Execs with accounting skills more likely to cook the books

Generated from News Bureau press release: Executives with high accounting competence could be an overlooked risk

Executives with high accounting competence are more likely than their less-competent counterparts to make accounting misstatements when financial incentives encourage them to misreport, new research suggests.

When analyzing financial statements, auditors must be aware of a variety of risks associated with fraud or error. Managing these risks typically includes charging higher fees to certain companies or adjusting audit strategies. The new study, however, suggests auditors are overlooking a key risk factor.

“Competence, alone, is a great thing,” says Elaine Mauldin, a professor of accountancy at the University of Missouri. “Research has actually shown that, in general, it results in fewer misstatements. However, we found that when both competence and financial incentives are present, this dark side of accounting competence emerges.”

Mauldin and her colleagues, which included Nathan J. Newton, an assistant professor of accountancy, reviewed executives’ past managerial experience in accounting and auditing as an indicator of competence. Using financial statements from 2004-2013 from publicly traded firms, the researchers investigated the risk factors involved in significant misstatements that affected the reliability of financial reporting.

In particular, researchers focused on two main factors that, when combined with competence, influence the likelihood of misstatements. The first was compensation incentives, which reward executives financially for strong performance. The second was having an aggressive reporting attitude, which past discretionary reporting decisions that increased earnings indicated.

Together with competence, these factors form a fraud triangle in which each element of fraud—incentive, opportunity, and attitude—is present, with competence forming the “opportunity” side of the triangle. Researchers found executives were almost 30 percent more likely to make
misstatements when they had both high accounting competence and compensation incentives. Without high competence, that number dropped to 4 percent.

Attitude also encouraged misstatements, but to a lesser degree. Paradoxically, audit firms charge lower fees to competent executives regardless of these other factors. According to Mauldin, this suggests competence reduces auditors’ responses to some risk factors.

“These executives have both the incentive and ability to change the books,” Mauldin says. “On the other hand, competence lulls auditors into a sense of security. Auditors need to be aware of the heightened risk these executives represent.”

The researchers report their findings in the *Accounting Review*. In addition to Mauldin and Newton, Anne Albrecht of Texas Christian University worked on the study.

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**Mizzou Alternative Breaks students do first Hannibal project**

By: Bev Darr

*Generated from News Bureau press release: Nearly 300 Mizzou students to spend weekend serving communities across Missouri*

The four Mizzou students who arrived in Hannibal from Columbia on March 9 for a weekend community service project are proud of their university’s level of volunteerism in their Mizzou Alternative Breaks organization.

Mizzou has the largest number of students involved in this Alternative Breaks group in the nation, they said.

They travel across Missouri for weekend projects, all done on a voluntary basis with no college credit earned, said Melanie Vasquez. Hannibal was chosen for their project, she said, because “we are planning to do one in each of Missouri’s counties, and Marion County had not had one.”

In addition to weekend projects, the students do week-long projects in other states. Vasquez has helped Habitat for Humanity on three week-long projects, in Alabama, Georgia and Florida.

Under the direction of Bill Glascock, coordinator of the food pantry at Douglass Community Services in Hannibal, the students painted the walls of the food pantry office. When they arrived...
on Friday, Glascock said, he decided to have them begin painting then and finish Saturday. They were done by noon Saturday, March 10. The four women said they had enjoyed a meal at the Mark Twain Brewing Co.

Three of the students are planning health care careers and one will become a teacher.

Halley Brooks, a sophomore from Memphis, Tenn., is a psychology major and will become a high school teacher.

Jazmine Mensah, a Mizzou junior from a Chicago suburb, is a biology major at Mizzou. She plans to continue her education and become an ophthalmologist.

Brooks and Mensah were on their first Mizzou Alternative Breaks project. Mensah said, “It feels pretty good” to be helping a community.

Bea Coruna, a junior from Sedalia, is a health sciences major. She explained she will graduate early and begin studying at a physical therapy school.

Vasquez, a junior from Cary, Ill., plans to become a physician’s assistant. Mizzou Alternative Breaks (MAB) is one of her favorite organizations on campus, she said, because, “It brings people from different corners together and you learn about different backgrounds.” She reported that on weekends, about 300 students go on MAB trips.

Coruna is with MAB for the second year, reporting that “last year I went to Baton Rouge, La., “and helped with Boys and Girls Clubs.”

She added that this type of community project “shows that Mizzou students want to give back and are trying to serve in other places.”

Columbia School Board hears school safety update in wake of national school safety concerns

BY MIMI WRIGHT AND LAURA MISEREZ

It was standing room only at 6:30 p.m. Monday at the Columbia School Board meeting, as about 60 people attended — some to praise New Haven’s performance in the playground competition, and others to discuss school safety concerns.

“Guess what folks, our kids have grown up with this,” John White, Columbia Public Schools security director, said about school shootings. “This isn’t new to them. They hear about it all the time. They see it all the time. This isn’t new to them.”
White gave an update about school safety to the board and attendees. The update came two days before a planned walkout by high school students in the district. The walkout is part of a national event in response to the Feb. 14 shooting at Marjory Stoneman Douglas High School in Parkland, Florida, that killed 17 people.

White explained the security in place and highlighted the fact that these plans were being improved even before the Florida shooting.

Ben Hansen, a parent with two children at Beulah Ralph Elementary School, asked what the district would recommend children do in an active shooter situation. Hansen is a physician at MU and was upset with the recent systemwide email about confronting shooters. Hansen said he does not believe MU’s advice is a “viable and responsible plan to protect our most vulnerable, our small children.”

White also presented information on buzzer systems, security film on windows, security cameras and the continuation of ALICE drills, which teach students how to react during a shooting situation.

Board member Paul Cushing read a prepared statement in which he suggested the district respond to the threat of school shootings like the government responded to the 9/11 attacks: with a stronger, possibly armed security presence.

This safety update came after recent reported threats to Columbia Public Schools. In the past month, there were two possible social media threats made to Columbia Public Schools that were both determined to be not credible. There was another incident in early March when a 15-year-old suspect was taken into custody for making a threat to Hickman High School.

“The events over the past several weeks have reminded us of the importance of maintaining a safe and supportive environment for learning,” Michelle Baumstark, spokeswoman for the district, said in an email.

Before the discussion of school safety, New Haven teachers Susan Hart and Sara Maddox thanked the board for its support of the Culturelle Project Playground competition. Hart said the school has received 28,890 individual votes so far, and is currently in second place.

Maddox read an original poem about how the competition has brought the community together and presented the board with gifts from her “little amazing humans.” Her students wrote thank-you notes and sent raisins because, when she told them when the meeting started, they responded: “6:30 is late. Don’t you think they need a snack?” The board recognized Mary Franco, art teacher at Battle Elementary School, for receiving the Missouri Art Education Association K-12 Art Educator of the Year Award.

They also recognized Robyn Pummill, school psychological examiner, for receiving the School Psychological Examiner of the Year Award, and Molly Stebbins, coordinator of psychological services, for receiving the School Psychologist of the Year Award. Both were awarded by the Missouri Association of School Psychologists. In addition, the board recognized the Hickman High School Ethics Bowl Team for winning its regional competition. The team will continue on to nationals at the University of North Carolina.

The Multicultural Achievement Committee gave a presentation on the results of their student-led conference that took place in October. Four high school students involved in the committee, Kiessence Bassett, David Nhek, William Hern and Nidjha Jackmon, provided information about
the success of the conference. They also shared a tree-shaped mural that conference attendees created to celebrate their differences. They called the mural a “communitree.”

As a community, we need to come together with our opinions and discuss them, not just have them written down,” Jackmon said.

The committee is a “holistic collaborative, educational support function of Columbia Public Schools,” according to their website. Their purpose is to “increase the number of historically underrepresented students in Columbia Public School’s most rigorous coursework,” and to “ensure college and career readiness for students from cradle to career.”

Over 460 attendees were at the conference, including students and teachers from both high schools and middle schools.

For the discussions and the dialogues, we teach the students to listen to understand instead of listening to respond,” Hern said.

There were also numerous items on school board’s consent agenda that were approved, including further asbestos abatement in West Boulevard Elementary School, Parkade Elementary School, Blue Ridge Elementary School and Hickman High School. Six automatic door operators at Battle High School will also be replaced for security purposes.

Other approved items were upgraded LED lights at Hickman High School and flooring replacement at Smithton Middle School and Fairview and Blue Ridge Elementary Schools.

Monday also marked the last televised board meeting in which Darin Preis will preside as president. Preiss, who is not seeking reelection.

“Sometimes I will call Darin, and I’ll say W.W.D.D. — what would Darin do?” vice president Jan Mees said.

He was first elected to the board in 2005 and has served on and off since then. He called his time on the board “one of the greatest privileges of life.”

Dozens rally outside Gov. Greitens’ mansion to call for higher education funding

By Natasha Vyhovsky

Around 30 community members marched from the state capitol to the governor’s mansion in Jefferson City on Saturday afternoon armed with signs and chants to rally against the higher education budget cuts proposed in the governor’s 2019 fiscal year recommended budget.

The rally was organized by the Stop the Cuts Coalition, a partnership of campus and community groups working to fight against the proposed cuts. Attendees included MU undergraduate and graduate students, working adults and local high school students.
The group began at the capitol, where MU Socialists President Joseph Moore spoke about the budget cuts and laid out the plan for the march.

“We are here today to tell Gov. Greitens and the GOP to stop taking money from Missouri’s colleges and universities to fund corporate welfare,” Moore said, “because that’s what this is. It’s corporate welfare.”

After years of tax cuts, Moore explained through a megaphone in front of the crowd, Missouri’s wealthiest 1 percent has benefited from lower taxes, while the state’s revenue base has taken a hit, as have institutions of higher education. He called for attention on further proposed tax cuts, which would put Missouri’s corporate tax rate at the second lowest nationally, as well as Senate Bill 912, which proposes a higher cap on tuition hikes, “shifting more of the financial burden of higher education onto the students.”

After rallying the crowd, he led them through a practice round of chants: “They say cut that, we say fight back.”

Angel Montie, a junior at Rock Bridge High School, was one of a handful of students and community members who gave testimonies once the crowd reached the mansion. Montie said he came out to speak because he can’t go to college since his family doesn’t have the money to take on the financial burden.

“I think I deserve higher education,” Montie said. “I think as a human being, I deserve to be an educated part of society, and I think everyone deserves to be educated. To people who are just scraping by, that $1,100 tuition increase a year could make or break their ability to even exist on a college campus. It’s awful … It’s the government just actively saying, ‘We don’t give a damn.’”

MU sophomore Emily Raney also spoke to the crowd, discussing her family’s experience with the cost of higher education. Her dad was taking his last graduate school finals at MU two weeks after Raney was born just over 20 years ago. Now, she said, her family is still paying off both his undergraduate and graduate student loans.

“For literally my entire life, the entire 20 years that I’ve been alive, they’re still paying off his student loans,” Raney said. “I think, for me, that paints a very bleak picture for what people’s futures are going to be if they have to spend literally a lifetime paying off student loans.”

Raney, who would like to go to graduate school herself one day to further her studies of anthropology and linguistics, said she fears MU will cut the program, which has been discussed recently.

“I am [planning to go to grad school],” Raney said, “but probably not Mizzou anymore, since they are cutting that program.”

Moore said he has personal experience with the effect of budget cuts as a graduate student. In response to what he refers to as “poverty wages” in recent years, Moore said graduate students organized, put pressure on the administration and eventually received higher stipends.
Last year’s budget cuts resulted in 474 jobs being cut from the UM System. Moore said the potential for more job cuts, as well as the recent non-tenure faculty whose contracts may not be renewed, will affect every student.

“When they eliminate 475 jobs, that doesn’t mean the work’s not there,” Moore said. “It just gets shifted onto other people, and students lose out because they have more crowded classrooms, they have fewer faculty grading their papers so it takes longer and less one-on-one attention from faculty.”

SCC is discussing other efforts to continue the fight for more state funding.

“There will be more to come,” Moore said.

THE CHRONICLE OF HIGHER EDUCATION

How the NCAA’s March Madness Windfall Makes Its Way to Colleges

By Dan Bauman and Tyler Davis

For most Americans, the arrival of March means the welcome return of office pools and Cinderella stories. But for college athletic departments, March Madness signals another tradition: payday.

The National Collegiate Athletic Association’s annual men’s basketball tournament is as lucrative as ever for the association and its member institutions. According to recently released financial statements, revenue earned by the NCAA surpassed $1 billion for the first time ever in the 2017 fiscal year, with the sale of basketball television rights accounting for 80 percent of the haul.

If past is prologue, much of this year’s March Madness revenue will be redistributed to the top-performing colleges and their parent conferences. According to financial data for the 2016 fiscal year, the NCAA made $788 million in cash payments to colleges and their associated athletic conferences that year — with most of the money going to Division I members.

The NCAA uses a variety of formulas to distribute those funds to member institutions, factoring in colleges’ performance over the tourney’s past six years, the number of full rides given to athletes, and the institutions’ support of nonrevenue sports.

Conference bylaws and institutions’ choices determine how much of that money flows directly to athletic departments and how much is routed to conferences, said Andy Schwarz, an antitrust economist who has appeared as an expert witness in lawsuits brought by former players against the NCAA. The association’s largest cash payment to an individual organization in 2016 went to the Big Ten Conference, not an individual college or university.

Top 10 Conferences by NCAA Disbursement, Fiscal Year 2016
<table>
<thead>
<tr>
<th>Conference</th>
<th>NCAA disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Ten Conference</td>
<td>$57,540,348</td>
</tr>
<tr>
<td>Atlantic Coast Conference</td>
<td>$46,644,199</td>
</tr>
<tr>
<td><strong>Southeastern Conference</strong></td>
<td><strong>$39,136,043</strong></td>
</tr>
<tr>
<td>American Athletic Conference</td>
<td>$30,086,080</td>
</tr>
<tr>
<td>Big 12 Conference</td>
<td>$24,255,532</td>
</tr>
<tr>
<td>Pac-12 Conference</td>
<td>$19,746,691</td>
</tr>
<tr>
<td>Atlantic 10 Conference</td>
<td>$14,980,890</td>
</tr>
<tr>
<td>Mountain West Conference</td>
<td>$12,597,407</td>
</tr>
<tr>
<td>Southland Conference</td>
<td>$9,652,861</td>
</tr>
<tr>
<td>West Coast Conference</td>
<td>$8,192,085</td>
</tr>
</tbody>
</table>

It is conferences, not the NCAA, that write the big paychecks to colleges when it comes to sports. The largest single payment to an individual institution by the NCAA in 2016 was $3.25 million to Stanford University.

Top 10 Universities by NCAA Disbursement, Fiscal Year 2016

<table>
<thead>
<tr>
<th>University</th>
<th>State</th>
<th>NCAA disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stanford U.</td>
<td>CA</td>
<td>$3,250,544</td>
</tr>
<tr>
<td>U. of California at Berkeley</td>
<td>CA</td>
<td>$2,522,621</td>
</tr>
<tr>
<td>U. of California at Los Angeles</td>
<td>CA</td>
<td>$2,514,010</td>
</tr>
<tr>
<td>U. of Connecticut</td>
<td>CT</td>
<td>$2,393,683</td>
</tr>
<tr>
<td>U. of Southern California</td>
<td>CA</td>
<td>$2,381,511</td>
</tr>
<tr>
<td>Arizona State U.</td>
<td>AZ</td>
<td>$2,329,431</td>
</tr>
<tr>
<td>U. of Oklahoma at Norman</td>
<td>OK</td>
<td>$2,279,036</td>
</tr>
<tr>
<td>Eastern Michigan U.</td>
<td>MI</td>
<td>$2,211,831</td>
</tr>
<tr>
<td>San Diego State U.</td>
<td>CA</td>
<td>$2,211,289</td>
</tr>
<tr>
<td>Brigham Young U.</td>
<td>UT</td>
<td>$2,205,805</td>
</tr>
</tbody>
</table>

Compare that with the $42.3 million the Southeastern Conference paid to the University of Georgia in the same year.
Power-Conference Revenue Payouts to Universities, Fiscal Year 2016

<table>
<thead>
<tr>
<th>Conference</th>
<th>Name</th>
<th>State</th>
<th>Conference disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEC</td>
<td>U. of Georgia</td>
<td>GA</td>
<td>$42,271,140</td>
</tr>
<tr>
<td>SEC</td>
<td>Louisiana St. U. at Baton Rouge</td>
<td>LA</td>
<td>$42,142,388</td>
</tr>
<tr>
<td>SEC</td>
<td>U. of Florida</td>
<td>FL</td>
<td>$41,820,682</td>
</tr>
<tr>
<td>SEC</td>
<td>U. of Tennessee at Knoxville</td>
<td>TN</td>
<td>$41,695,181</td>
</tr>
<tr>
<td>SEC</td>
<td>U. of Arkansas at Fayetteville</td>
<td>AR</td>
<td>$41,690,978</td>
</tr>
<tr>
<td>SEC</td>
<td>Texas A&amp;M at College Station</td>
<td>TX</td>
<td>$41,045,310</td>
</tr>
<tr>
<td>SEC</td>
<td>Auburn U.</td>
<td>AL</td>
<td>$41,016,906</td>
</tr>
<tr>
<td>SEC</td>
<td>U. of So. Carolina at Columbia</td>
<td>SC</td>
<td>$40,564,984</td>
</tr>
<tr>
<td>SEC</td>
<td>Mississippi State U.</td>
<td>MS</td>
<td>$40,262,592</td>
</tr>
<tr>
<td>SEC</td>
<td>Vanderbilt U.</td>
<td>TN</td>
<td>$40,173,019</td>
</tr>
<tr>
<td>SEC</td>
<td>U. of Kentucky</td>
<td>KY</td>
<td>$39,921,264</td>
</tr>
<tr>
<td>SEC</td>
<td>U. of Missouri at Columbia</td>
<td>MO</td>
<td><strong>$39,771,723</strong></td>
</tr>
<tr>
<td>SEC</td>
<td>U. of Alabama at Tuscaloosa</td>
<td>AL</td>
<td>$39,507,326</td>
</tr>
<tr>
<td>SEC</td>
<td>U. of Mississippi</td>
<td>MS</td>
<td>$39,504,346</td>
</tr>
<tr>
<td>Big Ten</td>
<td>Indiana U. at Bloomington</td>
<td>IN</td>
<td>$34,911,245</td>
</tr>
<tr>
<td>Big Ten</td>
<td>U. of Wisconsin at Madison</td>
<td>WI</td>
<td>$34,908,245</td>
</tr>
<tr>
<td>Big Ten</td>
<td>U. of Michigan at Ann Arbor</td>
<td>MI</td>
<td>$34,832,245</td>
</tr>
<tr>
<td>Big Ten</td>
<td>Michigan State U.</td>
<td>MI</td>
<td>$34,826,245</td>
</tr>
<tr>
<td>Big Ten</td>
<td>Purdue U. at West Lafayette</td>
<td>IN</td>
<td>$34,825,245</td>
</tr>
<tr>
<td>Big Ten</td>
<td>U. of Iowa</td>
<td>IA</td>
<td>$34,815,245</td>
</tr>
<tr>
<td>Big Ten</td>
<td>U. of Minnesota-Twin Cities</td>
<td>MN</td>
<td>$34,760,331</td>
</tr>
<tr>
<td>Big Ten</td>
<td>Ohio State U.</td>
<td>OH</td>
<td>$34,754,245</td>
</tr>
<tr>
<td>Big Ten</td>
<td>Penn State U. at U. Park</td>
<td>PA</td>
<td>$34,754,245</td>
</tr>
</tbody>
</table>
Big Ten  U. of IL at Urbana-Champaign  IL  $34,739,245
Big Ten  Northwestern U.  IL  $34,721,245

In addition to NCAA disbursements, the SEC and its Power Five counterparts — the conferences in the Football Bowl Subdivision (FBS) of Division I — earn significant sums of money through the sale of television rights for their own games and a monopoly over FBS competition. The Atlantic Coast Conference, Big Ten, Big 12, Pacific-12, and SEC each earned $300 million to $640 million in revenue in 2015-16. The average payment from a Power Five conference to one of its members in that period was $30 million. (The University of Notre Dame received substantially less money from the ACC than did its counterparts, in large part because its football team is not affiliated with the conference.)

In contrast, Conference USA — which will be represented by Marshall University in this year’s tournament — earned just $50 million in revenue that year. Of that sum, the conference sent its largest payment to Marshall: $4.55 million.

Of course, even those relatively small NCAA and conference cash payments are significant. Marshall’s combined conference and NCAA disbursements accounted for one-fifth of its athletic program’s revenue that year.

The reason Marshall isn’t paid the same as, say, Ohio State University is the outsize influence and negotiating power the Power Five conference hold over the NCAA, said Daniel A. Rascher, a sports economist and program director at the University of San Francisco.

The NCAA’s disbursement formulas skew toward the Power Five, whose member institutions appear more often in the basketball tournament as a result of sheer numbers. (The ACC sent nine teams to the tournament this year, and the SEC sent eight. Conference USA will be represented solely by Marshall, after Middle Tennessee State University landed on the wrong side of the tourney’s at-large bubble.)

Major-conference programs also have the means to support more full scholarships and nonrevenue sports than smaller athletic programs do.

Were the NCAA and its member institutions ever to decide to equalize the payments made to tournament competitors and other members, Rascher said, “Ohio State would talk to all of its brethren and say, ‘Let’s leave. If we aren’t getting our fair share, let’s leave.’”

In fact, the college football playoffs — an event not administered by the NCAA — essentially transfers all of that revenue to the Power Five colleges. If they felt that the NCAA wasn’t compensating them enough for their ability to draw an audience, Rascher said, they could create their own basketball tournament and minimize the appeal of March Madness to advertisers and broadcasters.

“It’s a really interesting issue that the NCAA itself grapples with,” Rascher said, “trying to create some sort of fairness or equal payouts, versus the strength of the power schools.”
MUPD searching for man accused of stealing jerseys from Mizzou Arena

By ELIZABETH DUESENBERG

COLUMBIA, Mo. - University of Missouri police are looking for a man accused of stealing jerseys from inside the Mizzou Arena.

According to the probable cause statement, Jacob Verschoor entered the building through an unlocked door and took an elevator to the administration level of the building, which housed the Men's Basketball offices.

Verschoor was accused of going into the Men's Basketball lobby and removing three MU Basketball jerseys from mannequins. Police said each jersey was valued at $300.

Officers said Verschoor hid the jerseys under his jacket and left the building by taking the elevator back to the main level and exiting out the same door he had entered in. Verschoor was captured by video surveillance footage entering and exiting the building.

Police said Verschoor went to the South Residence Hall, where he had been staying, and was seen on surveillance footage wearing one of the jerseys he had stolen.

Verschoor's friend told officers that he had given her one of the jerseys as a gift.

Another one of Verschoor's friends said he was unaware of the burglary and noticed one of the stolen jerseys was put in his backpack.

According to the probable cause statement, several attempts have been made to get in contact with Verschoor but they all have failed.
‘A Different Kind of University’

“Shocked, dismayed and angry”: faculty members at Wisconsin Stevens Point react to a plan to cut 13 majors, including English, history, political science and sociology, and expand more job-oriented programs.

NO MU MENTION

By Colleen Flaherty

Many professors in Wisconsin saw their fears of a 2015 change to state tenure law realized last week. That’s when the University of Wisconsin at Stevens Point announced its plan to cut 13 majors -- including those in anchor humanities departments such as English and history and all three of the foreign languages offered -- and, with them, faculty jobs. Tenured professors may well lose their positions.

The plan is part of the campus’s Point Forward initiative to stabilize enrollment by investing scarce resources into programs Stevens Point sees as distinctive and in demand. Those include business, chemical engineering, computer information systems, conservation law enforcement, fire science and graphic design.

“Well, you can imagine the mood in the College of Letters and Science, which houses the humanities,” said Michael Williams, chair of English at Stevens Point. Guessing that professors in the fine arts and communications are feeling similarly “grim,” Williams said he and his colleagues feel “dismayed, shocked and angry.”

Those in disciplines “directly affected are also apprehensive,” he added, “across all ranks, tenured and untenured, since most are able to see it as a clear opportunity for the administration to test the application of [University of Wisconsin System Board of Regents Policy Document] 20-24, the new rules governing tenure.”

A bit of history: before 2015, tenure was more protected on University of Wisconsin campuses than it was pretty much anywhere else in the U.S. -- tenured faculty members only could be laid off in cases of true financial emergency. But with the legal weakening of tenure at the hands of
the state’s Republican-controlled Legislature came the rewriting of related Board of Regents policies on tenure and program discontinuance.

Those new policies, namely Document 20-24, lumped educational concerns together with financial ones in how public universities may target academic programs for closure and lay off tenured professors. They allow administrators -- in the words of several regents -- to run institutions more like businesses.

“Welcome to the 21st century,” Regent Margaret Farrow said during a board vote on the policies, two years ago this week.

The cynical view of the new Stevens Point plan, held by many faculty members on that campus and off, is that it’s exactly the kind of thing the Legislature, regents and administrators who supported those changes had in mind all along.

The less cynical view shared by others, including Provost Greg Summers, is that the changes present an opportunity for Stevens Point to fight for its future as enrollment declines and state funding dwindles. The campus faces a $4.5 million deficit over two years.

“There’s absolutely some truth in there -- this new [tenure] policy provides us an avenue that would perhaps not be possible otherwise,” Summers said in an interview. “But there is absolutely no truth to the idea there was a purposeful agenda. Higher education institutions, no matter where they are, need to be more nimble, and we’ve been urging redirection for a long time.”

Summers added, “We’ve struggled to do that in other ways because some of these decisions are gut-wrenching and difficult. But to be successful in a competitive environment, we’ve got to make them.”

A spokesperson for the university system said the Stevens Point plan is not related to the new tenure policies.

Lots of Lead-Up, Little Warning

Either way, last week’s announcement came as a shock to the Stevens Point faculty.

Mark Tolstedt, professor of media studies and Faculty Senate chair, said, “The administration has been forecasting this kind of move -- although nothing this extreme -- since maybe 2012-13, and so periodically we’ve been asked to do more strategic planning and consider realignment, and we certainly did.”
But last Monday’s news was “a significant surprise to us, to put it mildly,” he added.

Mary Bowman, a professor of English and chair of the Faculty Senate’s General Education Committee, said faculty members were asked for their input, but only in part. For example, she said, professors were surveyed about which criteria should be used for eliminating programs, but not on the new plan’s “underlying premise” that cutting some programs to expand others is a good idea.

Essentially, she said, “no formally constituted committee or working group was involved in producing the plan released Monday,” and to what degree any faculty recommendations were incorporated is unclear.

The English department, for example, drafted a revision to its major to highlight career applications and transferrable skills, Bowman said. Only later did it hear that the administration “was considering eliminating the English major and replacing it with an English education major, which is what appears in the proposal.”

The shock was part size, part substance. Cutting 13 majors -- in any disciplinary area -- is significant. But the cuts are concentrated in the humanities and social sciences, raising serious doubts about the institution’s ability to deliver on its liberal arts mission. Here is the full list of nixed majors: American studies, art (excluding graphic design), English (excluding English for teacher certification), French, geography, geoscience, German, history (excluding social science for teacher certification), music literature, philosophy, political science, sociology and Spanish.

Planned areas for reinvestment, by contrast, bend toward the natural resources and more job-oriented fields. Additional growth programs, according to Stevens Point’s plan, are aquaculture, captive wildlife, ecosystem design and remediation, environmental engineering, geographic information science, master of business administration, master of natural resources, and doctor of physical therapy.

Summers said the university based its assessment on what Stevens Point is already known for within the state and nationally and on what incoming students declare as their intended majors. Stevens Point, like many other institutions, is facing a shortage of graduating high school seniors, with another projected population cliff on the horizon. The institution now receives just 13 percent of its funding from the state and has significantly increased its graduation rate in recent years.

While enrollments are somewhat steady right now, Summers said, all those factors will make Stevens Point’s target enrollment of about 8,000 difficult to maintain.
Predictably, many professors have asked why Stevens Point’s plan relies so heavily on what incoming students think they want to study before they even arrive on campus. Critics like Williams note that most of the programs seeing cuts are revenue positive, in part due to their relatively low cost of instructional delivery. Moreover, Williams said, “Eighteen-year-olds are pretty changeable and discover their passion in the first 18 months or so of college -- and that is often when many of them discover history or philosophy or even English literature.”

Yet under the plan, he said, they’ll “no longer have that option. Odds are, they will go to another school in the [Wisconsin] system.” And while “fire science” may entice students, he said, it’s not a field that employs large numbers of experts.

Bowman said that English has, for the past five years, seen an average of 22 first-time students and 15 transfer students declare it as an intended major, according to data from the Office of Institutional Research. Currently, the department has 169 majors. Such students “are unlikely to choose any of the new or expanded programs in large numbers,” Bowman said. “Other students come for one of the more professionally oriented programs and then change their plans for one reason or another, often ending up in one of the programs slated for elimination.”

If all the majors up for elimination go, she said she wondered, will the latter group of students have enough options to “fall back” on?

*Story continues.*