

The Pioneer

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ESC OPEN FORUM

BY MARTIN LAWLESS (ME '13)

On Monday, October 31st at 9PM, the Cooper Union's Engineering Student Council held an open forum in the Rose Auditorium. Students, professors, and alumni were able to ask President Jamshed Bharucha questions directly in hope of shedding light on the impending financial crisis. The ESC had previously requested that students from all three schools send in questions, which were then organized and posed to the President by moderator, Matthew Wieder.

1. Summarize the financial situation.

President Bharucha explained that the Cooper Union has a structural deficit due to an "unsustainable financial model" that was first implemented decades ago. As you may know, Cooper Union's greatest source of income is the rent collected from the Chrysler Building. In 1989, such rent was forced to be dropped and there has been a significant deficit every year since. The President has been conducting research into Cooper's financial past and has so far found that there has been a deficit even since 1960. He intends to research further to find out exactly how long the deficit has been accumulating.

For Fiscal Year 2011 (July 2010-June 2011), the Cooper Union was faced with a \$16.5 million shortfall. Of the \$60 million expense budget, this was a 27.5% deficit, which will only grow due to inflation.

Only about 20 minutes into the meeting, President Bharucha decided to open the floor to a question of his own asking for suggestions, but was met with interjections from the audience. An alumnus called for a meeting between the Board of Trustees and the Alumni Association, while another pressed the President for information about the construction of the New Academic Building. The latter prompted the moderator to direct the next, unscheduled question to the President.

2. Why was the NAB built if the institution did not have the money for it?

The President responded that he could not say much about the past, but that does not mean that this issue should be ignored. Those who were actually present at the time can provide information about the past. He then stressed that in order to resolve this financial situation, the administration needs to remain truthful and transparent. President Bharucha is committed to supplying answers as long as the community continues to ask questions.

3. Annual Budget Breakdown.

Vice President of Business Affairs, T. C. Westcott took the stage with a slide show presentation to go over Cooper Union's budget. Below are the overall sub-totals outlining the greatest expenses and sources of revenue (in millions of dollars).

E & G Expenditure Subtotal:	46.1
Demands on Cash (Loads/Housing/Routine Capital):	13.6
Total Expenditures:	59.7
Endowment Subtotal:	27.5
Alumni Donations:	2.1
Other Subtotal:	6.7
Total Revenue:	43.3

Out of the E&G Expenditures, \$24 million goes to Salaries and Benefits. In the entire Endowment, \$26.0 million comes from the Chrysler Building. Since the total Revenue is less than the total Expenditures, the deficit is taken out of the Endowment.

4. What is the role of the Board of Trustees and how have they played a role in this financial situation?

President Bharucha addressed this question in a similar manner to all subsequent Board questions, saying that he is committed to organizing an appropriate forum for the Trustees to speak to both students and Alumni.

5. Is there a system of accountability for the Board of Trustees?

Again, this is not a question that the President can answer, yet he urged the audience not to vilify people even though it may seem "natural" to do so. Instead of answering the proposed question, President Bharucha took the time to explain unsustainable and sustainable financial models.

An unsustainable financial model is one in which the budget draws a large amount of money from endowment which ends up only hurting future generations.

A sustainable financial model for institutions of higher education has two fundamental concepts:

- The budget must remain balanced on a running average without the need to sell assets.
- The school may only spend 5% of the endowment each year.

The second concept comes from the Endowment Spending Policy to which many institutions adhere. It states that only 5% of the 20 quarter running average should be spent each fiscal year.

Historically, over a period of 20 quarters, the markets return 7-, 8-, or 9% on investment. Inflation tends to increase by 4% over this time period. By spending only 5% out of the endowment annually, the model can account for inflation and the institution can at least break even.

The endowment is broken down into three separate categories: Real Estate, Restricted, and Unrestricted. Both the Real Estate and Restricted areas are untouchable as the school cannot sell assets due to its adherence to the sustainable financial model and the Restricted Endowment consists of money set for specific purposes (i.e. large donations which the donor wishes to see preserved for a long period of time despite inflation). The Unrestricted Endowment, currently consisting of \$50 million, is the only reserve of money from which the institution can draw. As stated before, when the school spends more than it earns, the deficit must be taken from the Endowment. The \$16.5 million deficit is 33% of this accessible endowment; and continuing at this rate would entail the depletion of the Unrestricted Endowment in 2-3 years.

To improve the quality of the financial model and to look for solutions to the current crisis, President Bharucha announced his plan to create a Revenue Task Force (RTF) composed of alumni, students, administrative chairs, and other key people. This RTF will collect and analyze ideas and "recommend specific mechanisms that can be counted on to achieve stated

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COMMUNITY RESPONSE

BY TAYLOR HAND (ART '12)

After the walk-out on Wednesday, students and alumni gathered in the Great Hall for an Open Forum. Peter Buckley spoke first, cautioning against the use of history to justify present actions. Then the floor was opened to members of the Cooper community, who spoke directly to the President.



Art by Taylor Hand. Pictured from left to right, top to bottom: Greg Skiano (A '12), Che Perez (Arch '13), Prof. Carl Sellinger (CE '67), Jasmine Stein (A '12), Pablo Chea (A '13), Prof. David Gersten (Arch '91), Prof. Ben Degen (A '98), Joe Riley (A '13), Andrew Leader (EE '13), Ioana Pala (A '12)

JOINT STUDENT ASSEMBLY

Monday, November 7 at 9PM
 Great Hall (Foundation Building)

ASK PETER COOPER

Submit questions to cooperpioneer@gmail.com.

THE PIONEER NEEDS YOU!

Email us at cooperpioneer@gmail.com.

ESC OPEN FORUM

(continued from front) revenue goals over and beyond our current fundraising estimates" according to the President's letter to the Cooper Union Community regarding the "Reinvention of The Cooper Union," sent out in an e-mail on Tuesday November 1st, 2011. With the hope of achieving a stable model by early Spring Semester, the yet-to-be-formed RTF has a short time frame to work, meaning a great deal of action will occur quickly. Trustees will not be permitted to join the RTF, but have been and will continue to be encouraged to offer suggestions on solutions.

6. If we charge tuition, how much tuition would have to be charged? Has the fact that tax breaks may not be in effect for us when we are no longer tuition free been considered?

The President informed the forum that no decision has been made on the status of scholarship and one will NOT be made in the next two weeks as rumored; the RTF will propose solutions in the spring. Enforcing a scholarship policy will be the last resort in solving the financial crisis. But if it were to become necessary, the RTF will be charged with deciding the amount of tuition appropriate to overcome deficit. In accordance with Peter Cooper's ideals, access will still be provided to those who can least afford it.

The question regarding tax equivalency (tax break) spawned from the rumor that if Cooper started charging tuition, then the school would lose this equivalency on the Chrysler Building, thus creating an even larger debt to fill. President Bharucha fully denounced this rumor by explaining that Edward and Sarah Cooper gifted the land to Cooper; the equivalency has no ties to the tuition of the school.

7. Can you address plans related to expansion more specifically? How does a school in a deficit continue to expand? What are proposed plans for such a program?

The claim was that there is a very high fixed cost to running a small institution. Because of this, the President had previously reported plans of expansion. Clarifying what he meant by expansion, the President said that he is not looking to grow in any huge way. Rather, he is simply looking at new programs to improve the financial model. A student suggested that Cooper look to research grants for growth programs. It is true that the National Science Foundation, National Institute of Health, the Department of Energy, and the Department of Education have awarded money to the Cooper Union for research and education in the past. Unfortunately, Cooper currently does not receive many of these grants. President Bharucha wishes to increase the number of grants that Cooper obtains.

8. We know that being honest with the public about our finances would discourage outside donations but alumni have expressed interest in donating if it means to save the school. Alumni just don't feel that they have been informed and think that Cooper is stable financially due to the past president. Can the administration be more transparent to them specifically?

One spirited alumnus spoke, saying that many of the Alumni felt detached from the organization. The President's response was to pronounce his willingness to become as transparent as possible in ways that are critical to the institution with not only the alumni, but entire Cooper community.

9. When the CUNY schools decided to start charging tuition in the middle of New York City's financial crisis in 1975, its prestige and the people applying/enrolling drastically dropped. While Cooper may not have been founded with the principle of free tuition, that is what it has become known for. How do you plan to prevent what happened at CUNY from happening to Cooper?

The only way to truly prevent this from happening is to prevent tuition. The President stated, "If we can come up with a reliable, new revenue scheme of the equivalent of \$28 million by Fiscal Year 2017, we won't need to charge tuition."

After these nine questions and an hour of meeting, the floor was opened, allowing audience members to outright ask the President their own questions. Emotions ran high as students, alumni, and professors alike fought against the application of tuition and attempted to obtain answers from the past and for the future.

Afterwards, when prompted for his overall outlook on the success of the ESC Open Forum, the President had this to say:

"I think it was very healthy. I think that there is a lot of pent up anger and concern and anxiety, it's understandable. Free tuition scholarships have been central to the cultural identity of the school for a long time. I think we should do more of these forums. I think that it is healthy that people express themselves. I certainly would like the opportunity to communicate with the group as my thinking evolves and to hear people's ideas."

WALK-WORK-ACT-OUT

BY MARTIN LAWLESS (ME '13)

Classes took to the outside on Wednesday, November 2, 2011 as students in all three schools worked in front of the Foundation Building. The purpose was to try and raise awareness about Cooper Union's financial situation by immersing our studies and art in the city by "symbolically remov[ing] the walls of the institution and demonstrat[ing] the real core values of the institution and its real relationship to the city," as the large sign posted on a column read. The notice also informed the crowd that "the relationship between the students, faculty, staff, and our work is integral to this institution and is currently facilitated by the ideal that created the full-tuition scholarship."

Professors even joined the gathering as architect Professors Turnbull, Gersten, Miron, and Anderson performed student critiques, while Professor Wolf posed physics problems that students completed alongside Electrical Engineering and Advanced Calculus problems on chalkboards. Art Professors Day Gleeson, Nikki Logis, Mike Essl, Ben Degen, Yuri Masnyg, Robert Boyd, Sharon Hayes, and Dean Saskia Bos were among those holding class outside and supporting the demonstration.

During the Walk-Out, students received much attention from passersby often stopping to talk about the work in front of them or the financial situation at hand. In that respect, the Walk-Out was successful in both integrating Cooper into the community and raising awareness. The demonstration earned the attention of the media: New York 1 News conducted short interviews with the students and professors and aired a segment on Wednesday's evening news. The extent of NY1's coverage on the event can be found at http://www.ny1.com/content/top_stories/150086/students-protest-cooper-union-s-tuition-proposal.

The very feel of the Walk-Out was upbeat as students were more than happy to complete their assignments and studies while supporting the cause and without creating too much of a disturbance. The space was shared amiably with no arguments besides those on how to solve a particular math problem. Coffee was sold to the participants; the proceeds found their way



Photos of Walk-Out by Christopher Hong - 11/03/11

into an "endowment" pot. Afterwards, many students stayed to help clean up, keeping up with the theme of amicability.

I had a chance to talk to Joe Riley, a third-year art student and one of the many organizers of the event. He appreciated the turnout and the unity of the Cooper community in the face of catastrophe. When asked for his thoughts on what the next steps for the student body should be, Joe responded that "we are beginning to come together now and we really need to focus on doing that and finding our stance on [the issue]." He went on to say that "we all just need to work together to start finding what we can do as students and also figure out how we can pressure the administration to do what it has to do."

What do you think that the next steps for us, as a student body, should be? E-mail your own response to cooperpioneer@gmail.com and a few select quotes will be printed in the next issue.

USE YOUR WORLD-MAKING SKILLS TO DISARTICULATE THE NEOLIBERAL TUITION MODEL

BY TAYLOR HAND (ART '12)

The title isn't an exact quote from Wednesday night's Art Student Council meeting, but the concepts were all out there. What began as a private and intimate conversation with Saskia Bos, the Dean of Art, evolved (as most conversations do these days) into a discussion of the current financial situation, with a focus on responsibility, past and present. Many students want to embrace the "Revenue Task Force" (which, it seems, we might prefer to call by the less aggressive title 'Revenue Advisory Council') as an opportunity to be an active part of the effort to keep Cooper Union alive as we know it. Yet there's still a strong current of opposing feeling, that solving a financial problem of this magnitude is not within the purview of the students. Students want to contribute ideas but they cannot be a replacement for the Development and Fundraising Department.

The invitation to join the art school in this meeting was extended to Dean Bos as part of an action meant to demonstrate student solidarity. Last Thursday, during the Dean's office hours, about a hundred students from the School of Art quietly gathered in the lobby outside of the Dean's office. Dean Bos was invited to come see us, and an impartial student representative (elected in the previous night's meeting) read to her a statement agreed upon by the students (also in the previous night's meeting). Rebecca Mosena (A '13) respectfully introduced herself and asked, "What can we do together to ensure the full merit based scholarship for every student from here on out?" then invited Dean Bos to join us for the meeting on Wednesday, November 2. Those who participated did so silently so that the demonstration would not be perceived as an aggressive act, but rather a physical expression of unity and commitment.

Wednesday night's conversation ended with a charge to the students to use our real talents in this crucial time: restoring confidence in Cooper Union by being (as someone said) "the best damn art school in the country". Concurrently, we can use our own work and ideas to construct the narrative of who we are, and not allow the President or media to steer our identity.