

EDUC 771: Finance and Resource Allocation in Postsecondary Education

Wednesdays, 1:00 pm – 4:00 pm, SEB 1315

Fall 2022

(Meeting dates: 8/31/2022 – 10/19/2022)

Instructor:

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Land Acknowledgement¹

University of Michigan resides on the traditional territories of the Anishinaabe or People of the Three Fires, namely the Ojibwe, Odawa, and Bodewadmi Nations. In 1817, these nations forcibly ceded this land through the Treaty at the Foot of the Rapids some of which was designated for “a college at Detroit” at which Indigenous peoples were eligible to enroll. As we occupy this land, we recognize and affirm that Indigenous peoples who live here now and those who were forcibly removed from this space. We also acknowledge the historic and ongoing struggles for Indigenous sovereignty, the effects of colonial violence, and the erasure of Indigenous peoples.

Course Overview

Money matters. This course examines the financial landscape of higher education from federal, state, local, and institutional perspectives, with a focus on the implicit and explicit implications for selected fiscal mechanisms. Through seminar-based discussions and hands-on activities, students will explore the tensions and tradeoffs in finance policy, including how such decisions perpetuate and/or attenuate inequities across institutional sectors and student groups. Principles discussed may apply across the P-20 spectrum, though course materials will focus primarily on postsecondary education. Sample topics include funding formulas, non-governmental revenue generation (e.g., philanthropy), institutional budgeting and expenditure patterns, current “hot topics” (e.g., free college), and the impacts of finance policy on institutional sustainability and student outcomes.

Required Texts

This course will pull from two primary textbooks. We will only be reading selections from these texts, so please pay careful attention to the assigned chapters in the course overview/weekly schedule. Both texts are available for free as e-books via U-M libraries.

Barr, M. J., & McClellan, G. S. (2018). *Budgets and financial management in higher education*. Wiley. Access e-book from U-M libraries: <https://mgetit.lib.umich.edu/go/8253088>

McKweon-Moak, M., & Mullin, C. M. (2014). *Higher education finance research: Policy, politics, and practice*. Information Age Publishing. Access e-book from U-M libraries: <https://mgetit.lib.umich.edu/go/8253329>

The literature above will be supplemented by various policy briefs and empirical studies. Some of these texts will be made available via Canvas, but texts with a star (*) next to them in our weekly schedule must be downloaded on your own via U-M library resources. We do this, because direct downloads are a way of ensuring authors and journals are given credit for their contribution to our

¹ Text for Land Acknowledgement borrowed from Winter 2022 syllabus by Dr. Rosie Perez w/ permission.

class; downloads/readership are also metrics that may play into authors' tenure review and professional livelihoods.

Course Learning Outcomes

At the end of this course, students will:

- Understand key economic concepts and logics related to postsecondary finance at the national, state, and institutional levels
- Identify and describe the multiple – sometimes competing – interests that influence finance and resource allocation decision making, and their implications for equity
- Synthesize the impacts of finance policies and resource allocations on meeting various intended outcomes (e.g., financial sustainability, access)
- Based on a topic of interest, articulate how certain finance choices may be leveraged toward a specific goal

Assignments & Grading

The assignments for this course are intended to both help you synthesize the wide range of information you'll encounter regarding the postsecondary finance landscape, as well as give you the opportunity to explore an area of personal interest. Assignments are as follows:

- **Class Participation (35 points):** Dreaded by some, yet loved by others, active engagement in class is a crucial aspect to both your understanding of the material and the success of the course overall. As such, a portion of your grade is based on class participation. Participation in class discussions is the most direct way to support our learning environment and receive these points; however, I understand group discussions may not be as comfortable for everyone. As such, you may also consider contributing to the class by identifying and disseminated outside resources to augment our discussions, contributing to the class google doc of questions (explained during week 1), engaging in smaller individual or group activities assigned in class, or even connecting with me one-on-one with questions or potential explorations that bolster your individual learning. This portion of the grade roughly translates to 5 points per session after week 1. I have no doubt you'll all engage in earnest with the material, so these points shouldn't be a concern, but please reach out if you have questions.
- **Financial Aid & Tuition Policy Paper Discussion (10 points):** In week 2, we will delve into the tuition and financial aid aspects of higher ed finance. However, given the truncated nature of a half-term class, we're unable to explore every aspect of these important topics in depth. As such, you're asked to identify a policy brief or empirical study that explores a financial aid or tuition policy-related topic of interest to share with the class. Be prepared to provide an overview of the manuscript, its key takeaways, and lead a small discussion regarding your policy's implications for equity, financial stability, and any other salient concepts introduced during week 1. You may bring notes, slides, etc. to help you in this facilitation, though they aren't required, as this is intended as an informal, seminar-style discussion. Please note – you don't have to be an expert here; rather, we're pooling our collective interests to better flesh out our understanding of a crucial aspect of higher ed finance. Finally, if you need help identifying a topic of interest, please don't hesitate to reach out to me; you're also welcome to work in pairs to identify resources or discuss plans but you must facilitate individually.

- **Budgeting Brief (15 points):** We’ll be spending time in class together exploring U-M’s institutional budget to better understand revenue streams and allocations decisions, but Michigan is a somewhat unique institution. To help broaden our understanding, you’ll each choose a different college or university and pull their publicly available budget information for the most recent year. I encourage you to select an institutional type that differs from U-M (e.g., MSI, community college, private liberal arts). Prepare a 2-page brief on the key takeaways from the budget you select. You should consider and summarize: 1) the key sources of revenue and expenditures and what that tells you about institutional priorities; 2) what the various streams indicate regarding financial sustainability (e.g., Do they have an endowment to rely on? Are revenues consistently exceeding expenditures?); and 3) What surprises you? What questions do you have? We’ll use these briefs as comparison tools with what we learn about U-M. (The briefs are primarily tools for you to reference, so they don’t need to follow APA formatting or a specific template. You can use bullet points, long form narrative, etc. However, they will be submitted via Canvas, so please make sure they are easy to follow).

- **Socially-just Finance Paper (40 points):** The overarching goal of this course is to envision a more socially-just financial landscape for higher education. For this final paper, you’re asked to analyze a finance policy of your choosing. The policy can be centered at any level -- federal, state, local, institutional, other (e.g., philanthropic orgs) – and you’re free to choose any topic of interest even if it wasn’t directly covered in class (as long as you can connect it to the principles we’ve engaged with). The paper should be approximately 10 to 12 double-spaced pages of content and follow APA 7 formatting. You should include the following sections:
 - Introduction & Literature: Justify the importance of your topic and synthesize the relevant literature. This section should be relatively brief – you’re not conducting a literature review, rather outlining the necessary context and extant knowledge regarding your policy of choice

 - Policy Description: Discuss the policy you would like to advance. What is it? How is it structured? How does it compare to the “status quo”? It’s ok if your policy seems grandiose or idyllic – this is blue sky imagining – but be clear on how it would be implemented in practice.

 - Intended Outcomes: Outline the intended outcomes/implications of the policy you choose. Whom will it effect, both directly and indirectly? Where applicable, how will it impact various players (e.g., students, institutions, states)?

 - Tradeoffs & Considerations: No financial choice is without its drawbacks. Using the concepts discussed in class, outline the potential tradeoffs of enacting your described policy. Be sure to justify why, although there may be drawbacks, your policy is still a viable option and better than the alternative(s). Identify the potential counterarguments to your policy and from whom they may stem.

 - Conclusion: Summarize your argument into your “elevator speech.” Essentially, consider how you’d present this policy as a pitch to your college president, your

governor, a state assembly, etc. Be sure to emphasize (and justify) how your described policy will help lead to a more equitable, socially-just landscape.

***ALTERNATIVE: This project should be made as useful and impactful for you as possible. As such, you may be interested in conducting this analysis in an alternative format rather than a standard paper (e.g., a strategic plan for your functional area; a conference proposal; a public-facing piece, such as podcast, policy brief, op-ed/blog post; an interview with a policy leader). If you would like to pursue this option, you are welcome to do so. However, the key points outlined above must still be addressed. **You must also connect with me by week 4 (9/21) to discuss your plan and get it approved.**

Assignments	Points	Due Dates
Class Participation	35	Ongoing
Financial Aid & Tuition Policy Discussion	10	9/7
Budgeting Brief	15	9/28
Final Paper	45	10/21 (tentative)
	100 Total	

Grading Scale		
A = 100 – 94	B = 86 – 84	C = 76 – 74
A- = 93 – 90	B- = 83 – 80	C- = 73 – 70
B+ = 89 – 87	C+ = 79 – 77	D = 69 – 60
		<i>(anything below is an “F”)</i>

Instructor Course Expectations & Policies

- **Class Participation:** This is a small group, seminar-based class. As such, most of our interactions will be based on group discussion. To effectively and adequately engage with the discussions and help to construct a constructive learning environment, you will need to have read the assigned materials thoroughly and “critically” before each class session; I encourage you to make notes of key concepts, various perspectives, and potential impacts of the finance-related choices as you read. Though active engagement with discussions is expected, there are also other structured opportunities for engagement reflected in the course assignment and evaluation structure.
- **Absences & Remote Attendance:** Class attendance is crucial, particularly in a half-semester course like this. However, I recognize there may be multiple reasons for which you are unable to attend class. This is particularly salient as we continue to navigate best practices regarding COVID-19, quarantining, distancing, etc. If you are unable to make it to class, please e-mail me as soon as possible. If possible, and desired, we will try to accommodate remote attendance via ZOOM. Otherwise, please make the choices that are best for your health and well-being.

- **Familial Care:** I know some of you may have care-related obligations that influence your engagement with this class. I encourage you to make whatever choices are most supportive of your familial needs. If necessary, children are welcome to our class as our “co-learners,” and I’ll do my best to accommodate your engagement in class; please just let me know ahead of time. Additionally, I recognize that family obligations may mean you need to leave class to take a call, etc.; feel free to excuse yourself quietly from class to do so.
- **Course Communication:** Announcements relevant to the whole class will be posted to Canvas, so please check this regularly. Otherwise, the easiest way to communicate with me will be via e-mail. I will also use your official U-M e-mail addresses for individual correspondence. If needed, you have my cell phone number. Please use this within reason; we will discuss communication standards on our first day of class.
- **Office Hours:** Office hours are by request using the Calendly link at the top of this syllabus and on Canvas. When scheduling, please indicate if you prefer an in-person, Zoom, or phone-based meeting.
- **Course Assignments, Due Dates, and Feedback:** Your final paper should follow standard APA 7 formatting (unless approved for an alternative submission). Please see descriptions above for any formatting requirements for other assignments. All assignments, regardless of format, must be submitted to Canvas by the outlined due date. I expect you do your best to submit assignments by their due date, especially as they prime your participation in many class sessions. However, if unforeseen circumstances arise and you’re unable to complete an assignment, please reach out as soon as possible and I’ll work with you to accommodate as best as I can. I commit to providing timely feedback on each assignment within a week of on-time submission (via Canvas).

University Policies & Resources²

Academic Integrity:

Integrity in research and scholarship is a fundamental value of the University of Michigan. It is the responsibility of all students to conduct research and scholarly activities in an ethical manner at all times. An indispensable part of graduate education is for students to become knowledgeable about the responsible conduct of research and scholarship appropriate to their discipline or field of study. Students are responsible for understanding and observing the Rackham's Academic and Professional Integrity Policy. Students are also expected to understand and maintain standards of integrity and professional conduct endorsed by their program that are particular to their field of study and research. As educators, it would be hypocritical to embrace these expectations as learning outcomes for college students and be unwilling to learn about and actively practice them ourselves in graduate education and in professional settings. Students who allegedly engaged in academic and professional misconduct may be reported to the department and to the Rackham Graduate School. Information about the Academic and Professional Integrity Policy and responses to allegations of misconduct are located here: <https://rackham.umich.edu/academic-policies/section8/>

Accommodations

Students with Disabilities

² Text outlining institutional policies pulled from Winter 2022 syllabus by Dr. Rosie Perez w/ permission.

If you are disabled and anticipate needing accommodations in this course, please contact me to set up a meeting within the first two weeks of the semester or as soon as you become aware of your need. Before meeting with me, please apply for and obtain recommendations for accommodations from Services for Students with Disabilities, located in G-664 Haven Hall. Their telephone number is (734-936-3947) and their email address is ssdoffice@umich.edu. Information on applying for accommodations can be found here: <https://ssd.umich.edu/>

Religious Accommodation

The University of Michigan is committed to making every reasonable effort to allow members of the University community to observe their religious holidays without academic penalty. Those who have religious or cultural observations that conflict with class or with assignment due dates should inform me in writing. I encourage you to honor your religious and cultural holidays/practices and will work with you to provide reasonable accommodations.

Students Representing the University in an Official Capacity Off-Campus

There may be instances when students must miss class due to their commitment to officially represent the University. These students may be involved in the performing arts, scientific or artistic endeavors, intercollegiate athletics, or assistantship/internship responsibilities. If you know you will miss class to represent the University, please inform me in writing when you will be absent, preferably during the first two weeks of classes. Please know that you will need to make up any missed course related activities and are responsible for acquiring information discussed in class.

Harassment & Discrimination

The University of Michigan is committed to a policy of equal opportunity for all persons and does not discriminate on the basis of race, color, national origin, age, marital status, sex, sexual orientation, gender identity, gender expression, disability, religion, height, weight, or veteran status in employment, educational programs and activities, and admissions. If you have experienced harassment or discrimination, you can seek assistance from me, other faculty or staff members you trust, a Rackham Graduate School Resolution Officer at (734) 764-4400 or RackResolutionOfficer@umich.edu, a representative from the Office of Student Conflict Resolution at (734) 936-6308 or oscr@umich.edu if the harassment or bias-incident involves another student, or the Office of Institutional Equity at (734) 647-1388.

Mental Health & Well-Being

Graduate school is inherently stressful, and this stress is exacerbated by the COVID-19 pandemic, ongoing anti-Black racism and racialized violence, and other forms of marginalization and oppression that target those with minoritized identities. The University of Michigan is committed to advancing the mental health and wellbeing of its students. If you or someone you know is feeling overwhelmed, depressed, and/or in need of support, services are available. For help, contact Counseling and Psychological Services (CAPS) at (734) 764-8312 or <https://caps.umich.edu/> during and after hours, on weekends and holidays, or through its counselors physically located in schools on both North and Central Campus. You may also consult University Health Service (UHS) at (734) 764-8320 and <https://www.uhs.umich.edu/mentalhealthsvcs>, or for alcohol or drug concerns, see www.uhs.umich.edu/aodresources. For a listing of other stress and mental health resources available on and off campus, visit: <https://uhs.umich.edu/stressresources>.

Course Outline

	Topics	Readings Due	Assignments Due	In-Class Activity & Notes
Week 1 (8/31)	Course Introduction <ul style="list-style-type: none"> • Syllabus Review • Principles & Theories of Education Finance • Current contexts 	Martínez (2021)* Yan & Rosen (2016)* Barr & McClellan (2018, pp. 1-19; 31-57)*	N/A	Instructor Presentation Personal Reflection
Week 2 (9/7)	Revenue I: Student-based <ul style="list-style-type: none"> • Tuition • Aid Policies <ul style="list-style-type: none"> ○ “Free college” ○ Loans 	McKweon-Moak & Mullin (2014; Chapter 3)* Hillman (2012)* Trends in College Pricing and Student Aid 2021 (<i>just skim – we’ll walk through in class but you should be familiar w/ document beforehand</i>) Dynarski et al. (2022) Perry et al. (2021)	Financial Aid Article Assignment	College Pricing Walkthrough Student-led discussions “Free college” activity (potential guest speaker) <i>Note: Don’t be alarmed by the number of readings. Truly, just skim the College Board report and get the key takeaways from the other readings.</i>
Week 3 (9/14)	Revenue II: Governmental <ul style="list-style-type: none"> • Appropriations Policies (e.g., formulas, PBF) • Tax Policy 	McKweon-Moak & Mullin (2014; pp. 91-110 & Chapter 5)* SHEF Report FY 2021 (<i>just skim – we’ll walk through in class</i>)	N/A	Instructor Presentation Funding Formula Group Activity

		<p><i>but you should be familiar w/ document beforehand</i></p> <p>Rosinger et al. (2022)*</p> <p>Dowd & Grant (2006)*</p> <p>The Pew Charitable Trust (2017; just skim)</p>		
Week 4 (9/21)	<p>Revenue III: Non-governmental & Diversification</p> <ul style="list-style-type: none"> • Philanthropy • Alternative generation (e.g., online education) 	<p>My little million podcast</p> <p>McKweon-Moak & Mullin (2014; pp. 110-114)</p> <p>Haddad (2021)*</p> <p>Cheslock & Gianneschi (2008)*</p> <p>Ortagus et al. (2021)*</p>	N/A	<p>Guest Speaker</p> <p>990 form exercise</p> <p>“P3” discussion</p>
Week 5 (9/28)	<p>Expenditures I: Institutional Budgeting</p> <ul style="list-style-type: none"> • Sources of costs • Budgeting approaches • Equity implications 	<p>Barr & McClellan (2018; Chapter 3)*</p> <p>U-M Budget (<i>briefly skim, will work through in class</i>)</p> <p>Ecton & Dziesinski (2022)*</p> <p>McCambly & Haley (2016)*</p> <p>Jaquette et al. (2018)*</p>	Budgeting Brief	<p>Instructor Presentation</p> <p>Budget Comparison Exercise</p>
Week 6 (10/5)	<p>Expenditures II: Impacts of Spending</p>	<p>Jacob et al. (2018)*</p>	N/A	<p>Spending Debate</p>

	<ul style="list-style-type: none"> • Institutional Sustainability <ul style="list-style-type: none"> ○ “Adjunctification” • Student Outcomes 	Pike & Robbins (2020)* Ishitani & Kamer (2020)* Brennan & Magness (2018)* Jenkins & Rodriguez (2013)*		<i>Note: If you have trouble following the methodologies, focus on the overall takeaways. Ultimately, does spending matter and how?</i>
Week 7 (10/12)	Expenditures III: Doing more w/ less? <ul style="list-style-type: none"> • Historically disadvantaged institutions (e.g., MSIs, 2-year) • Principles of spending “adequacy” 	IHEP (2014) Kahlenberg et al. (2018) Nelson & Frye (2016) Prescott et al. (2021)	N/A	Instructor Presentation Mobility Exercise
Week 8 (10/19)	Putting it together: Envisioning a socially-just financial landscape for HE	N/A	Socially-just finance paper (<i>final due date TBD based on academic calendar</i>)	We’ll use this class session to address remaining questions from class google docs and follow up on topics of interest from earlier weeks Final activities TBD based on student need

****This course plan is subject to change

Supplemental Readings & Resources List

- Brennan, J., & Magness, P. (2018). Estimating the cost of justice for adjuncts: A case study in university business ethics. *Journal of Business Ethics*, 148(1), 155-168.
- Cheslock, J. J., & Gianneschi, M. (2008). Replacing state appropriations with alternative revenue sources: The case of voluntary support. *The Journal of Higher Education*, 79(2), 208-229.
- Dowd, A. C., & Grant, J. L. (2006). Equity and efficiency of community college appropriations: The role of local financing. *The Review of Higher Education*, 29(2), 167-194.
- Dynarski, S., Page, L. C., & Scott-Clayton, J. (2022). *College costs, financial aid, and student decisions*. NBER Working Paper Series. Working Paper No. 30275.
<http://www.nber.org/papers/w30275>
- Ecton, W., & Dzieszinski, A. (2022). Using punctuated equilibrium to understand patterns of institutional budget change in higher education. *The Journal of Higher Education*, 93(3), 424-451.
- Haddad, N. (2021). Philanthropic foundations and higher education: The politics of intermediary organizations. *The Journal of Higher Education*, 92(6), 897-926.
- Hillman, N. W. (2012). Tuition discounting for revenue management. *Research in Higher Education*, 53, 263-281.
- Institute for Higher Education Policy ([IHEP], 2014). *Minority-serving institutions: Doing more with less*. IHEP Issue Brief.
- Ishitani, T. T., & Kamer, J. A. (2020). Institutional characteristics and expenditures: Their effects on graduation rates at three different types of community colleges. *Community College Journal of Research and Practice*, 44(9), 644-656.
- Jacob, B., McCall, B., & Stange, K. (2018). College as a country club: Do colleges cater to students' preferences for consumption? *Journal of Labor Economics*, 36(2), 309-348.
- Jaquette, O., Kramer, D. A., & Curs, B. R. (2018). Growing the pie? The effect of responsibility center management on tuition revenue. *The Journal of Higher Education*, 89(5), 637-676.
- Jenkins, D., & Rodríguez, O. (2013). Access and success with less: Improving productivity in broad-access postsecondary institutions. *The Future of Children*, 23(1), 187-209.
- Kahlenberg, R. D., Shireman, R., Quick, K., & Habash, T. (2018). *Policy strategies for pursuing adequate funding of community colleges*. The Century Foundation. <https://tcf.org/content/report/policy-strategies-pursuing-adequate-funding-community-colleges/>
- My little hundred million: <https://www.pushkin.fm/podcasts/revisionist-history/my-little-hundred-million>

- Martínez, D. G. (2021). Interrogating social justice paradigms in school finance research and litigation. *Interchange*, 52, 297-317.
- McCambly, H., & Haley, K. J. (2016). Equity and the “B” word: Budgeting and professional capacity in student affairs. *Journal of Student Affairs Research and Practice*, 53:2, 205-217, DOI: 10.1080/19496591.2016.1147358
- Nelson, C. A., & Frye, J. R. (2016). *Tribal college and university funding: Tribal sovereignty at the intersection of federal, state, and local funding*. American Council on Education (ACE) Issue Brief.
- Ortagus, J. C., Yang, L., Voorhees, N., & Riggs, S. (2021). Revenue reconsidered: Exploring the influence of changes in local and state appropriations on online enrollment at community colleges. *Community College Journal of Research and Practice*, 45(9), 649-662.
- Perry, A. M., Steinbaum, M., & Romer, C. (2021). *Student loans, the racial wealth divide, and why we need full student debt cancellation*. Brookings Report. <https://www.brookings.edu/research/student-loans-the-racial-wealth-divide-and-why-we-need-full-student-debt-cancellation/>
- Pike, G. R., & Robbins, K. R. (2020). Using panel data to identify the effects of institutional characteristics, cohort characteristics, and institutional actions on graduation rates. *Research in Higher Education*, 61, 485-509.
- Prescott, B., Koch, Z., & Jones, D. (2021). *Considering a standard approach to determining institutional funding adequacy*. The National Center for Higher Education Management Systems (NCHEMS).
- Rosinger, K. O., Ortagus, J., Kelchen, R., Cassell, A., & Brown, L. C. (2022). New evidence on the evolution and landscape of performance funding for higher education. *The Journal of Higher Education*. <https://doi.org/10.1080/00221546.2022.2066269>
- Yan, L., & Rosen, H. S. (2016). Are universities becoming more unequal? *The Review of Higher Education*, 39(4), 479-514.