

EDFN 728 Postsecondary Economics and Finance

Department of Educational Administration, Leadership and Research

College of Education and Behavioral Sciences

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If you think nobody cares if you're alive, try missing a couple of car payments. - Earl Wilson

Catalog Description

Postsecondary finance issues, including sources/distribution of funding, financial aid programs, declining resources, budgeting and managing resources and generating resources.

Course Objectives

The primary objective of this course is to understand how financial management decisions and functions enable non-profit postsecondary education institutions achieve their mission objectives, as well as presenting serious challenges to an institutions' ability to function successfully.

Effective and ethical financial management enables organizations to achieve their mission objectives through strategic planning, marketing, liquidity management, budgeting, debt management, evaluation of programs, and asset management. All of these topics will be covered in the course.

(Note: This course will focus on non-profit organizations.)

What's a soup kitchen? - Paris Hilton

Required Texts

Zietlow, J., Hankin, J. A., & Seidner, A. G. (2007). *Financial management for nonprofit organizations: Policies and practices*. Hoboken, NJ: Wiley.

Books

Barr, M. J., & McClellan, G. S. (2011). *Budgets and financial management in higher education*. San Francisco, CA: Joseey-Bass

Curry, J. R., Laws, A. L., & Strauss, J. C. (2015). *Responsibility center management: A guide to balancing academic entrepreneurship with fiscal responsibility* (2nd ed.). NACUBO.

<http://products.nacubo.org/index.php/leadership/responsibility-center-managment-lessons-from-25-years-of-decentralized-management.html#>

Paulsen, M. B., & Smart, J. C. (eds.) (2001). *The finance of higher education: Theory, research, policy & practice*. New York, NY: Algora Publishing.

Scherer, J. L., & Anson, M. L. (2014). *Community colleges and the access effect: Why open admissions suppresses*

achievement. New York, NY: Palgrave Macmillan.

Yeager, J. L. (2001). *Finance in higher education*, ASHE Reader Series (2nd ed). Boston, MA: Pearson Learning Solutions.

Zumeta, W., Breneman, D. W., Callan, P. M., & Finney, J. E. (2012). *Financing American Higher Education in the Era of Globalization*. Oxford, MA: Harvard Education Press.

Articles

Alexander, F. K., Harnisch, T., Hurley, D., & Moran, R. (2010, April). *Maintenance of effort: An evolving federal-state policy approach to ensuring college affordability*. Report of the American Association of State colleges and Universities. Retrieved from [http://www.congressweb.com/aascu/docfiles/AASCU_Maintenance%20 of Effort College _Affordability_April_2010.pdf](http://www.congressweb.com/aascu/docfiles/AASCU_Maintenance%20of_Effort_College_Affordability_April_2010.pdf)

Arena, M. L. (2013). The crisis in credit and the rise of non-credit. *Innovative Higher Education*, 38, 369-381.

Bady, A., & Konczal, M. (2012, Fall). From master plan to no plan: The slow death of public higher education. *Dissent*, 10-16.

Bankston, C. L. III., (2011). The mass production of credentials: Subsidies and the rise of the higher education industry. *The Independent Review*, 15(3), 325-349

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, 395-422. DOI 10.1007/s11162-015-9390-y

Conner, T. W., & Rabovsky, T. M. (2011). Accountability, affordability, access: A review of the recent trends in higher education policy research. *Policy Studies Journal*, 39(S1), 93-112.

Dadgar, M., & Trimble, M. J. (2015). Labor market returns to sub-baccalaureate credentials: How much does a community college degree or certificate pay? *Educational Evaluation and Policy Analysis*, 37(4). 399-418.

Davidson, J. C. (2015). Examining zero expected family contribution as a new criterion for “low income”: Comparing the impact on student persistence at two- and four- year institutions. *Community College Journal of Research and Practice*, 39, 442-460.

Dar, L. (2012). The political dynamics of higher education policy. *The Journal of Higher Education*, 83(6), 769-794.

de Oliver, M., & Briscoe, F. M. (2011). US higher education in a budgetary vortex – 1992-2007: Tracing the positioning of academe in the context of growing inequality. *Higher Education*, 62, 607-618.

Delaney, J.A., & Doyle, W.R. (2011). State spending on higher education: Testing the balance wheel over time. *Journal of Education Finance*, 36, 343-368.

Dougherty, K., Natow, R., & Bork, R. (2013). Accounting for higher education accountability: Political origins of state performance funding for higher education. *Teachers College Record*, 115(1), 1-50.

Dynarski, S., & Scott-Clayton, J. (2013). Financial aid policy: Lessons from research. NBER Working Paper Series: National Bureau of Economic Research. Retrieved from <http://www.nber.org/papers/w18710.pdf>

Hamilton, L. T. (2013). More is more or more is less? Parental financial investments during college. *American Sociological Review*, 78(1), 70-95.

Too many of us look upon Americans as dollar chasers. This is a cruel libel, even if it is reiterated thoughtlessly by the Americans themselves. - Albert Einstein

Hu, S., & St. John, E. P. (2001). Student persistence and ethnic differences. *Journal of Higher Education*, 72(3), 265-286.

Institute for College Access & Success. (October 2015). *Student debt and the class of 2014: 10th annual report*. Retrieved from http://ticas.org/sites/default/files/pub_files/classof2014.pdf

Kenamer, M. A., Katsinas, S.G., Hardy, D. E., & Roessler, B. (2010). Closing doors of opportunity? Trends in enrollment, college costs, and direct grant aid at community colleges in the United States, 2000-2001 to 2005-2006. *Community College Journal of Research and Practice*, 34, 7-24.

Lacy, T. A., & Tandberg, D. A. (2014). Rethinking policy diffusion: The interstate spread of “finance innovations.” *Research in Higher Education*, 55, 627-649. DOI 10.1007/s11162-014-9330-2

Looney, A., & Yannelis, C. (2015). A crisis in student loans? How changes in the characteristics of borrowers and in the institutions they attended contributed to rising loan defaults. Brookings Papers on Economic Activity. Retrieved from http://www.brookings.edu/~media/projects/bpea/fall-2015_embargoed/conferencedraft_looneyannelis_studentloandefaults.pdf

Ness, E. C., & Tandberg, D. A. (2013). The determinants of state spending on higher education: How capital project funding differs from general fund appropriations. *The Journal of Higher Education*, 84(3), 329-357

OECD (2011), Lessons from PISA for the United States, strong performers and successful reformers in education. OECD Publishing. Retrieved from <http://www.oecd.org/pisa/46623978.pdf>

Perna, L (2008). Understanding high school students' willingness to borrow to pay college prices. *Research in Higher Education*, 49(7), 589-606. DOI 10.1007/s11162-008-9095-6

Rubin, R. B. (2011). The Pell and the poor: A regression-discontinuity analysis of on-time college

- enrollment. *Research in Higher Education*, 52, 675-692.
- Strach, P. (2009). Making higher education affordable: Policy design in postwar America. *The Journal of Policy History*, 21(1), 61-88.
- Tandberg, D. A. (2013). The conditioning Role of state higher education governance structures. *The Journal of Higher Education*, 84(4), 506-539.
- Taylor, B. J., Cantwell, B., & Slaughter, S. (2013). Quasi-markets in U.S. higher education: The humanities and institutional revenues. *The Journal of Higher Education*, 84(5), 675-707.
- Toutkoushian, R. K., & Shafiq, M. N. (2010). A conceptual analysis of state support for higher education: appropriations versus need-based financial aid. *Research in Higher Education*, 51, 40-64.
- Weerts, D. J., & Ronca, J. M. (2012). Understanding differences in state support for higher education across states, sectors, and institutions: A longitudinal study. *The Journal of Higher Education*, 83(2), 155-185.
- Weisbrod, B. A., & Asch, E. D. (2010). The truth about the “crisis” in higher education finance. *Change*, 42(1), 23-29.
- Zierdt, G. L. (2009). Responsibility-centered budgeting: An emerging trend in higher education budget reform. *Journal of Higher Education Policy and Management*, 31, 345-353.

Criteria for Determination of Grade

Assignments	Points	Percentage
Discussion Boards [(1*10)+(7*100)]	710	78%
Final Paper	200	22%
Total	910	100%

Standard grading scale: 100%-90% - A; 89%-80% - B; 79%-70% - C; 69%-60% - D; 59%-0% - F

Money will come when you are doing the right thing. - Mike Phillips

Description of Major Assignments

Discussion Boards: At the core of any successful course is a community of learners. I'll come to this class or this intellectual space with a willingness to cultivate an academic and human connection for the purpose of building knowledge. If you'll come to the space with the same willingness, we'll be able to construct a community of learners that everyone will enjoy. The principal way we'll do this is through discussion boards.

Importantly, discussion boards are **not** an opportunity for you to spout your opinion on a topic! Rather, you should regard the space as a place to develop a reasoned response to a topic that is grounded in the specifics from your reading and work.

Your objective will be to write a discussion board analysis that synthesizes the chapter material, assigned readings and the details of the prompt. The discussions should be formatted in **APA style** (6th edition).

Full discussion board prompts will be posted on the Blackboard site.

- DBQ1: Getting to Know You
- DBQ2: Understanding Non-Profit Finances
- DBQ3: Liquidity Management
- DBQ4: Managing Mission and Strategy
- DBQ5: Cash and Operating Budgets
- DBQ6: Accounting Basics
- DBQ7: Financial Statements
- DBQ8: Student Perspective and Pell

Those earning in the A range will:

- write a reasoned response to the discussion board based on the assigned readings and data;
- use specifics from the readings and data to support your thinking on the topic;
- write a response that is **original**, and **lively** (no summaries of the chapters);
- write a response that is correct on the surface (grammar, usage, and style);
- write a response that indicates having read other sources;
- and, responds to at least two of your colleagues' posts in ways that indicates you've engaged significantly with their work (if applicable).

In sum, I'm looking for evidence that you've engaged with the text and your colleagues in a meaningful way.

Those earning in the B range will:

- write a reasoned response to the discussion board based on the assigned readings and data;
- use specifics from the readings and data to support your thinking on the topic;
- write a response that is **original**, and **lively**;

- write a response that is correct on the surface (grammar, usage, and style);
- and, respond to at least two of your colleagues' posts in ways that indicate you've engaged significantly with their work (if applicable).

In sum, students will have engaged in the text in a meaningful way, but it will not be as thoroughly or as thoughtfully developed as those earning the maximum number of points.

Those earning in the C range will:

- write a reasoned response to the discussion board based on the assigned readings and data; however, there may be logical weaknesses in the reasoning;
- use specifics from the readings to support your thinking on the topic; however, references to readings may be cursory or inaccurate;
- write a response that may include too much summary or bland prose;
- write a response that includes surface errors;
- and, respond to at least one of your colleagues' posts in ways that indicate you've engaged significantly with their work (if applicable).

In sum, students will have completed the assignment, but there will be indications that aspects of the assignment was completed without thoughtfulness or engagement.

Those earning in the D and F range will:

- write a response to the discussion board based on the assigned readings and data; however, the response may be based on serious logical fallacies;
- use specifics from the readings to support your thinking on the topic; however, references to readings may be cursory or inaccurate;
- and, write a response that includes surface errors.

The trick is to stop thinking of it as 'your' money. - IRS auditor

This points range is reserved for those who have not provided evidence in their postings that they are engaged in coursework.

The **Final Paper** will be a case study of the WKU draft strategic plan and the WKU draft RAMP plan. Your task will be to use the template below (the template is available as an Excel doc on the Blackboard site as well) to edit and develop an actionable strategic plan for the goal "Commit to Student Completion & Success." You may change, edit, add or delete any aspect except the overarching goal (in red). Along with the table, you should write a narrative explaining your revisions and additions. The narrative should reference at least 8 pieces of scholarly literature on the relevant topics: postsecondary completion, finance, retention, recruitment, etc. You may also use white paper sources and other relevant data sources. Your paper should be 12 to 15 pages and in perfect APA format. To be clear: you will turn in two documents; a developed strategic template, and a scholarly paper.

Goal: Commit to Student Completion & Success					
Action	Responsibility	Timeline	Resources Needed	Indicators of Success	Current Status
Conduct comprehensive advising					
Create a peer-to-peer mentoring process					
Evaluate and train on technology					
Facilitate the development of a personal development plan					

Those earning between 200 and 180 points will:

- collect sources and data for the paper over and above the guidelines presented;
- write a well-reasoned manuscript based on the data;
- choose scholarly and non-scholarly sources that support the major points and perspectives;
- use specifics from chosen sources to support the thesis;
- write a paper that is **original**, and **lively** (no summaries of sources);
- write a response that is correct on the surface (grammar, usage, and style);
- and, use perfect *APA* formatting.

Those earning between 179 and 160 points will:

- collect data for the paper using the above guidelines;
- write a well-reasoned manuscript based on the data, although there may be gaps in the data and/or reasoning;
- choose scholarly and non-scholarly sources that support the important points and perspectives, although there may be minor perspectives that are not supported with a secondary source;
- use specifics from chosen sources to support the thesis;
- write a paper that is **original**, and **lively** (no summaries of sources);
- write a response that is correct on the surface (grammar, usage, and style);
- and, use *APA* formatting with few errors.

Those earning between 159 and 140 points will:

- collect data for the paper using the above guidelines (although there may be problems with data collection);
- write a well-reasoned manuscript based on the data, although there may be gaps in the data and/or reasoning;

- choose scholarly and non-scholarly sources but the sources may not clearly support the important points and perspectives;
- use specifics from chosen sources, but the specifics may not clearly support the central thesis;
- write a response that includes isolated grammatical errors, and that vacillates between an academic and a casual tone;
- and, use *APA* formatting with errors.

Those earning between 139 and 0 points will:

- collect data for the paper using the above guidelines (although there may be problems with data collection);
- write a reasoned manuscript based on the data, although there will be gaps in the data and/or reasoning;
- choose scholarly and non-scholarly sources but the sources may not clearly support the important points and/or perspectives;
- use specifics from chosen sources, but the specifics may not clearly support the central thesis;
- write a response that includes grammatical errors (patterns of error), and that vacillates between an academic and a casual tone;
- use *APA* formatting with errors;
- and, papers in this range will include those that are intentionally or unintentionally plagiarized.

NOTE:

All WKU Policies related to course management can be found at <https://www.wku.edu/syllabusinfo/> This includes, but is not limited to, plagiarism, student code of conduct, ADA accommodation and harassment policies.

"Someday I want to be rich. Some people get so rich they lose all respect for humanity. That's how rich I want to be." - Rita Rudner

Content and Schedule

Summer 2018: 5 Weeks		Postsecondary Economics and Finance				
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
14-May	15-May	16-May	17-May	18-May	19-May	20-May
Nose around the Blackboard site. Take a look at the DBQs. Seek to understand the time commitment the class will have for you.	Read Zietlow Chapter 1.	Read Zietlow Chapter 2.	Create an Excel Sheet with the required ipeds data for DBQ3	Calculate required liquidity ratios.	Analyze required liquidity ratios.	Read Zietlow Chapter 3
DBQ1: Getting To Know You		DBQ2: Understanding NonProfit Finances				DBQ3: Liquidity Management
21-May	22-May	23-May	24-May	25-May	26-May	27-May
Find required missions and strategic plans for DBQ4.	Analyze the WKU strategic plan draft according to DBQ4.	Read Zietlow Chapter 8.	Collect required budgets and budget documents for DBQ5. Build an Excel sheet for comparative purposes.	Analyze and answer budgeting questions in DBQ5.	Read Zietlow Chapter 6.	
		DBQ4: Managing Mission and Strategy			DBQ5: Cash and Operating Budgets	
28-May	29-May	30-May	31-May	01-Jun	02-Jun	03-Jun

View videos on accounting basics. Try your hand at questions for understanding.	Work through DBQ6 questions.	Work through DBQ6 questions.	Collect financial statements as per DBQ7.	Read through required financials.	Respond to DBQ7 questions.	
			DBQ6: Accounting Basics			
04-Jun	05-Jun	06-Jun	07-Jun	08-Jun	09-Jun	10-Jun
Find and review U.S. Department of Education Federal Pell Grant Program Annual Data Reports.	Fill out the FAFSA for yourself.	Review data on Kentucky and WKU as per DBQ 8.	Analyze the affordability of WKU from a Kentucky family perspective as per DBQ8.		Construct/Write Final Project	Construct/Write Final Project
DBQ7: Financial Statements				DBQ8: Student Perspective and Pell		
11-Jun	12-Jun	13-Jun	14-Jun	15-Jun		
Construct/Write Final Project	Construct/Write Final Project	Construct/Write Final Project	Construct/Write Final Project			
				Final Project		

