Condiment lovers have a caterpillar to thank

COLUMBIA, Mo., June 30 (UPI) -- Without caterpillars, there might not be any condiments -- naked hotdogs, dry salads, flavorless sandwiches.

The chemicals that give plants like mustard, horseradish and wasabi their pungent flavors are the result of the ongoing evolutionary chess match between leaf and caterpillar.

Over millions of years, a variety of plants developed the ability to produce glucosinolates as a defense mechanism against hungry caterpillars. But while the bitter chemicals prove poisonous to the hairy worms, they're quite delicious to the human tastebuds.

As researcher detailed in a new study on the subject, the first cocktail of glucosinolates didn't work for long. The caterpillars eventually developed a tolerance for the chemicals. So the plants pumped out more intense glucosinolates, with even more concentrated sharp-tasting flavors.

"We found the genetic evidence for an arms race between plants like mustards, cabbage and broccoli and insects like cabbage butterflies," study author Chris Pires, a professor of biological sciences at the University of Missouri, explained in a press release. "These plants duplicated their genome and those multiple copies of genes evolved new traits like these chemical defenses and then cabbage butterflies responded by evolving new ways to fight against them."

One of the most intriguing insights gleaned by Pires and his colleagues, is that the plants used duplication, as opposed to single mutations, to augment gene expression and facilitate new chemical defenses. It's this incessant genetic tweaking, through duplicated code, that accounts for the wide array of flavors produced by plants.

"Why do you think plants have spices or any flavor at all? It's not for us," Pires told NPR. "They have a function. All these flavors are evolution."

Eventually, Pires hopes all this research will pay off in the form of designer plants.

"If we can harness the power of genetics and determine what causes these copies of genes," Pire said, "we could produce plants that are more pest-resistant to insects that are co-evolving with them -- it could open different avenues for creating plants and food that are more efficiently grown."
Do we know how to hold teacher preparation programs accountable?

The U.S. Education Department late last year released a draft set of regulations for colleges of education in what officials say is an effort to ensure that teachers are prepared to do their jobs well. But the draft regulations are controversial with educators and researchers who have written letters repeatedly to Education Secretary Arne Duncan with objections. One review of the proposed regulations, released by the National Education Policy Center at the University of Colorado Boulder and authored by Kevin Kumashiro, dean of the University of San Francisco School of Education, cites concerns including “an underestimation of what could be a quite high and unnecessary cost and burden,” “an unfounded attribution of educational inequities to individual teachers rather than to root systemic causes,” and “a reliance on scientifically discredited processes of test-based accountability and value-added measures for data analysis.”

Here is a new look at the draft regulations, written by Cory Koedel and Matthew Di Carlo. Koedel is an Assistant Professor of Economics and Public Policy at the University of Missouri, Columbia. Di Carlo is a senior Fellow at the Albert Shanker Institute in Washington, D.C.

By Cory Koedel and Matthew Di Carlo

The U.S. Department of Education has proposed regulations requiring states to hold teacher preparation programs accountable for the performance of their graduates. According to the proposal, states must begin assigning ratings to each program within the next two to three years, based on outcomes such as graduates’ “value-added” to student test scores, their classroom observation scores, how long they stay in teaching, whether they teach in high-needs schools, and surveys of their principals’ satisfaction.

In the long term, we are very receptive to, and indeed optimistic about, the idea of outcomes-based accountability for teacher preparation programs (TPPs). In the short to medium term, however, we contend that the evidence base underlying the Education Department’s regulations is nowhere near sufficient to guide a national effort toward high-stakes TPP accountability.

This is a situation in which the familiar refrain of “it’s imperfect but better than nothing” is false, and rushing into nationwide design and implementation could be quite harmful.

Over the past five to 10 years, there has been a widespread, albeit still controversial, effort to improve evaluation systems for individual teachers, including the incorporation of test-based productivity measures (e.g., value-added). This is the culmination of decades of rigorous research on the reliability and validity of the measures constituting the new systems. The idea of
using similar measures, and value-added in particular, to gauge the effectiveness of TPPs may seem like a common sense extension of what we’re already doing, but in reality it is fraught with complications.

The critical issue is that the pool of annual graduates from most teacher preparation programs is very small. This means that measures of TPP performance are extremely imprecise, statistically speaking. Several recent studies have shown that we simply cannot detect differences between the vast majority of TPPs with a reasonable degree of confidence. And this issue applies not only to test-based measures, but to virtually every one of the types of outcomes required by the Education Department regulations. All of them depend on tracking outcomes for small numbers of graduates who get jobs in K-12 schools.

Compounding this problem is the fact that current differences between TPPs in terms of the average test-based effectiveness of their graduates in the classroom are not particularly large. Efforts to rank programs will almost surely lead to an unacceptably high number of situations in which two programs that are similar in “true” performance receive very different rankings.

Moreover, once again, this concern is not limited to test-based value-added measures. It is more than plausible that some or all of the other outcomes required by the department’s regulations do not differ much between graduates of different TPPs. The unfortunate reality is we don’t know whether this is the case, for one simple reason: there is very little research about these measures in the TPP context. The idea of pre-selecting accountability indicators now, without even this most basic empirical groundwork, is disconcerting – and ill-advised.

Granted, our reasons for caution in this endeavor do not make for the best talking points – it’s tough to advocate for policies with slogans about statistical imprecision, and “wait for more research” isn’t exactly the most thrilling rallying cry.

But this does not make them any less important. A system designed around measures that cannot convey the information required will not be successful, and has the potential to do real harm. For example, programs might lose federal funding based on rankings, or administrators and professors might attempt to replicate the practices of highly-ranked programs, even if the rankings do not reflect real differences in efficacy – they would be “chasing (statistical) noise.”

To be clear, the issues we raise here are serious, but not insurmountable. The recent expansion of availability of data in K-12 education has greatly accelerated our ability to find solutions for these types of problems. Thus, our primary concern is not with outcomes-based TPP accountability, with which we agree in principle, but rather with the Education Department pre-selecting the specific types of measures that states will have to use, and requiring states to design their initial systems within just a few short years.

This implementation schedule is startling to the point of seeming reckless. It would seem to imply that we already know what outcomes are important for TPP accountability, and that we are able to construct informative measures of these outcomes. Neither is true at this time.
Despite the push by the Education Department, spending bills recently drafted by the House and Senate appropriation committees would, among other things, prevent the department from issuing teacher-preparation accountability rules for now. Although this aspect of the spending bills is likely more about governance philosophy (i.e., whether to regulate or legislate) than the substance of the department’s teacher preparation regulations, in this case we believe the end result would be beneficial.

In particular, the delay would allow more time for additional research and experimentation in this area. States could be encouraged to innovate and try out different metrics, including those proposed by the Education Department. Only after such a learning period, and a better understanding of what will and will not work, does it make sense to develop a national strategy. Policy is no different from great teaching: both require preparation.

Mizzou's Brantley released from hospital

June 30, 2015 By Dave Matter

COLUMBIA, Mo. • Missouri defensive lineman Harold Brantley has been released from University Hospital after being treated for injuries suffered in a June 21 car accident, hospital spokesman Jeffrey Hoelscher confirmed.

Brantley was released over the weekend and moved to another health facility in Columbia, MU team spokesman Chad Moller said in an email. “He's getting ready to transition to going home, which should be later this week,” Moller said.

The defensive tackle from Hershey, Pa., suffered a broken leg, knee ligament damage and broken ribs in the one-car accident on Highway 63 in Columbia. Brantley broke his left tibia and underwent successful surgery the night of the accident. He’ll require ligament repairs on his left knee at a later date. MU’s medical staff has not issued a timetable on Brantley’s possible return to football, though he’s expected to make a full physical recovery.

Missouri women's basketball player Maddie Stock was a passenger in Brantley's car at the time of the accident and was also hospitalized briefly. She was treated for minor injuries and released the night of the accident.

Both athletes transported to University Hospital by ambulance. Stock, 21, is a senior from St. Louis who played at St. Joseph’s Academy.

According to the accident report, Brantley was driving a 2000 Chrysler Concorde that traveled off the left side of the road. Brantley overcorrected and the vehicle slid off the right side of the roadway, struck a guardrail and overturned. Neither passenger was wearing a seatbelt, according to the report. The vehicle was listed as totaled in the report.

Brantley is Mizzou’s top returning defensive lineman and posted 54 tackles last season and five sacks.

Stock played in all 33 games for Mizzou last season and averaged 7.2 points per game. The former All-Metro player of the year finished her high school career as St. Joseph's Academy's second-leading career scorer.
July 1, 2015

Obama's Overtime Proposal Could Be Costly for Colleges

By Paul Basken

President Obama visits the University of Wisconsin at La Crosse on Thursday to detail a labor initiative that’s cheering workers at retail stores and restaurants while alarming their owners.

By the time the president’s proposed change in federal rules on overtime pay could take effect next year, however, it might also generate similar divisions among college administrators and their workers.

The basic thrust of the proposal is to raise, from $23,660 to $50,440, the annual salary cutoff below which workers are generally eligible for a time-and-a-half wage rate for work that exceeds 40 hours a week.

That change, the Obama administration estimates, would help nearly five million workers, many in retail and food services, whose employers manage to avoid paying the overtime rate by classifying them as managerial.

Colleges and universities, however, are not bystanders in the matter. Teaching positions are exempt from the overtime rule, at least for now. But most of the workers on American college campuses are outside of teaching, and the economic effect of the change could be significant, according to several labor lawyers.

"I certainly expect that this salary threshold is going to impact higher education," said Lisa A. Schreter, chairman of the board at Littler Mendelson, a law firm that represents management in employment cases.

That’s especially true if the process of changing the rule leads to a reconsideration of the teaching exemption, said William A. Herbert, executive director of the National Center for the Study of Collective Bargaining in Higher Education and the Professions.
at Hunter College of the City University of New York. "It would be prudent for colleges and universities to re-examine the situation," he said.

The administration’s plan on overtime wages is the latest in a series of steps by Mr. Obama to creatively find areas where he can advance his policy goals — in areas that include the environment, foreign policy, immigration, and gun control — in the absence of cooperation from the Republican-led Congress.

In this case, the changes in overtime-pay policy are being pursued by the Department of Labor through a standard rule-making mechanism for setting the exact definitions and boundaries of laws previously approved by Congress. The process is expected to take a little more than a year — just enough time for Mr. Obama to see them take effect before his second and final term expires.

**Jobs on Campuses**

Various experts in higher education and labor relations said they could not predict exactly how many workers on college campuses would be affected by the proposed change, though it could be several hundred thousand nationwide.

American institutions of higher education employ more than 3.8 million people, according to government data cited by the College and University Professional Association for Human Resources. That figure includes more than 1.5 million faculty members; 238,000 people in executive, administrative, or managerial positions; 800,000 in other professional positions; and more than 900,000 in other positions not exempted from federal overtime rules, the association said.

Many entry and midlevel professional positions — including many in student life, development, administration, and academic affairs — pay less than $50,440 per year, said Andy Brantley, the association’s president and chief executive officer.

An increase in the overtime threshold "was long overdue," Mr. Brantley said. "Unfortunately, a change of this magnitude will have a significant impact for every campus."

The effect will be most pronounced for colleges in parts of the country that have lower average wages and lack state laws that already set stricter rules on overtime pay, said Tara E. Daub, a partner at the law firm Nixon Peabody.

Colleges will have to absorb that cost in some way, such as cuts in services or tuition increases, said Shannon D. Farmer, a partner at Ballard Spahr, a law firm with clients
in higher education. And the effect would linger, she said, as Mr. Obama’s proposal calls for automatic increases in the future tied to average incomes.

Worries About an ‘Ambush’

Even more concerning, Ms. Farmer said, is the possibility that the Department of Labor will end or revise the exemption for teaching positions. That exemption also applies to many doctors and lawyers, who, along with professors, are in positions that are either relatively well paid or involve wide fluctuations in numbers of hours worked each week, she said.

The administration’s proposed change does not explicitly suggest repealing the teaching exemption, she said, though it does invite comments on it. "So what people are concerned about is that there is going to be basically an ambush rule here," where the Department of Labor might endorse a change in the teaching exemption later in the process, she said.

That type of change — sought by many advocates of adjuncts as part of an overall campaign for improving pay and conditions for part-time, non-tenure-track faculty members — could perhaps happen some day, said Ms. Daub, a member of Nixon Peabody’s Labor and Employment group. But it won’t happen in the current rule-making process, she said, because revising the teaching exemption has not been included in the terms of the initial proposal.

"It would have to go through the whole notice-and-comment period," said Ms. Daub, who was scheduled to address the topic on Wednesday morning at the annual conference of the National Association of College and University Attorneys in Washington. "They can’t just slip that in at the end."

Either way, at least one university doesn’t seem especially concerned. At the University of Wisconsin at La Crosse, Mr. Obama’s scheduled visit on Thursday to outline the plan is largely a matter of celebration, given that it will be the first time a sitting U.S. president has ever visited the campus. It’s "an historic opportunity for our UW-L community," the chancellor, Joe D. Gow, said in a campuswide email.

The campus’s vice chancellor for administration and finance, Robert J. Hetzel, said he hadn’t looked at the plan, which Mr. Obama publicly outlined in an op-ed on Monday in The Huffington Post, or tallied its possible effects on Wisconsin-La Crosse. "I’m not able to comment on this matter as we haven’t seen the proposal," Mr. Hetzel said.
Threat to Faculty Unions

July 1, 2015

By Scott Jaschik

NO MU MENTION

WASHINGTON -- The U.S. Supreme Court agreed on Tuesday to consider a case that could effectively make union membership dues optional for public employees. The vast majority of faculty members who are represented by unions are in public higher education, and such a shift could be devastating to the financing of their unions.

Currently the norm for faculty unions is that if they win a vote to represent a bargaining unit, all members of that unit must pay for the costs of collective bargaining in the form of dues. Members of a unit who object to political stances of a union may get a refund for those expenses, but are still required to pay what is known as a "fair share" of union costs that are related to bargaining and representation. That requirement could go away, depending on how the Supreme Court rules.

"If the Supreme Court rules that 'fair share' violates the First Amendment rights of public employees, they would transform the entire public sector into right to work, more appropriately named 'right to freeload,'” said Rudy Fichtenbaum, a professor of economics at Wright State University and national president of the American Association of University Professors, which acts as a union on some of the campuses where it has chapters (but not at others).

The case accepted by the Supreme Court is Friedrichs v. California Teachers Association, which was brought by high school teachers who believe that they should not have to pay the “agency fee” for being represented by a union. They argue that unions engage in activities that inherently are forms of speech, and that employees should not be required to pay the unions anything. Such requirements compel the teachers to support activities with which they disagree and thus violate their First Amendment rights, the teachers say. The legal theory they have put forward has been one that many conservative legal groups have embraced, hoping for a case like this. Since 1977, when the Supreme Court found that there was a right for unions to charge an agency fee, the legal right to do so has been clear. The new case explicitly asks the Supreme Court to reverse the 1977 ruling.
While union leaders believe that they provide valuable services for their members and win them better contracts, many predict that some unknown but potentially significant number of union members would simply opt not to pay any membership dues. Federal labor law requires the unions to represent the interests of all employees in a bargaining unit, so a union would remain bound to, for example, handle a grievance of or provide advice to a faculty member who paid nothing.

Dues vary from campus to campus and union to union. Fichtenbaum said that most AAUP collective bargaining dues are from 0.7 to 1.2 percent of salary. Frederick E. Kowal, president of United University Professions, the faculty union at the State University of New York, said that dues there are about 1 percent of salary. His union is affiliated with both the American Federation of Teachers and the National Education Association.

He said the lawsuit was “an insidious way to bankrupt unions.”

Union supporters note that the organizations are elected to represent employees, and that employees have the right in elections to vote out the leaders if they don’t like the way the union is being run and can even vote to end collective bargaining. So they argue that there are many options for those who may disagree with a union’s position or strategy.

William A. Herbert, executive director of the National Center for the Study of Collective Bargaining in Higher Education and the Professions at Hunter College of the City University of New York, said he saw the case as extremely significant for faculty unions. But he stressed that many unions have strong ties to members and with additional outreach could encourage many members to continue to pay dues. This shift “could rekindle internal organizing,” he said.

June 30, 2015

**Guns, Prisons, Social Causes: New Fronts Emerge in Campus Fights Over Divestment**

By Sarah Brown

**NO MU MENTION**

At many colleges, victories have been slow to accumulate for campus activists who have pressured their institutions to ban certain investments from their endowments. There are hundreds of active campaigns that seek divestment from fossil-fuel
companies, yet a much smaller number of colleges have actually pledged to follow through on those demands.

But student activists say they scored an important victory last week, when Columbia University decided to divest from for-profit prison companies. Columbia’s decision demonstrates how the campus-divestment movement has grown to encompass more causes than just fossil fuels, including such issues as mass incarceration, guns, and international human rights.

Even if a university hasn’t invested much money in a particular industry or company, activists say, investment choices are an effective way for an institution to take a moral stand. Students contend that their campaigns attract vast public attention, putting pressure on colleges to stop supporting entities that students find ethically questionable. Higher-education leaders, meanwhile, must weigh those demands against what they consider their duty to handle money responsibly and maintain their colleges’ financial health.

"As a strategy, there is precedent to say that economic activism does work," said Lauren E. Ballester, a recent graduate of the University of Pennsylvania who worked on a multifaceted campaign there aimed at curbing investments in fossil fuels, private prisons, and companies that the campaign’s organizers believe are involved in violations of human rights. She cited the successes of a campaign that’s considered the foundation of the modern divestment movement, in the 1980s — the movement against apartheid in South Africa.

Still, several factors hinder the success of such campaigns. College trustees often reject calls for divestment, arguing that endowments aren’t supposed to be vehicles of social justice or politics and casting doubt on socially responsible investing, viewing it as an impediment to high returns.

Furthermore, it’s difficult to pinpoint exactly how much a college invests in a company or industry, and colleges’ criteria for acting on divestment demands tend to be stringent. Penn has used "moral evil" as its standard. At Columbia, students had to prove that private prison investments were "morally reprehensible" and that support for divestment was widespread on the campus.

"The question is, at what point does a category of investment become so repugnant that one can’t touch it in any way?" said William F. Jarvis, managing director of the Commonfund Institute, which, along with the National Association of College and University Business Officers, conducts an annual study of college endowments. It’s not clear whether fossil fuels and other divestment targets fall into that category right
Divestment as Protest
Interest in divestment as a form of student protest has expanded over the past three years, said Marcie A. Smith, executive director of the Responsible Endowments Coalition, which supports divestment campaigns on campuses. The efforts stretch across multiple social movements, she said.

At least five University of California student senates have voted in favor of private-prison divestment, said Yoel Haile, a graduate student at the Berkeley campus who’s part of the UC prison-divestment campaign. Similar campaigns are underway at New York University and Brown University.

Occidental College responded to the 2012 shootings at Sandy Hook Elementary School, in Connecticut, with a pledge last year never to invest in companies that sell military-style assault weapons to the public. The University of California system divested from firearms in 2013, said a spokeswoman, Dianne Klein, though students are now pushing the system to formally ban future investments in gun companies.

Activists at Wesleyan University staged a sit-in at President Michael S. Roth’s office in April, demanding that the Connecticut institution divest from fossil-fuel companies as well as those profiting from private prisons and the Israeli occupation of Palestinian territories.

Divestment campaigns are a way of productively directing students’ protests toward a clear goal, said Rahim A. Kurwa, a graduate student at the University of California at Los Angeles who has been active in divestment campaigns.

Ms. Smith, of the Responsible Endowments Coalition, agreed. "There’s a huge opportunity for institutions of higher learning to help shift the moral compass of society on core questions," she said.

Not all college and university leaders share that view of their endowments.

At Wesleyan, Mr. Roth said he agreed with activists that the university shouldn’t be profiting from private prison companies and wrote in a blog post that Wesleyan did not hold any such investments. But Boston University’s trustees voted against divesting from gun manufacturers in February. American University, the University of Colorado, and the University of California system are among several institutions that have rejected fossil-fuel divestment in the past year.
Some administrators and board members who don’t support divestment campaigns believe their opposition can outlast the protests, given students’ short-lived presence on campuses, Mr. Jarvis, of the Commonfund Institute, said.

Many campaigns are also weakened by their lack of knowledge of how much an institution invests in a particular way. Columbia students, for instance, said they had managed to view about 10 percent of the university’s portfolio. They said they had determined that the university invested a total of $10 million in two private prison corporations, the Corrections Corporation of America and G4S, a multinational firm with headquarters in Britain. Jessica Reyes, a Columbia spokeswoman, couldn’t confirm the students’ numbers, saying that the university doesn’t publicly disclose investment holdings.

Several students noted that their efforts were not necessarily about money. "Ten million dollars isn’t going to make the [private prison companies] fall," said Asha R. Ransby-Sporn, a Columbia student and an organizer with Columbia Prison Divest. "The goal is really that we can make something like private prisons a socially toxic investment."

Endowments and Priorities
Student activists emphasized that their divestment campaigns on fossil fuels, prisons, guns, and other social issues will continue to expand nationwide. Still, as advocates’ voices swell, colleges and universities are grappling with a fundamental question: Are higher-education institutions supposed to be moral actors when it comes to their endowments?

"Absolutely not," said Michael T. Jacobs, a professor of the practice of finance at the University of North Carolina at Chapel Hill.

If endowment committees and boards appear receptive to divestment on one issue, it opens "a complete Pandora’s box," bringing "an infinite number of social causes" to the table, said Mr. Jacobs, a former director of corporate finance for the U.S. Treasury Department.

Divestment, he said, "undermines the ability of the endowment to do its job," which is making money for the institution.

David K. Backus, an economics professor at NYU, was part of a working group that earlier this year recommended that NYU not divest from fossil-fuel companies. In an email, he said he’d prefer that higher-education institutions not choose sides through divestment because it "discourages those with different points of view."
In May the Commonfund Institute released a survey that found that about one-fifth of colleges and universities had policies for socially responsible investing, in which investments are kept out of certain stocks based on specific ethical guidelines. On the other hand, nearly half of institutions — identified only by region, size, and type — said they didn’t plan to make any further changes in their endowments based on socially responsible investing practices, and about 6 percent had already discussed and rejected those practices.

Given the complex nature of a portfolio, it can be difficult even for people who oversee endowments to know exactly what an institution invests in, Mr. Jacobs said.

Peter Dreier, a political-science professor at Occidental, said that argument was "bogus." Also, divestment is not the only goal, he said; institutions should reinvest in causes that promote societal good, locally and globally.

So-called impact investing, which is focused on community benefit and doesn’t necessarily offer high returns, is not a strategy typically employed by higher-education institutions, Mr. Jarvis said.

But there is institutional interest, he noted, in socially responsible investing, which might offer hope to campus activists. "This is not a train that’s standing on the track," he said. "It’s moving relatively slowly at this stage, but it’s n

July 1, 2015

How Can You Tell When a College Is Circling the Drain?

By Goldie Blumenstyk

NO MENTION

For all the data and analyses out there about colleges, remarkably little of it lets the public easily or systematically spot institutions that are in financial trouble or on the brink of closing.
To judge a college’s health, one would need either benchmarks against which to measure or a clear way to see a trend line in its financials. Or even better, both. But few if any public benchmarks exist. "There is a need for a better understanding of what ‘good’ looks like," says Richard Staisloff, founder and principal of rpkGroup, a consultancy.

Several data sources are available, and we offer a guide to the most comprehensive ones below. But the numbers come with plenty of caveats.

For example, many of the public data sources are based on colleges’ financial data taken as of the last day of the fiscal year. For most institutions, that was Tuesday, a day on which colleges may have taken a huge financial hit not because of their own economic health but because the crisis in Greece is dragging down world markets.

Perhaps a more relevant way to size up a college is to measure where its own trends are headed: Is the value of its net assets declining over time? Has its discount rate been rising? Is the institution having to increase its endowment spending to stay afloat?

Some of that information can be mined, but when drawn from public sources, it’s often at least a couple of years out of date. And even if available, the information can be confounding.

"You’d practically have to have a finance degree to read some of this stuff," says John Griswold, executive director of the Commonfund Institute, the education and research arm of the Commonfund, which manages school and college endowments. And even if an M.B.A. were nearby to crunch the numbers, the answer would be of limited value without the proper context. For example, a college could have good reasons for a decline in assets — say, if it has invested in new programs that will attract students — while another college with growing surpluses might be hoarding cash rather than, say, fixing the residence halls or hiring top-flight faculty members.

Even if that deep dive into the data did highlight financial weaknesses, the information would be hard to assess in the abstract, without a similar analysis of many other institutions. None of the available sources, for example, would have publicly indicated the financial problems facing Marian Court College, the Massachusetts institution that recently announced or the financial challenges facing Sweet Briar College, the Virginia institution that last month said it would not be closing after all.
All of that said, here is a rundown of the major data sources that parents, boards, students, and others might look at when trying to assess the financial health of colleges:

**Financial-Responsibility Scores**

These metrics are produced by the Department of Education once a year, based on the audited financial statements that all private colleges must submit. The department calculates a single "composite score"—ranging from minus 1 to 3. The composite is based on a weighted calculation of three ratios that take into account such factors as debt, assets, surpluses, and deficits.

The scores were designed to guide the department in determining whether federal student-aid funds advanced to the college might be at risk because of the institution’s shaky financial health. Colleges with scores of 1.5 and above are deemed to be financially responsible; those with lower scores can be required to post letters of credit or be subject to oversight known as "heightened cash monitoring," which entails extra scrutiny and more restrictions on how student-aid funds are advanced to them.

The scores were not made public until a few years ago, when The Chronicle obtained them under an open-records request. The department subsequently said it would publish them on a regular basis, although there is no set schedule for when they are released. The latest scores were published in March.

The scores have become one of the only nationally available assessments of colleges’ financial health. But they are a source of contention as well. Private-college groups say that the department is misapplying its own rules when calculating the scores, and that it often produces scores that are erroneous or misleading.

But public colleges don’t receive the scores. Only private colleges, nonprofit and for-profit, get them, on the assumption that a public college has the financial backstop of its state and local governments. And the limited range of the scores allows for little differentiation between institutions at the high and low ends of the financial-health spectrum.

According to the latest list, Sweet Briar had the highest score: 3.0. Marian Court had a score of 1.1, low enough to trigger extra scrutiny but not enough to require it to have posted a letter of credit with the department.

**Heightened Cash Monitoring**
When the Department of Education finds reason for concern about a college’s ability to safeguard federal student-aid funds, it can put the college on one of two levels of so-called heightened cash monitoring.

Until this year, the list of every institution facing such scrutiny was not public. But the department in March published a list of such colleges, following a public-records request from the website Inside Higher Ed. The department has said it would update the list regularly. The agency says the latest list is valid as of March 1, 2015.

All colleges, even public ones, could be subject to heightened cash monitoring, so this list offers a window into the finances of those institutions that the financial-responsibility scores do not. Several colleges were put on the list because their state auditors were slow to submit audits to the department. But it is in many ways derivative of the financial-responsibility scores.

Sweet Briar is not on the list. Marian Court is under HCM 1, the lesser of the two levels of restrictions.

**Measures of Endowment Wealth**

Each year hundreds of colleges provide information about their endowments to the National Association of College and University Business Officers, or Nacubo, which releases data showing which institutions are the richest.

But knowing the size of an endowment in isolation doesn’t reveal how dependent the college is on its investment earnings. The Nacubo report no longer breaks out data like endowment dollars per student, but that information could still be compiled by combining the Nacubo data set with enrollment information from the Education Department’s Integrated Postsecondary Education Data System, or Ipeds.

For the most recent year’s data, a researcher at Nacubo actually did that for The Chronicle, although the unofficial list is just a rough cut of the data that omits some major endowments for systems where enrollment figures were not readily available.

Yet the endowment-assets-per-student ranking by itself is just slightly more instructive than the ranking by endowment as a whole, because it indicates nothing about how colleges are using their money. And even a relatively hearty endowment does not necessarily translate into financial health, or at least not financial flexibility. A majority of endowment assets are restricted, which means proceeds from their earnings can be used only for the purposes the donors designated. In 2007, Nacubo estimated that as much as 80 percent of public-college endowment assets carried some
restriction on how they could be used; for private colleges, the estimate was 55 percent.

Sweet Briar’s endowment stood at $94 million as of June 30, 2014. Marian Court’s endowment was not part of the Nacubo survey.

**Debt and Equity**

Obviously debt can be a drag on colleges’ finances. But taking out loans can also be a wise way for institutions to finance projects over time, particularly when interest rates are low, as they have been for the past few years.

No single organization compiles and tracks colleges’ debt; nor is there a universally accepted standard for how much is too much. But some information about debt — and, in many cases, institutions’ wherewithal to manage it — is available from a number of sources.

One such source is the bond-rating agencies. For virtually all debt that is issued and traded on the public market, colleges typically seek a bond rating from Moody’s Investors Service, Standard & Poor’s, or Fitch Ratings. Sometimes they get more than one rating. The ratings assess the capacity of the college to manage the debt. Each summer Moody’s, the major ratings player for colleges, publishes its college financial ratings, offering one of the most comprehensive indications of the relative health of the 500-plus institutions it rates. For those who aren’t Moody’s clients, the report is available for purchase.

Not all colleges issue public debt or get a bond rating. But all private nonprofit colleges are required to file an annual tax return, the Form 990, on which they list their debt — along with revenues, expenses, and other financial information. The Form 990 is publicly available from the college and on websites like GuideStar. But the information from the Form 990 probably won’t offer a comparative assessment, unless you’re the kind of person who likes to comb through thousands of tax returns and then extract, compile, and analyze data.

In 2012 two companies, Bain & Company and Sterling Partners, did something similar to that, and issued a report based on data found in Ipeds. They looked at the finances of nearly 1,700 public and private colleges, weighing changes in their assets relative to their liabilities, and changes in their expenses relative to their revenues. The report called the former the "equity ratio" and the latter the "expense ratio." The report said that a third of the colleges were on an "unsustainable" path from the 2006 through the 2010 fiscal years and that an additional 28 percent were at risk of
doing the same. Because the period covered by the report included the Great Recession, some thought its conclusions were overly alarmist.

In 2014 Bain updated the data in response to that criticism, adding numbers from the 2011 and 2012 fiscal years (and dropping out the earliest year). In the intervening two years, Bain found that gains in the stock market had improved the equity ratio for some colleges but "many did not get their expense ratio down," according to Jeff Denneen, the Bain partner who oversaw both reports. For such colleges, he says, "what concerns me is the revenue’s not there."

For each report, Bain classified institutions by how much their equity and expense ratios had changed. In the 2010-12 period Bain found only 22 percent of colleges on an "unsustainable" path (meaning both ratios had changed for the worse by more than five percentage points), compared with 30 percent in 2006-10. (In the course of the update, Bain revised some of the figures from the earlier report and added 28 institutions to the later period’s analysis.)

But it also found fewer colleges on a financially sound path (37 percent, versus 42 percent in 2006-2010) and substantially more colleges (41 percent versus 28 percent) in the category it calls "neutral." Mr. Denneen says most of those in the neutral category benefited from a recovery in their endowment values, which lifted their equity ratios. Most of them, he says, "could easily tip over" financially if that slips.

As Mr. Denneen notes, the Bain study "is not about the absolute financial health of institutions" but rather a reflection of changes in two key metrics. Institutions that are financially strong could do poorly in the analysis if they "are starting on a bad trajectory."

While the bond ratings are probably the firmest assessment of a college’s ability to pay off the bonds (despite continuing public skepticism about a system where the issuer pays the agency for a rating), there are other indicators. For example, if bonds are trading below their face value, that could indicate that traders consider them a higher risk.

Information on bond prices for all publicly issued debt can be found on the website known as EMMA, run by the Municipal Securities Rulemaking Board. But as with the Form 990, unless you’re a computer whiz, extracting the pricing data for comparative purposes won’t be easy. And it might not even be helpful; bonds can sell at a discount for all sorts of reasons (an unattractive interest rate, for example) besides doubts about the issuer.
In November 2014, Standard & Poor’s revised its outlook for Sweet Briar’s bonds from "negative" to "stable," and affirmed the bonds’ BBB status, the lowest rating generally considered investment grade. Marian Court does not appear to have bonds that have been rated. According to Sweet Briar’s most currently available Form 990, for the year ending June 30, 2013, it had long-term debt of $27.6 million. The most current Form 990 for Marian Court, for the year ending June 30, 2014, shows it had no long-term debt (but it did have $3.1 million in expenses along with $2.6 million in revenues).

**Other Measures**

While not a direct measure of a college’s financial health, a high proportion of student-loan defaults within three years of graduation might point to underlying problems, according to some experts.

At the very worst, institutions risk losing access to a key lifeline of financial support — federal student loans and Pell Grants — if their default rates exceed a 30-percent threshold in three consecutive years. The Education Department publishes a list of colleges’ default rates each fall.

Colleges that receive federal student aid must be accredited by a recognized accrediting agency. Those organizations don’t always make it clear publicly when their actions are tied to financial concerns.

The tuition-discount rate, the proportion of institutional revenue from tuition and other sources that is redirected back into scholarships and other financial aid, can also be an indicator of financial health, if it’s low, or of financial concern, if it’s high. But how high is too high depends on the institution and its tuition price. Even a high percentage may be OK, for example if the net tuition revenue covers a substantial portion of the expenses.

Both Nacubo and Moody’s conduct annual surveys of tuition discounting but neither names the colleges alongside its published results. Last year the Nacubo survey of 401 private colleges found discount rates for first-time, full-time freshmen reached a record high of 44.8 percent for the 2012-13 academic year, and an estimated 46.4 percent for 2013-14. The next survey by Nacubo is expected soon.

Considering the enrollment challenges many colleges indicated at the start of the academic year in a Chronicle survey, Nacubo's report is unlikely to tell a positive story about colleges’ finances. But in that survey, as with most of the other measures — including our own, which promised anonymity to respondents — the most vulnerable colleges won’t be identified.
Supreme Court to Consider Case That Could Upend Unions at Public Colleges

[Updated (6/30/2015, 4:43 p.m.) with more context.]

NO MU MENTION

The U.S. Supreme Court on Tuesday decided to take a case that could upend how unions are financed at public colleges. The New York Times reports that the court will hear arguments in Friedrichs v. California Teachers Association, which was brought by public-school teachers in California who argue that being forced to pay union fees violates their First Amendment rights.

Public employees in states without right-to-work laws can be required to pay fees to unions that represent them but that they may not want to be members of. The plaintiffs in the Friedrichs case, No. 14-915, are seeking to have the 1977 Supreme Court decision that allowed such required fees, Abood v. Detroit Board of Education, overturned.

Last year the court stopped short of overturning Abood in another case on union fees, instead ruling that one category of public employee be exempt from having to pay them.

The court’s chance to weigh in again on the issue comes as conservative lawmakers seek to diminish unions’ clout nationwide. The issue has played out with the most vitriol in Wisconsin, where the governor and potential Republican presidential candidate, Scott Walker, has signed legislation drastically limiting how unions can operate. In 2011 the state stripped public employees’ collective-bargaining rights at Mr. Walker’s urging. Earlier this year the Legislature passed a right-to-work law, making it the 25th state to do so.

The Supreme Court’s next term begins in October, when it will also reconsider the affirmative-action case Fisher v. University of Texas at Austin. A ruling in the union-fees case is expected by the term’s end, in June 2016.