: State sources of revenue

Budget analyses due at 7 PM

Chatterji, A. K., Kim, J., & McDevitt, R. C. (2016). *School spirit: Legislator school ties and state funding for higher education*. Working paper.

Doyle, W., & Zumeta, W. (2014). State-level responses to the access and completion challenge in the new era of austerity. *The Annals of the American Academy of Political and Social Science*, 655, 79-98.

Fitzpatrick, M. D., & Jones, D. (2016). Post-baccalaureate migration and merit-based scholarships. *Economics of Education Review*, 54, 155-172.

Hillman, N. W. (2016). *Why performance-based college funding doesn't work*. New York, NY: The Century Foundation.

State Higher Education Executive Officers Association (2017). *State higher education finance: FY 2017*. Boulder, CO: Author. (skim)

October 18: College pricing, tuition revenue, and endowments

Paper proposal due at 7 PM

Goldrick-Rab, S., & Kendall, N. (2016). *The real price of college*. New York, NY: The Century Foundation.

Jaquette, O., Curs, B. R., & Posselt, J. R. (2016). Tuition rich, mission poor: Nonresident enrollment growth and the socioeconomic and racial composition of public research universities. *Journal of Higher Education*, 87(5), 635-673.

Kelchen, R. (2016). An analysis of student fees: The roles of states and institutions. *The Review of Higher Education*, 39(4), 597-619.

Levin, T., Levitt, S. D., & List, J. A. (2016). *A glimpse into the world of high capacity givers: Experimental evidence from a university capital campaign*. Cambridge, MA: National Bureau of Economic Research Working Paper 22099.

Yan, L., & Rosen, H. S. (2016). Are universities becoming more unequal? *The Review of Higher Education*, 39(4), 479-514.

Ma, J., Baum, S., Pender, M., & Welch, M. (2016). *Trends in college pricing 2016*. Washington, DC: The College Board. (skim)

National Association of College and University Budget Offices (2017). *2016 NACUBO-Commonfund study of endowment results*. http://www.nacubo.org/Research/NACUBO-Commonfund_Study_of_Endowments/Public_NCSE_Tables.html (skim)

October 25: Student debt and financing college

Akers, B., & Chingos, M. M. (2016). *Game of loans: The rhetoric and reality of student debt* (p. 13-37). Princeton, NJ: Princeton University Press.

Boatman, A., Evans, B. J., & Soliz, A. (2017). Understanding loan aversion in education: Evidence from high school seniors, community college students, and adults. *AERA Open*, 3(1), 1-16.

Chakrabarti, R., Haughwout, A., Lee, D., Scally, J., & van der Klaauw, W. (2017). *Press briefing on household debt, with focus on student debt*. New York, NY: Federal Reserve Bank of New York.

Houle, J. N., & Warner, C. (2017). Into the red and back to the nest? Student debt, college completion, and returning to the parental home among young adults. *Sociology of Education*, 90(1), 89-108.

Kelchen, R., & Li, A. Y. (2017). Institutional accountability: A comparison of the predictors of student loan repayment and default rates. *The ANNALS of the American Academy of Political and Social Science*, 671, 202-223.

November 1: Financial aid practices, policies, and impacts

Watch the Lumina Foundation's video on the history of the Pell Grant:

<https://www.luminafoundation.org/looking-back-to-move-forward-3>

Bird, K., & Castleman, B. L. (2016). Here today, gone tomorrow? Investigating rates and patterns of financial aid renewal among college freshmen. *Research in Higher Education*, 57(4), 395-422.

Carruthers, C. K., & Ozek, U. (2016). Losing HOPE: Financial aid and the line between college and work. *Economics of Education Review*, 53, 1-15.

Goldrick-Rab, S., Kelchen, R., Harris, D. N., & Benson, J. (2016). Reducing income inequality in educational attainment: Experimental evidence on the impact of financial aid on college completion. *American Journal of Sociology*, 121(6), 1762-1817.

Schudde, L., & Scott-Clayton, J. (2016). Pell Grants as performance-based scholarships? An examination of satisfactory academic progress requirements in the nation's largest need-based aid program. *Research in Higher Education*, 57(8), 943-967.

Baum, S., Ma, J., Pender, M., & Welch, M. (2016). *Trends in student aid 2016*. Washington, DC: The College Board. (skim)

November 8: ASHE conference (no class)

November 12, 11:59 PM: Blog post on free college due

November 15: Class discussion/debate on free college

Deming, D. J. (2017). *Increasing college completion with a federal higher education matching grant*. Washington, DC: The Hamilton Project.

Goldrick-Rab, S., & Kelly, A. P. (2016). Should community college be free? *Education Next*, 16(1), 54-60.

Harnisch, T. L., & Lebioda, K. (2016). *The promises and pitfalls of state free community college plans*. Washington, DC: American Association of State Colleges and Universities.

Murphy, R., Scott-Clayton, J., & Wyness, G. (2017). *Lessons from the end of free college in England*. Washington, DC: The Brookings Institution.

Map of college promise/free college programs: <https://ahead-penn.org/creating-knowledge/college-promise>

November 22: Thanksgiving break (no class)

November 29: Returns to education

Deterding, N. M., & Pedulla, D. S. (2016). Educational authority in the “open door” marketplace: Labor market consequences of for-profit, nonprofit, and fictional educational credentials. *Sociology of Education*, 89(3), 155-170.

Doyle, W. R., & Skinner, B. T. (2017). Does postsecondary education result in civic benefits? *The Journal of Higher Education*. doi: 10.1080/00221546.2017.1291258.

Giani, M. S. (2016). Are all colleges equally equalizing? How institutional selectivity impacts socioeconomic disparities in graduates’ labor outcomes. *Research in Higher Education*, 39(3), 431-461.

Ma, J., Pender, M., & Welch, M. (2016). *Education pays 2016: The benefits of higher education for individuals and society*. Washington, DC: The College Board.

Webber, D. A. (2016). Are college costs worth it? How ability, major, and debt affect the returns to schooling. *Economics of Education Review*, 53, 296-310.

December 6: Presentations

December 13, 7 PM: Final paper due