

Syllabus

Course Overview

A fluctuating economy has forced higher education to do more with less. Financial pressures have caused some students to postpone college, attend public instead of private institutions, or attend community college for the first two years, then transfer to a four-year institution. State governments are being pressed with uneven tax and fee revenue, and competition for public funds is fierce. Private colleges, under pressure to raise tuition as little as possible, are soliciting funding from private donors to stabilize their financial position.

As an administrator in higher education, it is important that you appreciate the financial structure of your institution. You must understand the primary sources of revenue as well as the principal use of funds through expenditures. Financial expertise is not necessary for success in this course. However, you must be willing to research and comprehend the basic principles of higher education financing. The knowledge you gain from ED5574 will help make you a more effective and capable administrator.

Capella Career Center

Use the [Career Center](#) resources—including interactive tools, research aids, resume help, and more—to manage and plan your career development at every stage.

Course Competencies

(Read Only)

To successfully complete this course, you will be expected to:

- 1 Determine the trends in revenues and expenditures in private and public higher education institutions using available data.
- 2 Analyze issues associated with funding institutions of higher education.
- 3 Determine means of providing funding for higher education.
- 4 Analyze the impact of technology in support of all forms of higher education financing.
- 5 Apply institutional budget planning and implementation strategies and techniques to financial decision making for program management.

Course Prerequisites

Prerequisite(s): ED5012.

Syllabus >> Course Materials

Required

The materials listed below are required to complete the learning activities in this course.

Integrated Materials

Many of your required books are available via the VitalSource Bookshelf link in the courseroom, located in your Course Tools. Registered learners in a Resource Kit program can access these materials using the courseroom link on the Friday before the course start date. Some materials are available only in hard-copy format or by using an access code. For these materials, you will receive an email with further instructions for access. Visit the [Course Materials](#) page on Campus for more information.

Course Pack

These required readings are in a digital course pack on the VitalSource platform, available via the VitalSource Bookshelf link in the courseroom, located in your Course Tools.

Altbach, P. G., Gumport, P. J., & Berdahl, R. O. (2011). The federal government and higher education. In *American higher education in the twenty-first century: Social, political, and economic challenges* (pp. 113–135). Baltimore, MD: Johns Hopkins University Press.

Book

Capella University (Ed.). (2019). *ED5574: Financial management and institutional development* [Custom e-text]. Hoboken, NJ: Wiley Custom Learning Solutions.

Townsley, M. K. (2009). *Small college guide to financial health: Weathering turbulent times*. Washington, DC: National Association of College and University Business Officers. ISBN: 9781569720486.

Library

The following required readings are provided in the Capella University Library or linked directly in this course. To find specific readings by journal or book title, use [Journal and Book Locator](#). Refer to the [Journal and Book Locator library guide](#) to learn how to use this tool.

- Biemiller, L. (2012). [Gifts to colleges rose 8.2% in 2011, but the gains went to a fortunate few](#). *The Chronicle of Higher Education*, 58(25), A20–A21.
- Blumenstyk, G. (2012, Jul 23). [One-third of college are on financially 'unsustainable' path. Bain study finds \[Blog post\]](#). *The Chronicle of Higher Education*.
- [Colleges' revenue and expenditures](#). (2017, Aug 13). *Almanac 2017: The Chronicle of Higher Education*.
- [Finance: Major private gifts to higher education](#). (2011). *The Chronicle of Higher Education, Almanac Issue*, 58(1), 8–20.
- Hunt, P. C. (2012). [Development for academic leaders: A practical guide for fundraising success](#). San Francisco, CA: Jossey-Bass.
- Kachinske, T. (2009). [90 days to success in fundraising](#). Boston, MA: Course Technology/Cengage Learning.
- Kirschner, A. (2012). [Innovations in higher education? Hah!](#) *The Chronicle of Higher Education*, 58(32), B6–B9.
- [Largest college endowments](#). (2011). *The Chronicle of Higher Education*, 59(1), 8.
- Martin, A. (2012). [Building a showcase campus, using an I.O.U.](#), *The New York Times*.
- Paulsen, M. B., & Smart, J. C. (Eds.). (2001). [The finance of higher education: Theory, research, policy, and practice](#). New York, NY: Agathon Press.
- Sander, L. (2012). [With GI Bill's billions at stake, colleges compete to lure veterans](#). *The Chronicle of Higher Education*, 58(35), A1–A8.
- Stratford, M. (2012, Jul 30). [Senate report paints a damning portrait of for-profit higher education \[Blog post\]](#). *The Chronicle of Higher Education*.
- Tempel, E. R., Seiler, T. L., & Aldrich, E. E. (Eds.). (2011). [Achieving excellence in fundraising \(3rd ed.\)](#). San Francisco, CA: Jossey-Bass.

External Resource

Please note that URLs change frequently. While the URLs were current when this course was designed, some may no longer be valid. If you cannot access a specific link, contact your instructor for an alternative URL. Permissions for the following links have been either granted or deemed appropriate for educational use at the time of course publication.

- Garon, T., & Lahda, T. (2017). Financial health and community college students: Choosing and using quality products and services. Chicago, IL: Center for Financial Services Innovation. Retrieved from <https://finhealthnetwork.org/research/financial-health-and-community-college-students/>
- Government Publishing Office. (2018). Higher Education Opportunity Act of 2008 [PDF]. Retrieved from <https://www.govinfo.gov/content/pkg/PLAW-110publ315/pdf/PLAW-110publ315.pdf>
- Stevens, J. (2008, Mar 16). Keys for successful turnaround strategies [Blog post]. Retrieved from <https://www.stevensstrategy.com/higher-education-policy-practice/keys-for-successful-turnaround-strategies/>

Suggested

The following materials are recommended to provide you with a better understanding of the topics in this course. These materials are not required to complete the course, but they are aligned to course activities and assessments and are highly recommended for your use.

Optional

The following optional materials are offered to provide you with a better understanding of the topics in this course. These materials are not required to complete the course.

Library

The following optional readings may be available in the Capella University Library. To find specific readings by journal or book title, use Journal and Book Locator. Refer to the Journal and Book Locator library guide to learn how to use this tool. If the full text is not available, you may be able to request a copy through the Interlibrary Loan service.

- The Chronicle of Higher Education [Online access]. (n.d.). Washington, DC.

External Resource

Please note that URLs change frequently. While the URLs were current when this course was designed, some may no longer be valid. If you cannot access a specific link, contact your instructor for an alternative URL. Permissions for the following links have been either granted or deemed appropriate for educational use at the time of course publication.

- U.S. Department of Education. (n.d.). Family Educational Rights and Privacy Act (FERPA) <https://www.ed.gov/policy/gen/guid/fpco/ferpa/index.html>
- U.S. Department of Health & Human Services. (n.d.). Summary of the HIPAA privacy rule <https://www.hhs.gov/hipaa/for-professionals/privacy/laws-regulations/index.html>

Unit 1 >> Overview of Higher Education Financing

Introduction

The finances of higher education can appear complicated to the casual observer. Higher education financing comprises two broad categories: revenue and expenditures. Revenue sources are typically tuition and fees, state appropriations, gift giving, and investment income. Expenditures include compensation, technology, debt service (borrowing costs) and other operating expenses. While the level of revenue and expenditures will vary by institution, the categories and criticality of each are consistent throughout higher education. This course will focus on the significant sources of revenue and expenditure and provide the learner with a solid understanding of how each category can impact the financial condition of the institution.

Learning Activities

u01s1 - Studies

Readings

Use your *Small College Guide to Financial Health: Weathering Turbulent Times* to read the following:

- Chapter 1, "Introduction," pages 1–4.
- Chapter 3, "The Economics of Higher Education: A Brief Lesson," pages 37–55.

Use the Capella University Library to read the following:

- Blumenstyk, G. (2012, Jul 23) [Blog post]. [One-third of college are on financially 'unsustainable' path. Bain study finds](#) [Blog post]. *The Chronicle of Higher Education*.
- [Colleges' revenue and expenditures](#). (2017, Aug 13). *Almanac 2017: The Chronicle of Higher Education*.
- Kirschner, A. (2012). [Innovations in higher education? Hah!](#) *The Chronicle of Higher Education*, 58(32), B6–B9.
- Paulsen, M. B., & Smart, J. C. (Eds.). (2001). *The finance of higher education: Theory, research, policy, and practice*. New York, NY: Agathon Press.
 - Chapter 1, "Trends in Revenues and Expenditures for Public and Private Higher Education," pages 11–33.

Optional Readings

- [The Chronicle of Higher Education](#) is a leading source in the academic community and covers those topics most vital to academics. Read the Chronicle in the Capella library and consider subscribing in the future.

u01s1 - Learning Components

- Describe financial challenges in public higher education.
- Describe financial challenges in private higher education.

u01s2 - Your Online ePortfolio

Online ePortfolios serve two key purposes: 1) to support learning and reflection, and 2) to be used as a showcase tool. Your learning journey can be documented, and ePortfolios contribute to lifelong learning and growth through reflection and sharing. Online ePortfolios can also be shared with employers and peers to present artifacts that demonstrate your accomplishments at Capella.

Using ePortfolio to Prepare for Your Capstone

Your program may culminate in a capstone course. At that time you may be required to show evidence of your learning throughout the program by referring to multiple assessments that you have created. You will be telling a story about your learning throughout the program using artifacts you have collected during many of these courses.

Using ePortfolio to Build Your Career

As you are preparing to tell your story in the professional world, leverage your ePortfolio artifacts to demonstrate the knowledge and competencies you have gained through your program in professional conversations, performance reviews, and interviews.

To do that, reflect on the knowledge and skills you have gained from your courses and the elements you have put in your portfolio, along with how you have already applied these things to your professional life or how you might apply them in the future.

Next, create your story or talking points to tell your professional story.

Saving Your Documents to ePortfolio

You will need a place to store your documents in an organized fashion so that you can access them at a later date. Do not rely on the courseroom to store your assignments for you as you will lose access to the courseroom after you have completed the course. Capella uses a cloud-based portfolio platform to facilitate your organization of the artifacts you create throughout your program.

To make an online portfolio useful, it is essential that it is organized clearly and that important files of any format are accessible. Read the [Online ePortfolio Guidelines \[PDF\]](#) to ensure you set up your online portfolio correctly. For more information on ePortfolio visit the Campus [ePortfolio](#) page.

Privacy Statement

Capella complies with privacy laws designed to protect the privacy of personal information. While you may voluntarily share your own information publicly, you are obligated to protect the personal information of others that may be associated with your academic or professional development. Before sharing information and material in any ePortfolio that is set up to be shared externally to your program at Capella, please consider privacy obligations in relation to protected populations who may be included or referenced in your academic or clinical work. Refer to the [Family Educational Rights and Privacy Act \(FERPA\)](#) and/or the [Health Insurance Portability and Accountability Act \(HIPAA\)](#) if you have specific questions or concerns about your choices.

u01d1 - Financial Statements

For this discussion, examine the financial statement or budget from your institution for the last three years, then address the following:

- Identify the major revenue and expenditure items.
- Explain the market forces affecting these revenue and expenditure items.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u01d1 - Learning Components

- Identify expenditures in higher education.
- Describe funding for primary expenditures.

u01d2 - Budget Comparisons

Choose one revenue source and one expense item from your analysis in the first discussion and compare it to the chart in the Colleges' Revenue and Expenses article linked in Resources. Complete the following:

- Determine if the percentage shown on the chart is consistent with your institution's financial data.
- Explain why you believe your institution's data is consistent or inconsistent with the national data.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

[Colleges' Revenue and Expenditures](#)

u01d2 - Learning Components

- Identify expenditures in higher education.
- Describe funding for primary expenditures.

Unit 2 >> Financial Structures in Higher Education

Introduction

Most colleges and universities are heavily dependent upon tuition and fee revenue. Public institutions also receive public funding through state appropriations, and community colleges get funding from the communities they serve. Private gift giving, investment income, and facility rental are other common sources of revenue in many colleges. However, tuition is usually the largest single revenue source.

Higher education is very labor-intensive, and costs associated with compensating faculty and staffs are typically the largest expense incurred by the institution. Compensation expense includes all forms of salary, wages, overtime, overloads, summer contracts, and employer-paid benefits such as health insurance, pension plan contributions, and life insurance provided by the institution. Other major costs include technology, interest expense associated with borrowing, and physical plant maintenance.

Learning Activities

u02s1 - Studies

Readings

Use your *Small College Guide to Financial Health: Weathering Turbulent Times* to read the following:

- Chapter 4, "Financial Structure," pages 57–82.

Your *ED5574: Financial Management and Institutional Development* custom text was created by Capella University in conjunction with Wiley to provide selections for this course from the following textbooks:

- Barr and McClellan's 2018 *Budgets and Financial Management in Higher Education*.
- Drezner's 2011 *Philanthropy and Fundraising in American Higher Education*.

Use your Wiley custom e-text to read the following from *Budgets and Financial Management in Higher Education*:

- Chapter 2, "Primary Elements of the Budget Revenue and Expenses," pages 31–60.

Use the Capella library to read the following:

- Stratford, M. (2012, Jul 30). [Senate report paints a damning portrait of for-profit higher education \[Blog post\]](#). *The Chronicle of Higher Education*.

Multimedia

- Explore college revenue statistics in the video [Sources of Revenue](#).

u02s1 - Learning Components

- Describe public revenue funds.
- Describe private sources of revenue.

u02d1 - Sources of Revenue

For this discussion, identify the sources of revenue from your institution's most recent financial statement or budget, then address the following:

- Determine if your institution is too dependent on tuition income.
 - Defend your statement.
- Evaluate whether your college is recognizing sufficient revenue from private gifts and investment income.
 - Explain your position.
- Recommend changes to your institution's revenue stream to strengthen its financial position.
 - Defend your suggestions.

Response Guidelines

Comment on the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u02d1 - Learning Components

- Describe public revenue funds.
- Describe private sources of revenue.

u02d2 - Types of Expenditures

Identify the three largest items of expenditure from your college's most recent financial statement or budget and address the following:

- Explain why these three expenditure items are the largest. Identify the cost drivers behind these expenditures.
- Evaluate whether the level of these expenditures is consistent with the growth and mission of your institution.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u02d2 - Learning Components

- Identify expenditures in higher education.

Unit 3 >> The Budget Process

Introduction

Each institution's budgeting process will depend on its academic calendar and culture. The budget process must always suit the needs of the institution and work within its social and political framework. The budget calendar identifies the tasks to be completed, who must complete these tasks, and when the tasks must be completed. Frequently, there is a budget committee that includes representatives from all areas of the institution, including students. Most budget processes are considered inclusive and usually solicit input from the campus community.

Many colleges separate the budget into two main categories: operating and capital. The operating budget addresses the revenue and expense categories that drive and support the institution such as tuition and gift income as well as compensation expense, and the cost of technology. The capital budget plans for large expenditures that often exceed one year and support the institutional mission. New building construction, major renovation projects, and significant vehicle and equipment purchases are examples of capital expenditures.

Learning Activities

u03s1 - Studies

Readings

Use your *Small College Guide to Financial Health: Weathering Turbulent Times* to read the following:

- Chapter 5, "Financial Practices," pages 85–93.

Use your Wiley custom e-text *ED5574: Financial Management and Institutional Development* to read the following from *Budgets and Financial Management in Higher Education*:

- Chapter 4, "Management of the Budget Cycle," pages 95–126.
- Chapter 5, "Understanding Auxiliary and Capital Budgets," pages 127–148.

Multimedia

- Explore [Steps to Follow Prior to Budget Development](#).

u03s1 - Learning Components

- Describe financial challenges in public higher education.
- Describe financial challenges in private higher education.

u03s2 - Assignment Preparation

In preparation for your Unit 5 assignment, complete the following:

- Read the assignment instructions and scoring guide to ensure that you understand all requirements.
- Begin considering which case study involving higher education financing that you will use for the assignment.

u03d1 - Operating Budget

Most colleges follow a formal budget process that involves a scheduled period during which a budget committee crafts a budget and submits it for approval. Most colleges separate the operating budget from the capital budget requests.

Review the operating budget process at your institution and address the following:

- Determine if the budget process is inclusive and encourages input from the campus community.
- Share the information that is provided to the participants in the budgeting process and explain why it is provided.
- Evaluate the budget schedule to determine if it allows sufficient time to gather, analyze, and decide on department budget requests.

Response Guidelines

Comment on the observations of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u03d1 - Learning Components

- Describe financial challenges in public higher education.
- Describe financial challenges in private higher education.

u03d2 - Capital Budget

For this discussion, examine the capital budget process at your college and determine how it differs from the operating budget process. Prepare a post in which you address the following:

- Identify the process used to identify capital projects.
- Determine how the capital budget requests are prioritized.
- Discuss the methods used to fund the capital projects.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u03d2 - Learning Components

- Describe funding for primary expenditures.

Unit 4 >> Strategic Planning

Introduction

Strategic or long-term planning is vital to an institution's growth and success. Planning demands expertise from all areas throughout the college, as it determines all future action and plans. Operating and capital budgets should always fit into the larger plans of the college as outlined by the strategic plan. Some institutions combine the budget and planning process into a single endeavor. Others separate them into two distinct categories. Either way, there must be a connection between budgeting and strategic planning processes for both to be successful. The strategic plan is a dynamic document that must be reviewed and updated continually as the college responds to political, social, and economic realities.

Learning Activities

u04s1 - Studies

Readings

Use your *Small College Guide to Financial Health: Weathering Turbulent Times* to read the following:

- Chapter 8, "Strategic Planning," pages 169–194.
- Appendix A, "Strategic Planning Components," pages 323–325.

Use the Capella library to complete the following:

- Martin, A. (2012). [Building a showcase campus using an I.O.U.](#). *The New York Times*.

Multimedia

- Explore [College Spending](#).

u04s1 - Learning Components

- Describe financial challenges in public higher education.
- Describe financial challenges in private higher education.

u04d1 - Best Practices

Most successful institutions have a strategic planning process to complement their budget preparation. The strategic plan is the road map for administrators to follow when preparing the operating and capital budgets. Strategic plans can take various forms and often cover a 3–5 year period.

In your *Small College Guide to Financial Health: Weathering Turbulent Times* text, review Table 8.3 on page 192, "Ten Ways to Avoid Strategic Planning Mistakes," then address the following:

- Identify which of the 10 items is practiced best at your institution.
- Determine which of the 10 items is practiced least at your institution.
- Explain which of the 10 ways you would like to see change at your institution.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u04d1 - Learning Components

- Describe funding for primary expenditures.

u04d2 - Keys to Financial Stability

For this discussion, examine Table 8.4 on page 194, "Twenty Keys to Financial Strategy," of your *Small College Guide to Financial Health: Weathering Turbulent Times* text, then complete the following:

- Identify which of the 20 keys are most important to financial stability at your institution and explain why you consider them the most important.
- Identify the least important of the 20 keys to financial success at your college and provide a rationale for your choice.

Response Guidelines

Respond to at least two peers, commenting on their prioritization of the keys. Do you agree or disagree with their assessments?

Course Resources

Graduate Discussion Participation Scoring Guide

u04d2 - Learning Components

- Describe funding for primary expenditures.

Unit 5 >> Financing Public Higher Education

Introduction

Public higher education gained acceptance in the United States as a way to provide affordable education to the general population. Private higher education had existed for many years but was considered by many to be available only to the wealthy and privileged. The primary mission of public higher education is to keep college affordable and improve the lives and opportunities of everyone regardless of socioeconomic status. Funding public higher education is a state function and therefore varies by state. Economic conditions will dictate how much funding is available to the state legislature. Higher education is also competing for funding with other government-related services. Legislators have been critical of the rising cost of college tuition and have been demanding increased accountability from administrators in public higher education. With public funding, there is always political influence in the administration of higher education. Depending on the state, the governor and state legislators may have significant influence on college policy and frequently serve on the governing board of the institution.

In this unit, you will complete your analysis of a case study. The case study will focus on a situation concerning higher education financing. This is the first of two assignments for the course.

Learning Activities

u05s1 - Studies

Readings

Use the Capella library to read the following:

- Paulsen, M. B., & Smart, J. C. (Eds.). (2001). *The finance of higher education: Theory, research, policy, and practice*. New York, NY: Agathon Press.
 - Chapter 4, "The Economics of the Public Sector: The Nature and Role of Public Policy in the Finance of Higher Education," pages 95–106.
 - Chapter 8, "State Efforts to Keep Public Colleges Affordable in the Face of Fiscal Stress," pages 321–348.

Use the Internet to read the following:

- Stevens, J. (2008). [Keys for successful turnaround strategies](https://www.stevensstrategy.com/higher-education-policy-practice/keys-for-successful-turnaround-strategies/). Retrieved from <https://www.stevensstrategy.com/higher-education-policy-practice/keys-for-successful-turnaround-strategies/>
- Garon, T., & Lahda, T. (2017). *Financial health and community college students: Choosing and using quality products and services*. Chicago, IL: Center for Financial Services Innovation. Retrieved from <https://finhealthnetwork.org/research/financial-health-and-community-college-students/>

Multimedia

- Watch [Declining State Support](#).
- View [Rising Tuition Costs](#).

u05s1 - Learning Components

- Describe sources of private funds for the context.

u05a1 - Finance Project

Overview

For this assignment, you will analyze one of the following case studies concerning higher education financing on community college appropriations, compensation expense reduction, or college turnaround plan development.

Instructions

After reviewing your chosen case study, craft a 5-page response (plus title and reference pages) based on research literature and personal experience in higher education:

In addition to the prompts for your case study, address the following:

- Identify the primary sources of revenue at the selected institution.
- Analyze the principles behind the primary expenditures in the selected institution.
- Develop solutions to resolve financial challenges faced by the selected institution.
- Explain why you believe this four-part plan will be successful.
- Identify any other actions you believe are necessary:
 - Would you eliminate or change any part of the plan?
 - Support your comments with examples.
 - Provide the reason for your recommendation and identify the anticipated results.

Case Studies

Community College

You are the vice president for finance and administration at Muddy Water Community College (MWCC). Enrollment at MWCC is strong, with just over 5,000 students. Approximately 80 percent of the college operating revenue comes from tuition and public funding. It is February and the fiscal year ends on June 30. The state has not sent the last 3 million dollars of your annual state appropriation. The state treasurer claims that sales tax income is well below expectations and property tax income is lower than expected. Your college has a small endowment of less than 6 million dollars. There is enough operating cash to pay salaries through the end of April. Complete the following:

- Develop a short-term plan with specific action to resolve the short-term problem.
- Create a long-term plan that will prevent this situation from recurring.
- Explain how and when you expect to repay the loans if borrowing funds is a part of your short-term plan.

Private College

You work at Excellent College (EC), a private, secular college in the Northeast. Due to a drop in enrollment, EC is experiencing reduced tuition revenue that has caused severe financial problems. EC must reduce its operating expense to offset the lost tuition revenue. Nearly every way to cut the operating expense budget has been identified and necessary actions have been taken. The one expense area not considered is the employer-paid employee benefits package, which includes health care coverage, a life insurance policy, and an 8 percent of base salary contribution to the TIAA/CREF pension fund. As vice president for finance and administration, you must develop a plan for reducing the expense of the employer-paid benefits package. Address the following:

- What specific actions will you take, including expected results and related timeline?
- Will you include the option for voluntary retirement?
 - If so, what incentives will you offer employees to encourage voluntary retirement?
- How will you communicate your actions to the college community?
 - You must be clear about the actions that will be taken while trying to minimize any negative reaction from faculty, employees, and staff.

College Turnaround

Progressive College (PC) is an independent private college that targets adults who want to finish their undergraduate degrees. Competition from other area colleges squeezed the student enrollment at PC and it is facing some financial challenges. The college has a negative net-asset position and very little operating cash. Fortunately, the chairman of the board has the resources to fund PC until it can develop a recovery plan. You are vice president for

finance and administration at PC and you have been charged to work with the college president and administration to develop a turnaround plan. After many meetings and discussions, you have developed a four-part financial recovery plan as follows:

- Do not increase tuition at a rate higher than inflation.
- Do not use financial aid as a means to reduce price.
- Use adjunct faculty during times of growing student enrollment.
- Eliminate academic programs that no longer respond to the needs of the market.

Additional Requirements

- Include title and reference pages.
- Include at least four professional and scholarly references.
- Adhere to APA writing standards.

Portfolio Prompt: You are required to save this learning activity to your ePortfolio.

Course Resources

[APA Style and Format](#)

[ePortfolio](#)

[Capella University Library](#)

u05d1 - Funding and Affordability

The primary mission of public higher education is to keep college education affordable and accessible for the public good. A slow economy and increased demand for public funds has had serious impact on the state's ability to fund public higher education adequately. Community colleges are the fastest growing means of higher education today. In addition to state appropriations, community colleges receive funding from the local communities they serve.

Review the financials of a public college in your area and address the following:

- Describe the method used by your state legislator to fund public higher education.
- Determine if your state has been successful in keeping higher education affordable.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u05d1 - Learning Components

- Describe public revenue funds.

u05d2 - State Funding

For this discussion, examine a financial report from a community college in your state and address the following:

- Identify the state and local funding sources.
- Assess if the college appears to be adequately funded and fulfills its mission to serve the local and state communities.
- Recommend changes to the funding sources to improve the financial position of the community college.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u05d2 - Learning Components

- Describe public revenue funds.

Unit 6 >> The Role of the Federal Government in Higher Education

Introduction

The first significant federal legislation to impact higher education in this country was the Morrill Land Grant Act of 1862. Subsequently many pieces of federal legislation have had direct effects on institutional administration as well as costs for colleges to comply with legal requirements. The goal of most federal legislation has been to improve access to higher education, provide financial aid options, ensure accessibility to the disabled, and make colleges safer. While this legislation has had a significant impact on the growth and success of higher education over the last century, compliance with the law always comes with a price. The Higher Education Act of 1965 is a good example of federal legislation that helped higher education to grow and prosper while requiring colleges to establish many new student services and to ensure fair treatment of all students.

Learning Activities

u06s1 - Studies

Readings

Use your *Small College Guide to Financial Health: Weathering Turbulent Times* to complete the following:

- In Chapter 2, "Private Colleges and Universities: In Danger or Not?" read about affordability on pages 14–19.

Use your coursepack to read the following in *American Higher Education in the Twenty-First Century: Social, Political, and Economic Challenges*:

- Chapter 5, "The Federal Government and Higher Education," pages 113–135.
- Chapter 7, "The Legal Environment," pages 170–191.

Use the Capella library to complete the following:

- Sander, L. (2012). With GI Bill's billions at stake, colleges compete to lure veterans. *The Chronicle of Higher Education*, 58(35), A1–A8.

Use the Internet to explore the following:

- Government Publishing Office. (2018). Higher Education Opportunity Act of 2008 [PDF]. Retrieved from <https://www.govinfo.gov/content/pkg/PLAW-110publ315/pdf/PLAW-110publ315.pdf>

u06s1 - Learning Components

- Describe public revenue funds.

u06d1 - Reflection

For this discussion, as we move from financial management into institutional development, we will pause to reflect on the application of the course content to your professional life and career goals.

Discuss what you have learned in this course to date. What do you find most interesting? What do you find most disturbing, if anything?

Response Guidelines

For this discussion, peer responses are optional.

Course Resources

Graduate Discussion Participation Scoring Guide

u06d2 - Impact of Federal Legislation

The three pieces of federal legislation that have had the greatest impact on higher education are:

- The Morrill Land Grant Act of 1862.
- The Servicemen's Readjustment Act (GI Bill) 1944.
- The Higher Education Act of 1965 (HEOA).

Choose one of these pieces of federal legislation and respond to the following:

- Explain the financial impact of this legislation on higher education.
- Outline the impact this legislation has had on your institution.
- Describe the effect this legislation has had on the students at your college.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u06d2 - Learning Components

- Describe financial challenges in public higher education.

u06d3 - Response to Federal Legislation

For this discussion, identify one policy or procedure your institution has implemented in response to the latest ratification of the Higher Education Opportunity Act and address the following:

- Explain how your institution has responded to the legislation.
- Determine the financial impact of this policy on your institution.
- Describe how your institution might improve its response to the HEOA.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u06d3 - Learning Components

- Describe financial challenges in public higher education.

Unit 7 >> Fundraising in Higher Education

Introduction

Soliciting gifts from alumni, family, and friends has been a popular and successful practice in private higher education for many years. Most public institutions have also begun to solicit funds from private sources, as they understand how private funding can subsidize the college to reduce dependence on tuition revenue and state appropriations. Fundraising in higher education has matured into a separate area of expertise, experience, and training. Colleges understand the criticality of raising private funds, and the entire process and staff has become more sophisticated. Technology has enabled fundraisers to gather, sort, and retrieve previously unavailable information about donors. Social networking has also given them cost-effective means to stay connected with constituents. Anyone interested in pursuing a fundraising career must be comfortable using—and staying current with—the technology tools of the industry.

Learning Activities

u07s1 - Studies

Readings

Use your Wiley custom e-text *ED5574: Financial Management and Institutional Development* to read the following from *Philanthropy and Fundraising in American Higher Education*:

- Introduction, pages 5–16.
 - This reading begins with the concepts and mechanics of fundraising.

Use the Capella library to complete the following:

- Biemiller, L. (2012). Gifts to colleges rose 8.2% in 2011, but the gains went to a fortunate few. *The Chronicle of Higher Education*, 58(25), A20–A21.
- Hunt, P. C. (2012). Development for academic leaders: A practical guide for fundraising success. San Francisco, CA: Jossey-Bass.
 - Chapter 1, "The Role of Academic Leaders in Development," pages 3–7.
 - Chapter 5, "Organizing Your Time for Development Success," pages 41–45.
- Largest college endowments. (2011). *The Chronicle of Higher Education*, 59(1), 8.
- Tempel, E. R., Seiler, T. L., & Aldrich, E. E. (Eds.). (2011). Achieving excellence in fundraising (3rd ed.). San Francisco, CA: Jossey-Bass.
 - Read Chapter 5, "The Total Development Plan," pages 41–50.

Use the Internet to read the following:

- Council for Aid to Education (CAE). (2012). Colleges and universities raise \$30.30 billion in 2011 [Press release] [PDF].

u07s1 - Learning Components

- Describe sources of private funds for the context.
- Outline fundraising planning.

u07d1 - Private Fundraising

Private fundraising has been conducted in private higher education for many years. More public colleges and community colleges have also become active in the fundraising business.

Review the fundraising data available at your institution and address the following:

- Identify the various forms of fundraising that are evident at your institution.
- Determine which form of fundraising seems most successful.
- Explain why this form of fundraising is the most successful.

Response Guidelines

Respond to the posts of at least two peers.

Graduate Discussion Participation Scoring Guide

u07d1 - Learning Components

- Describe private funds in higher education.

u07d2 - Fundraising Plans

For this discussion, review the fundraising plan at your institution and complete the following:

- Analyze the fundraising plan at your institution.
 - Is it clear and comprehensive?
- Determine if the advancement staff is following the plan.
- Identify any changes you think should be made to the plan to make it more successful.

Response Guidelines

Respond to the posts of at least two peers.

Graduate Discussion Participation Scoring Guide

u07d2 - Learning Components

- Outline fundraising planning.

Unit 8 >> Forms of Giving in Higher Education

Introduction

Raising money in higher education takes many forms and is typically tailored to the culture and demographics of the donors. Development staffs will spend considerable time nurturing a candidate for a major gift to the college. Popular activities include annual giving, capital campaigns, planned giving, and endowment fund contributions. Efforts to secure contributions will depend on the activity and amount of the gift being solicited. Many alumni and friends will contribute to annual giving initiatives; these contributions are usually less than \$1,000.

Learning Activities

u08s1 - Studies

Readings

Use the Capella library to complete the following:

- Finance: Major private gifts to higher education. (2011). *The Chronicle of Higher Education, Almanac Issue*, 58(1), 8–20.
- Hunt, P. C. (2012). *Development for academic leaders: A practical guide for fundraising success*. San Francisco, CA: Jossey-Bass.
 - Read Chapter 6, "The Cycle of Giving," pages 49–56.
- Tempel, E. R., Seiler, T. L., & Aldrich, E. E. (Eds.). (2011). *Achieving excellence in fundraising (3rd ed.)*. San Francisco, CA: Jossey-Bass.
 - Read the following:
 - Chapter 6, "The Annual Fund," pages 51–63.
 - Chapter 7, "Major Gifts," pages 64–80.
 - Chapter 8, "Capital Campaigns," pages 81–91.
 - Chapter 9, "Establishing a Planned Giving Program," pages 92–114.

u08s1 - Learning Components

- Describe sources of private funds for the context.
- Describe private funds in higher education.

u08s2 - Assignment Preparation

Complete the following in preparation for your Unit 10 assignment:

- Read the assignment instructions and scoring guide to ensure that you understand all criteria.
- Begin considering which case study you will use for the assignment.

u08d1 - Annual Giving

For this discussion, research your institution's annual giving fundraising efforts and complete the following:

- Identify how your institution plans and manages its annual giving efforts.
- Evaluate the effectiveness of these efforts.
- Recommend changes to the annual giving plan to improve its efficiency and increase the amount of funds raised.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u08d1 - Learning Components

- Describe sources of private funds for the context.

u08d2 - Planned Giving and Capital Campaigns

For this discussion, examine your college's plan for soliciting major gifts from potential donors through programs like planned giving and capital campaigns. Complete the following:

- Identify the most effective method used by your college to generate larger donations from alumni and friends.
- Explain the basic differences between soliciting larger gifts and annual giving contributions from donors.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u08d2 - Learning Components

- Outline fundraising planning.

Unit 9 >> Philanthropy: Corporate and Foundation Giving

Introduction

In addition to soliciting donations from individuals, most development offices are involved with securing funds from corporations and foundations (C&F). Approaching and convincing a corporation or foundation to support the institution is much different from soliciting individual contributions. Like higher education, C&Fs usually have a mission, a budget, and a process to complete in order to solicit funding from them. The challenge for the college development office is to identify the C&F that is most likely to contribute to higher education. Soliciting C&Fs can be intense and time-consuming and often results in rejection; however, the rewards from C&F donations can be significant. C&Fs have the resources to make large financial contributions, and such a relationship can lead to connections with other corporate and foundation leaders who can provide advice, services, and financial help to the college. The secret to success with C&F giving is knowing which organization is the best to approach as well as how to promote the institution's strengths and needs to them.

Learning Activities

u09s1 - Studies

Readings

Use the Capella library to read the following:

- Tempel, E. R., Seiler, T. L., & Aldrich, E. E. (Eds.). (2011). *Achieving excellence in fundraising (3rd ed.)*. San Francisco, CA: Jossey-Bass.
 - Chapter 10, "Contemporary Dynamics of Philanthropy," pages 117–124.
 - Chapter 11, "Prospect Research," pages 125–137.
 - Chapter 12, "Corporate Giving and Fundraising," pages 138–149.
 - Chapter 13, "Foundation Fundraising," pages 150–161.

Use your Wiley custom e-text *ED5574: Financial Management and Institutional Development* to read the following from *Philanthropy and Fundraising in American Higher Education*:

- "What Guides the Study of Philanthropy and Fundraising?" pages 47–64.

u09s1 - Learning Components

- Outline fundraising planning.
- Describe private funds in higher education.

u09d1 - Nurturing Donors

It is up to the advancement department to identify potential donors to meet various institutional needs. Review the process the advancement staff at your institution uses to connect potential donors with the needs of the institution. Address the following in your initial post:

- Describe how your institution identifies potential donors.
- Explain how the college advancement staff matches donors to the needs of the institution.
- Discuss the effectiveness of these donor outreach efforts by reviewing the financial results from them.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

u09d1 - Learning Components

- Outline fundraising planning.

u09d2 - Corporate and Foundation Philanthropy

For this discussion, analyze your institution's financial information related to the philanthropic support of corporations and foundations. Respond to the following:

- Identify the efforts to connect your institution with corporations and foundations.
- Explain how these methods differ from those used to solicit individual donors.
- Determine if your institution has been successful in obtaining the support of corporations and foundations.

Response Guidelines

Respond to the posts of at least two peers.

Course Resources

Graduate Discussion Participation Scoring Guide

u09d2 - Learning Components

- Outline fundraising planning.

Unit 10 >> Technology and Fundraising

Introduction

Like many institutional administrative functions, fundraising has become dependent upon technology for its success. Fundraising software, followed by e-mail, websites, and social media, have enabled the development area to easily identify, accumulate, and report on donor information. Social media has allowed development staff to communicate efficiently with constituents. As technology continues to evolve, the development area must be ready to change with it. This change includes creating a budget that allows the fundraising area to make needed investments in new and improved technology. The future of successful fundraising depends on remaining current with technology and maximizing its potential for fundraising.

In this unit, you will also complete your second course assignment, a case-study analysis concerning higher education development and fundraising.

Learning Activities

u10s1 - Studies

Readings

Use the Capella library to read the following:

- Kachinske, T. (2009). *90 days to success in fundraising*. Boston, MA: Course Technology/Cengage Learning.
 - Chapter 8, "Fundraising Software," pages 218–226.
 - Chapter 9, "Fundraising with Social Media and Web 2.0 Technologies," pages 238–265.
- Tempel, E. R., Seiler, T. L., & Aldrich, E. E. (Eds.). (2011). *Achieving excellence in fundraising (3rd ed.)*. San Francisco, CA: Jossey-Bass.
 - Chapter 20, "E-Mail and Internet Solicitation," pages 235–246.

Multimedia

- View [Social Media Options](#) to learn how colleges are using Facebook, Twitter, and other media for fundraising and more.

u10s1 - Learning Components

- Describe forms of technology used in higher education.
- Consider the impact of technology costs and opportunities.
- Describe the uses of social media for a higher education context.

u10a1 - Development Project

Overview

For this assignment, you will analyze one of the following case studies concerning development and fundraising in higher education.

Instructions

Review the case study descriptions and craft a 5-page response to a case study of your choice (plus title and reference pages) in which you address the situation described in the case study, applying concepts from the literature.

Case Studies

The Development Plan

You have been hired as vice president of development at a small religious college in the Northeast. The college is over 75 years old, with a solid academic reputation and a large, supportive alumni base. However, fundraising has never been a high priority at the college. The institution receives about \$200k per year in private donations and its endowment fund has a market value of \$10 million. Your mission is to build a development staff as well as a fundraising plan to support the growth and challenges facing the college over the next 20 years.

Create a development plan to address short-term and long-term strategies. Include the following:

- Identify the positions you want in your development area.
 - Which two positions would you recruit first? Why?
- Specify how you intend to make immediate improvements in the annual fundraising program.
 - What is your goal for growing the \$200K annual giving?
- Set a long-term goal to grow the endowment fund.
 - How did you determine this amount?
- Identify the first two initiatives you will execute to convince the alumni to support your fundraising effort and increase their contributions to the college.
- Explain technological and nontechnological ways to approach alumni and encourage them to contribute or increase their contributions to the college.

Technology in Development

Development technology, including social media, is critical to the success of any sophisticated fundraising effort. One of your goals as the new vice president for development at a small religious college is to maximize use of technology in the fundraising process. Many long-term, loyal employees of the institution have not had to work much with technology, including social media.

Create a technology plan for the development area in which you address the following:

- How will you identify the best development technology for your college?
- What factors will you consider when selecting the development technology to purchase?
 - Make sure you include functionality and cost of the technology in your evaluation.
- What process you will follow to integrate technology into your department's daily operation?
 - Consider the timing of the implementation as well as the training your staff may need.

Additional Requirements

- Follow APA writing standards.
- Include a bibliography with at least four professional references.

Portfolio Prompt: You are required to save this learning activity to your ePortfolio.