Overview and goals
In this course, we will examine the higher education sector through several different lenses. The two primary goals of the course are to (1) familiarize students with many features of the U.S. higher education landscape and related policies, and (2) provide students with the analytic tools to evaluate higher education policy. Policy aims we will explore include access, persistence, affordability, and accountability. Specific policy areas include financial aid, affirmative action, state and federal support, regulation of the for-profit sector, community college transfer policies, mentoring and coaching initiatives, and many others. Our primary analytic tools will be microeconomic and statistical analysis. We will use the concepts and tools of causal inference extensively.

Prerequisites
There are no official prerequisites for this course, but PP555 (Microeconomics) and PP529 (Statistics) are highly recommended. Completion of or simultaneous enrollment in PP639 (Program Evaluation) would also greatly enhance what you will get out of the course and is also strongly recommended.

Course Requirements
• Class participation (20%): This is a discussion-based course, so you are expected to attend class regularly, to have done the assigned readings prior to class, and come prepared to discuss. Unexcused absences will count against your participation grade. As part of the participation grade, each student will be responsible for finding a higher education policy or topic mentioned in the news, posting a link to it on ctools with a few short comments, and briefly mentioning it at the beginning of class. Everyone will need to do this at least once during the semester. The student in charge will briefly summarize the policy or issue and tell us what they think about it. For instance, “I saw an article in the New York Times this morning that describes how Florida is holding the tuition for engineering students low while letting it increase for other majors. I think this is a good idea because …. But it could have the unintended consequence of …..” It does not need to be related to the topic we are discussing in that class session.

• Policy memo (20%): Students will write a 3-5 page memo evaluating a particular higher education policy used to influence access or student success (e.g. expanding Pell eligibility, increasing state support for community colleges, implementing a merit-based grant program, etc). You will be expected to summarize the evidence and rationale for and against a particular policy based on the readings done in class, but not on any additional research. You should conclude with a recommendation to a policy-maker. An example will be provided.
- **In-class midterm exam (25%)**: An exam approximately halfway through the semester will cover all material discussed and presented in the class up to that point. It will consist of short-answer questions related to the readings and questions related to interpretation of data presented in the exam.

- **Final presentation and paper (35% Total, 10% for presentation and 25% for paper)**: In groups of two, you will craft an original quantitative analysis of data on a particular higher education policy or subject. You will not be expected to do an extensive review of existing literature on the subject, but instead will focus on conducting the quantitative analysis, presenting the results, and describing the limitations of your analysis. I will work with you to refine your research question, find data, and interpret what you are finding. If you have a strong aversion to quantitative analysis, you may instead do a longer (~10 page) analysis of a specific policy in which you summarize the theory and empirical evidence (for and against) the subject and make a recommendation. This will require you to do some research on your own. Regardless of which type of project you do, you will present your analysis to the class at the end of the semester.

**Course materials**
Other readings consist of journal, news, and policy articles that will be available through Ctools.

**Writing Support**
I will be available to speak with you about your policy memos and papers during office hours (by appointment) throughout the semester. In addition, all students are encouraged to meet with one of the Ford School writing instructors: Beth Chimera (bchimera@umich.edu), David Morse (morsedl@umich.edu), and Alex Ralph (ralpha@umich.edu). They are excellent resources and are available to talk with students about various aspects of the writing process and to read and comment on rough drafts.

**Accommodations**
If you believe you need an accommodation for a disability, please let me know at your earliest convenience. Some aspects of this course may be modified to facilitate your participation and progress. As soon as you make me aware of your needs, we can work with the Office of Services for Students with Disabilities to help us determine appropriate accommodations. I will treat any information you provide as private and confidential.
List of topics (subject to adjustments):
The course is structured in four parts: (1) background, theory, and rationale; (2) access and student success; (3) criticisms, accountability, and competition; and (4) higher ed in transition and high-level policy reform.

<table>
<thead>
<tr>
<th>Week</th>
<th>Dates</th>
<th>Topic</th>
<th>Assignments</th>
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<tbody>
<tr>
<td>1.</td>
<td>9/9</td>
<td>Introduction and overview.</td>
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<td>2.</td>
<td>9/14-9/16</td>
<td>Human capital theory vs. signaling. Rationale: social vs. private returns.</td>
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<td>5.</td>
<td>10/5-10/7</td>
<td>Community colleges. Admissions and affirmative action.</td>
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<td>6.</td>
<td>10/12-10/14</td>
<td>Trends in completion, remediation. Policies to improve persistence and completion.</td>
<td>Policy memo due Monday 10/12</td>
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<td>7.</td>
<td>10/19-10/21</td>
<td>Fall break and review of access and persistence</td>
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<td>8.</td>
<td>10/26-10/28</td>
<td>Midterm.</td>
<td>In-class midterm Monday 10/26</td>
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<td>9.</td>
<td>11/2-11/4</td>
<td>Learning and college sports.</td>
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<td>11.</td>
<td>11/16-11/18</td>
<td>Market competition.</td>
<td>Final paper topic due Fri 11/18</td>
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Part IV: Higher ed in transition and high-level policy reform
For-profit sector.


13. 11/30-12/2 One-on-one meetings to discuss papers. High-level reform.

14. 12/7-12/9 In-class presentations

15. 12/14 Wrap-up

**Presentation due**

**Final paper due Fri 12/18**

**Readings** (subject to revision). The readings consist of four types: (1) rigorous (typically empirical) academic papers; (2) descriptive papers; (3) policy reports; and (4) news articles meant to simulate discussion. Readings marked with an “*” are required. They are listed in the order I suggest you read them (if you cannot read them all!). The others are optional, though we will discuss some of them. I erred on the side of including more rather than fewer optional readings, particularly seminal papers, so that you would have them for reference and for your papers. You are only responsible for the required ones and the topics discussed in class.

Before each class, I will post guiding questions about the readings to the Forum tool on ctools. I list a few questions that you should come prepared to answer and discuss about the readings and a few more general ones. You don't need to write up or turn anything in (but you may find this helpful to do); just be prepared to speak. Also make sure to bring the readings (hard copy or electronic) to class, as we will reference them. As for reading strategy, for the more technical papers a good strategy is to read the abstract, intro, results, conclusions, tables/figures first and see how many of the questions you can answer. Then go back and try to understand it a little bit better. Before each class, I will post several questions to ctools about each reading and some overall, cross-cutting questions that you should come prepared to answer and discuss. Some of these questions will have "right" answers (e.g. "What population does a given paper study?") while many others will not ("Do you find their identification strategy convincing?").

**Detailed Schedule and Reading List**

(* = required)

**PART I: BACKGROUND, THEORY, RATIONALE**

**Wednesday September 9, Class 1: Introduction to course and overview of the issues**


*“The world is going to university.” *The Economist*. March 28, 2015
Monday September 14, Class 2: Human capital theory and basic trends


Wednesday September 16, Class 3: Returns to higher education


**PART II: ACCESS AND STUDENT SUCCESS**

**Monday September 21, Class 4: Trends in Access and Affordability; Theory on Why Price/Aid May Influence Enrollment; Evidence of Credit Constraints**

**Required readings**


Background context readings


Others

Bailey and Dynarski book chapter


Wednesday September 23, Class 5: Financial Aid I: Need and Merit-based Grants, Tax Credits

* Hansen (1983). "Impact of Student Financial Aid on Access" in *Proceedings in the Academy of Political Science: A Crisis in Higher Educaiton*. There is lots of good historical background here, which you may find interesting. But you should focus on the analysis, which starts on page 91.


Optional background materials


Others


Monday September 28, Class 6: Financial Aid II: Loans, Debt Burden


* Several short NYT articles by Sue Dynarski

Background


Others


Wednesday September 30, Class 7: Financial Aid III: Simplification and Reform


* Op-eds about FAFSA simplification in NYT

To skim


Monday October 5, Class 8: Community Colleges


Other papers on democratization and/or diversion effects.


Overview of challenges and opportunities.


Profile of states’ community college policies and Achieving the Dream


Papers that attempt to estimate the causal effect of state-level articulation policies


Papers that attempt to estimate the institutional characteristics that impact success


**Wednesday October 7, Class 9: Admissions and Affirmative Action**


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For background:
Gratz v. Bollinger. Supreme Court decision. Only read the “syllabus” (summary) which is uploaded to ctools. You can find the full decision here: http://www.law.cornell.edu/supct/html/02-516.ZS.html

Gutter v. Bollinger. Supreme Court decision. Only read the “syllabus” (summary) which is uploaded to ctools. You can find the full decision here http://www.law.cornell.edu/supct/html/02-241.ZO.html

Empirical estimates of the effects of affirmative action (and bans)


Overview of trends in admissions and some of the issues
John Bound, Brad Hershbein and Bridget Terry Long, “Playing the Admissions Game: Student Responses to Increasing College Competition”, Journal of Economic Perspectives 23 (Fall 2009)

Bowen, William, Matthew M. Chingos, and Michael S. McPherson, 2019. Crossing the finish line: completing college at America's public universities , Chapter 6 (pp 112-133) – discussion of predictive power of GPA vs. SAT

Recent work on student information problems and application behavior


Recent developments


Deep background
Bowen, William and Derek Bok, 2000. *The Shape of the River: Long-Term Consequences of Considering Race in College and University Admissions*. Princeton University Press. (Chapters 1, 2 and 3)


**Monday October 12, Class 10: Trends in Completion and Explanations, Remediation**


*Hodara and Jaggars, 2012. “Why is it so hard to fix our system of remediation?” (this is just a short blog post).


**Wednesday October 14, Class 11: Policies to Improve Persistence and Completion**


Optional and background readings


Cynthia Miller, Melissa Binder, Vanessa Harris, and Kate Krause, 2011. *Staying on Track: Early Findings from a Performance-Based Scholarship Program at the University of New Mexico*. MDRC, August 2011.


Patel, Reshma, Lashawn Richburg-Hayes, Elijah de la Campa, and Timothy Rudd , 2013 Performance-Based Scholarships: What Have We Learned? INTERIM FINDINGS FROM THE PBS DEMONSTRATION, MDRC


Monday October 19, NO CLASS (Fall Study Break)

Wednesday, October 21, Class 12: Review of access and persistence

No new readings

Monday October 26, Class 13: In-class midterm exam

PART III: CRITICISMS, ACCOUNTABILITY, AND COMPETITION

Wednesday October 28, Class 14: Criticism 1 – Rapidly Increasing Price


* Need a paper on “Baumol Cost Disease”


“Mix and Match: Both Provision and Funding of Higher Education is Shifting Towards the Private Sector” The Economist, March 28, 2015.

Monday November 2, Class 15: Criticism 2 - No Learning


Wednesday November 4, Class 16: College Sports


Monday November 9, Class 17: Performance Measurement, Accountability, and Rankings

*Whitehouse, 2013. FACT SHEET on the President’s Plan to Make College More Affordable: A Better Bargain for the Middle Class. (August 2013)


Other short articles on the failure of the Obama proposal to create college ratings

May add or replace few recent articles on performance-based funding


Alternatives to USNWR Rankings


National Conference of State Legislatures (NCSL), PERFORMANCE-BASED FUNDING FOR HIGHER EDUCATION, May 2014.


Musick, Marc, 2011 Analysis of Efficiency and Graduation Rates at The University of Texas at Austin and Other Public Research Universities in the United States


**Wednesday November 11, Class 18: In-class Project Discussion**

Today we will discuss your projects. You will present your proposed project (research question, possible data sources, identification strategy) and we will have a few minutes to discuss each one as a class.

**Monday November 16, Class 19: Market Structure and Competition**


START PART IV: HIGHER EDUCATION IN TRANSITION AND HIGH-LEVEL REFORM

Wednesday November 18, Class 20: Rise of the For-Profit Sector

*Deming, David, Claudia Goldin and Larry Katz “The For-Profit Postsecondary School Sector: Nimble Critters or Agile Predators?” Journal of Economic Perspectives


*Gainful employment regulations along with the for-profits’ response


Sandy Baum & Kathleen Payea, 2011. “Trends in For-Profit Postsecondary Education: Enrollment, Prices, Student Aid and Outcomes”

Cellini, Stephanie and Claudia Goldin, 2011. “Comprehensive View of For-Profit Postsecondary Education and the Role of Title IV in Tuition-Setting” working paper.


Monday November 23, Class 21: On-line Education and MOOCs


Wednesday November 25, Class 22: New Pricing Models


*Should Colleges Charge Engineers More than English Majors? – The Atlantic

*Florida May Reduce Tuition for Select Majors – The New York Times


Monday November 30, NO CLASS: One-on-one meetings to discuss papers and presentations

Wednesday, December 2, Class 23: High-level Reform and the Spellings Commission


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Bowen, William, Matthew M. Chingos, and Michael S. McPherson, 2019. Crossing the finish line: completing college at America's public universities, Chapter 12 (pp 223-238)

Pathways to Prosperity Project, 2011. Pathways to Prosperity: Meeting the Challenge of Preparing Young Americans for the 21st Century. Harvard Graduate School of Education.

**Monday, December 7, Class 24: In-class presentations**

**Wednesday, December 9, Class 25: In-class presentations**

**Monday, December 14, Class 26: Wrap-up**

**Friday December 18, Final Paper Due**

**TOPICS NOT COVERED**

There are many other important topics related to public policy and higher education, that we will not have time to cover in depth. These would make excellent topics for papers:

- Returns to college quality
- International comparisons
- Structural issues: how the system is/should be structured
- Major choice and field of study; the underrepresentation of women and minorities in STEM fields
- Research & development; economic spillovers of research universities
- Graduate and professional education
- Labor markets for faculty
- The political economy of higher education
- Advising and coaching in high school
- University leadership and governance issues