

SYLLABUS - DRAFT

General information

Course Title: Higher Education: Finance
Course Number: EDH 7505
Course Term: Fall 2014

Instructor: *Benjamin Baez*
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Email: baezb@fiu.edu

Meeting Times: Tuesday, 5:00-7:40 PM

Office Hours: **TBA**
[Anytime by Appointment, of course]

Location: Campus Support Complex

Texts: William Zumeta, David W. Breneman, Patrick M. Callan, and Joni E. Finney. 2012. *Financing American Higher Education in the Era of Globalization*. Cambridge: Harvard University Press.
[“Required Text”]

Other readings and materials will be available on Blackboard.

Blackboard: We will use Blackboard to assist in the administration of the course. Except for the required texts, all other materials will be located on Blackboard in the appropriate folder. Click on the folder and then the specific item in order to access it.

Course Description

This course will examine the economics and financing of higher education. It explores the ideas and processes that are used by colleges and universities as they manage their operating and capital resources, as well as the economic and political forces driving such ideas and processes.

Course Goals

This course aims at a working understanding of the economics of higher education finance. Thus, students at the end of the course should be able to:

- 1) Understand key economic concepts bearing on higher education finance in the United States and abroad;

- 2) Understand the logic of financial decisions in higher education; and
- 3) Apply such concepts and logic to a finance project of their choosing.

Other Important Information

Please review the important policies listed below, which we will follow in this course. The links to, details of, and your rights with regard to, these policies can be found in the Introduction folder on Blackboard:

- 1) Policies on academic dishonesty and integrity;
- 2) Policies relating to students with special needs; and
- 3) Policies on Sexual Harassment.

Course Requirements, Points, and Grading Scale

<u>Assignment</u>	<u>Maximum Points</u>	<u>Date Due</u>
Class Participation and Attendance/ Self-Assessment of Participation	20	
Two (2) Current Issues	02	Weekly
Eight (8) "Exams"	48	Weekly
Finance Project		
Finance Project Proposal	05	October 7
Optional Finance Project Draft		November 12
Finance Project	25	December 5

Total Point Scale and Course Grade

96-100	A
90-95	A-
85-89	B+
81-84	B
78-80	B-
73-77	C+
69-72	C
65-68	C-
60-64	D
Below 60	F

Attendance, Participation, and Preparation (20 points)

Your attendance, participation, and preparation will determine the success of this course and your experience in it. We all must be in attendance, on time, prepared, and there for the entire class in order to participate fully and contribute to class discussions. Please let me know if circumstances preclude your attendance, will cause you to be late, or require you to leave early. Your grade for this part of the

course will be based on three things: (a) attendance, (b) participation, and (3) preparation.

Self Assessment of Participation and Attendance: Although I will also do so, you are responsible for keeping track of your attendance and participation. At the end of the course, you will submit a self assessment of your participation, specifically listing and explaining your absences and times you were late. You will grade yourself in this area (up to 20 points) and give a justification for that grade.

Please follow these guidelines in assessing your attendance and participation:

Deduct 2 points for one absence;
Deduct 5 points for two absences;
Deduct 10 points for three absences;
Deduct 20 points for four absences.

Properly-documented, medically-excused absences are subject only to a 2-point rule; that is, deduct 2 points for every absence properly justified for medical reasons (after the first absence, of course).

Please also explain your tardies; excessive tardies must be considered in your overall assessment. Deduct points as you deem appropriate, giving due respect for the class and professional standards of behavior.

Please assess as well as the quality of your participation in and preparation for class discussions. Deduct points as you deem appropriate in this regard.

Your self-assessment is simply a recommendation. I will take into consideration your assessment in your grade for this requirement. If you do not complete a self-assessment, then I will base your grade strictly on my records.

Expectation for Class Discussions

I have designed the course with the point of view that the classroom must be a place where we all speak freely and share our insights with the other members of the class. We will have varying opinions on many matters discussed in class, but this does not mean that you must agree with my opinion or abide by any class consensus on issues. I expect, and hope, to have my opinions challenged, and I expect and hope that you feel the same about yours. The course will not be truly enjoyable unless we disagree about issues and are willing to explain our opinions. However, at all times we must be respectful to each other. If your participation is unsatisfactory, I will try to address the matter with you. But it is ultimately your responsibility to let me know how I can help you in this regard.

Current Issues (2 issues/1-point each)

Every week, you can bring to class a current issue you know or read about that relates to the course in some way. I ask that you present your issue orally to the class (for no more than 5 minutes). This can be an issue that you are dealing with, or one that you read about in the newspaper, or one you learned about on TV, and so forth. During the term, you are responsible for bringing to our attention two current issues. Depending on the size of the class, we will entertain two issues per week, so please always be prepared to discuss your issue.

“Exams” (8 exams/6 points each/48 points total)

Prior to each class session (except for the introductory class session), there will be an “exam” on the readings. The purpose of these exams is to ensure you have reviewed the required materials, are prepared for class discussions, and to help you understand key concepts and issues. You will be able to complete up to 12 exams, but only 8 of them will be considered in the final grade for this assignment (i.e., your grade for this requirement will be the sum total of the grades for 8 exams). If you complete more than 8 exams, I will accept the 8 highest grades (of course, if you complete less than 8 exams, your grade will be sum total of the grades of the exams you did complete).

These exams will take the form of short answers (300-word limit per question) asking you either to synthesize the week’s readings, explain key concepts or controversies, or compare and contrast the readings. You must be able to refer to more than one of the readings in each answer. You are expected to complete each exam with no assistance from others; in other words, these exams are NOT group projects.

Each exam will include 2-3 questions (if a 2-question exam, each will be worth 3 points; if a 3-question exam, each will be worth 2 points). Points will be deducted for incorrect answers, of course (although you may receive partial credit if some of your answer is correct), but I will not deduct points for writing style. I will deduct all the points for the question, however, if you do not cite a reference for your answers and a direct page citation for that reference. By reference, I mean only the last name of an author or short title of the material.

These exams do not assess cumulative knowledge; that is, they assess only your understandings of the readings assigned for the week. You may only use course readings assigned for the week in your answers to the questions. In other words, you may not use outside resources (or readings from prior or future weeks)!

Each exam will be conducted electronically on Blackboard and will be available for 96 hours prior to the session in which the materials are due. Thus, each exam will be available before class starting the prior Friday at 5:00 PM until our

Tuesday class session meets at 5:00 PM. You will not be able to take any exam after its due date.

The Blackboard will randomly choose questions from a question database, so you can submit your answers only once. I recommend that you copy the questions into your word processor, work on them, and then cut and paste them back to the Blackboard. Please refer to the course calendar and Course Blackboard for due dates.

Finance Project (30 points total: 5 points for the Finance Project Proposal/25 points for the Finance Project)

The major assignment in this course is what I am calling a “finance project” at a hypothetical institution. [Your project, however, could be based on an existing institution or on a hypothetical situation at an existing institution.] You should understand this project as requiring you to think about what is entailed in financing some aspect of higher education. But, also, by this you are not to think in terms of individuals or groups of individuals (e.g., a student seeking to finance her studies, or how to increase access for ethnic minorities). You are to think in institutional terms, that is, in terms of institutional roles, offices, functions, etc. So, while you may choose to finance a financial aid office, which will be concerned with how individuals finance their education or with scholarships granting access to underrepresented groups, the perspective of your project is on how the institution will finance this office’s work, not of the individuals who will be served by it.

This project will take the form of a proposal and a final project. The Finance Project Proposal will involve a survey asking you various questions about what you plan to do for your project. The Finance Project is not intended to be a traditional academic paper per se, but one that asks to include various components. You may also submit a draft of your project, if you choose. All these will be discussed in more detail below.

Issues/Topics

Below is a sample list of ideas for this project. You need not use any of these and can pursue your own idea, of course, but the list should offer you clues about how what I intend for this assignment:

Academic Advising
Center for Entrepreneurship
Chief Information Officer
College of Pharmacology
Dean of Students
Endowments
Enrollment Management

Football
Graduate Education
Graduate Assistantships
In-House Counsel
Merit Scholarships
[A] New College or University

Office of Community
Engagement
Office of Multicultural Affairs
Office of Sponsored Research
Ombudsman

Parents Office
Presidential Search
STEM Research
Technology Transfer
Upward Bound Program

Required Resources

This project will primarily require library research, focusing mostly on traditional academic resources, such as refereed journal articles and books. But you are also expected to include original research, such as interviews or email/paper surveys of key individuals who have knowledge of your topic, as well as other relevant materials that would not be considered traditional academic ones (e.g., websites, association statements, government reports, periodicals or newspapers, TED talks, etc.).

Required Components

A. Finance Project Proposal (5 points)

The proposal will take the form of a survey you will complete on Blackboard which, at a minimum, will ask you for:

- (1) The title of your project;
- (2) The institutional type you are choosing (e.g., private, public, for-profit, etc.);
- (3) A brief description of your topic (approximately 150 words);
- (4) A brief description of the project's goals and objectives;
- (5) A brief explanation of why you are choosing this topic;
- (6) A brief explanation of which, and how, particular course materials have influenced you in choosing the topic, and which will offer either a framework for your project or give some background or context to your topic;
- (7) A list of possible interviewees;
- (8) A list of possible original sources you are using or are considering using (e.g., interviews, surveys, archives, etc.);
- (9) Other matters not included in this list that you think may be relevant to your topic; and
- (10) A sample listing of possible references (traditionally-academic and otherwise)—please include either links or full references as appropriate.

This proposal is due on Blackboard by the end of the day on October 7.

B. The Finance Project (25 points)

Your finance project must include, at a minimum, the following components:

- (1) An overview of your project, including what, when, where, why, etc. (up to 2 pages);
- (2) A discussion of the key economic/finance concepts/forces/theories that shaped your understanding of the issue (up to 3 pages);
- (3) A summary of what you learned from original sources, including dates, backgrounds of sources, etc. (up to 2 pages);
- (4) A budget for your project;
- (5) A written justification for your budget, including how the economic and finance concepts discussed above in component # 2, as well as your original sources in component # 3, justify this budget and the items in it (up to 10 pages); and
- (6) A list of all your references (traditionally-academic and otherwise).

Please submit the component in the order listed, properly labeled. Please also cite references and direct pages when basing your arguments on the literature.

The Final Project must be submitted to Blackboard by the end of day on December 5.

Optional Draft of Finance Project

Although not required, you can submit a draft of your final project, **provided it is complete (see above for required components) and submitted to Blackboard by the end of the day on November 12**. I will return the draft to you within a week, and you can either accept that grade or revise and submit the final version when due on December 5.

Grading Criteria

This project has two parts: a proposal and the Finance Project.

There is only one criterion for your grade on the proposal: completing all the information asked of you. If you do it, you get 5 points; if you don't do it, you get nothing.

The grade criteria for Final Project will be:

- (1) Completion of all the components (6 points total—1 point for each component);
- (2) The quality of (a) the arguments, including proper referential and direct-page support) of each component where necessary, and of (b) the references you used

(15 points total—2 points each for components # 1, 3, and 6; 3 points for component # 2; 6 points for components # 4 and 5); and
(3) the quality of writing, including style, sentence structure, and grammar (4 points).

Course Calendar

The readings and assignments are due on the day listed. Please see the section on “Required Texts” for a listing of the texts referred here. The other materials are available on the Course Blackboard in the folders corresponding to their due dates.

** Only assignments submitted on Blackboard will be accepted. No assignment sent to my email will be accepted. If you have trouble submitting an assignment, please contact the Blackboard support services well in advance of the time the assignment is due. **

August 26 Introduction: To The Course, Of Course

Introduction to the Course
Review Syllabus
Introduction on Blackboard

September 2 Higher Education: Economically Speaking, An Introduction

Archibald and Feldman, Is Higher Education All That Unusual?
Brinkman, The Economics of Higher Education
Siegfried et al., The Economic Impact of Colleges and Universities
McArthur, Reconsidering the Social and Economic Purposes
Marginson and Considine, Roots of the Enterprise University
Exam # 1

September 9 Economics: Generally, Supposedly

Gaus, Public and Private Interests in Liberal Political Economy
Neoclassical Economics
Schoomkler, In the Image of the Creator
Rothschild, The Absence of Power
Anderson, The Fate of Economics
Bhagwati, Anti-Globalization: Why?
Baez, An Economy of Higher Education
Exam # 2

September 16 Economics: Of Higher Education, As If Different

Zumeta et al., Chapters 1 and 2 (Required Text)
Toutkoushian, Common Criticisms of the Economics of Higher Education
Paulsen and Toutkoushian, Economic Models and Policy Analysis
Olssen and Peters, Neoliberalism, Higher Education
Calhoun, The University and the Public Good
Marginson, Putting “Public” Back into the Public University
Exam # 3

September 23 Class and Capital, And Other Ideas Associated With Them

Marx and Engels, *Manifesto* (Preamble, Chapters I and II)
Fussell, An Anatomy of the Classes
Bourdieu, Forms of Capital
Becker, Investment in Human Capital
Coleman, Social Capital
Exam # 4

September 30 Budgets: Oh The Tales They Weave

Public Budgeting and Financial Management
Rubin, The Politics of Public Budgets
SHEEO, State Budgeting for Higher Education
Roe, Deconstruction Budgets
Lepori et al., Budgetary Allocation and Organizational Characteristics
Hearn et al., “Incentives for Managed Growth”
Dubeck, Beware of Higher Ed’s Newest Budget Twist
Exam # 5

October 7 Labor: Of Faculty, Mostly

NEA, The Salary Issue (pp. 3-10, skim rest)
2013-14 AAUP Faculty Salary Survey (Skim)
Ghezzi and Mingione, Beyond the Informal Economy
Bousquet, The Informal Economy of the “Information University”
Melguizo and Strober, Faculty Salaries and the Maximization of Prestige
Alexander, The Silent Crisis
How Does FIU Spend Its Money 1
How FIU Spends Its Money 2
Exam # 6
Finance Project Proposal Due by the end of the day

October 14 Higher Education: Finance^y [I/Uno/Un/Um/Eins]

Zumeta et al., Chapters 3 and 4 (Required Text)
Thelin, Higher Education and the Public Trough
Michael and Kretoivics, Financing Higher Education
Jongbloed, Creating Public-Private Dyanmics
Johnstone, Worldwide Trends in Financing Higher Education
International Finance Project (Skim for countries of interest)
Exam # 7

October 21 Higher Education: Finance^y [II/Dos/Deux/Dois/Zwei]

Zumeta et al., Chapters 6 & 7 (Required Text)
Levin, Raising Productivity in Higher Education
Kane, Rising Costs in Higher Education
Weisbrod and Asch, The Truth About the “Crisis”
Geiger, Politics, Markets, and University Costs
Exam # 8

October 28 Higher Education: Finance^y [III/Tres/Trois/Três/Drei]

Kerr, The New Race to be Harvard or Berkeley or Stanford
Morphew and Baker, The Cost of Prestige
O’Meara, Striving for What?
Slaughter and Rhoades, Academic Capitalism at the Department Level
King and Slaughter, Sports ‘R’ Us
Exam # 9

November 4 Financing So-Called “Private” Higher Education

Ehrenberg, Why Do Costs Keep Rising
Ehrenberg, Endowment Policies
Kaufman and Woglom, Financial Changes and Optimal Spending Rates
Geiger, The Publicness of Private Higher Education
Fleming, The Eisenhower College Silver Dollar Legislation
Exam # 10

November 11 No Class – Veteran’s Day

November 12 Optional Draft of Finance Project – No Class

Optional Draft of Finance Project is due by end of the day.

November 18 Financing So-Called “Public” Higher Education

I may have to cancel this class because of a conference. If so, the assignments for this class will be due on December 2 and the assignments for December 2 will be due on December 9.

Zumeta et al., Chapter 5 (Required Text)
Wellman, The Changing Role of Higher Education Systems in Finance
Archibald and Feldman, State Higher Education Spending
Harter et al., An Examination of Costs
Hossler, Refinancing Public Universities
Hauptman, Reforming How States Finance Higher Education
Reiff, How to Pay for Public Education
Exam # 11

November 25 No Class – Thanksgiving

December 2 Financing What Is Called, Perhaps Too Loosely, “Research”

If I have to cancel the November 18 session, then the assignments for that session will be due here, and this session’s original assignments below will be due on December 9.

Conceição et al., R&D Funding in US Universities
Trammell, Reconstructing Rationales for Public Funding
Press and Washburn, The Kept University
Miyoshi, Ivory Tower in Escrow
Slaughter and Rhoades, Patent Policies
Baez, Private Knowledge, Public Domain
Exam # 12

December 5 Final Project – No Class

Final Project is due by the end of the day.

December 9 Fall Back Class

We will have this class only if I have to cancel the November 18 session. In that case, the assignments for December 2 will be due here.

Self-Assessment of Participation and Attendance is due by the end of the day.