

# The Pioneer

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## OPEN FORUM WITH MARK EPSTEIN

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On Monday, November 7, 2011, the Cooper community was invited to an open forum with Mark Epstein, the chairman of the Board of Trustees of Cooper Union and an alumnus from the School of Art in 1976, to have questions answered. Over the past weekend, everyone was given the opportunity to populate a Google document with questions that Mark Epstein answered during the open forum. Thomas Micchelli, the film librarian, was the moderator of the forum and Richard Lincer, another member of the board, was also present to assist in answering questions. The questions were divided into four categories: Finances and Responsibilities, Deficit, Tuition Policy, and Savings and Revenues. Mark Epstein started with a discussion of the responsibilities of the Board of Trustees. The following are excerpts obtained from the open forum.

### Finances and Responsibility

Tom Micchelli: Who do you believe is responsible for the current financial situation?

Mark Epstein: Well, it would be great if there were someone that I could point my finger to and said it was his or her fault, but that's not the case. ...you'll come away understanding that the problem is a systemic deficit, nobody, no one person's fault. We'll get into that as we go along.

TM: How do you respond to charges of the mishandling of funds?

ME: Well, at first, I think its offensive, but I'll not harp on that. The portion of the endowment that the Trustee's control, which is basically the cash that's invested, is handled amazing well as a matter of fact. If you look at the returns that they've been able to get while maintaining a very safe, low-risk policy—because we can't afford to take losses—and with that very safe policy in mind, the returns that they've been getting on the invested portion of the endowment outstrip most other colleges and universities. ...

TM: What have the members of the Board of Trustees done, individually and collectively, to protect our heritage and our future as a tuition-free college?

ME: Well, they donate money because the tuition free part of that question all relates to money. They donate money. They raise money from others. They were active in the capital campaign, there's a lot of trustee names on parts of these buildings because they donated money for the naming opportunities. ...

TM: Why has this news come out of nowhere? Wasn't someone tracking the shortfall who could have reached

out much earlier to donors, alumni especially, to make up the difference?

ME: Well, it didn't come about to us as a surprise. There's no surprise. I want to say that we're not in a crisis right now, but if major changes don't take place, we will be in a major crisis in a few years. There's no urgency for tomorrow, but shortly down the road, there is. On that, I want to reassure to everybody that all the students that are here will never be charged tuition. We assume that we have a contract with the students and they will not be charged tuition.

TM: The trustee meeting tomorrow. There's much talk that decisions will be made at that meeting. What will be happening at that meeting?

ME: The trustees normally meet four times a year, quarterly meetings. Since this is a hot bed issue and needs a lot of attention, we feel that we just need a lot of meetings now than quarterly. It's not good to wait three months before meetings. It's just another inter meeting in the schedule. There's no decisions that will come out of tomorrow. It's just to keep everyone informed on what's going on.

TM: It has been suggested that the Board of Trustees meet once a semester in a Community-wide forum such as this one: would the Board be on board with this arrangement?

ME: I don't think that's proper for the board. I think that's the administration's job to deal with the community relations aspects of what takes place.

TM: How can alumni give to the school in good faith if they question the wisdom of decisions such as the construction of the New Academic building?

ME: Well, one of the things that will come out when we get to the finances is that the New Academic building did not hurt the school. ... It actually helped our financial picture if you know all the facts and that's hopefully one of the things we can learn here tonight, that the new building did won-, not wonders, but it helped us, it enabled us to consolidate two antiquated buildings into one facility with of course savings of running these properties. ...

TM: How does the Board justify raising the student fees each year?

ME: The costs go up. Every college or most colleges that charges tuition charges student fees, things that are not covered by tuition.

TM: How does it justify telling the government that it provides a full-tuition scholarship?

ME: Because it does.

TM: So the student fees are not considered tuition?

ME: No, they're fees. They're for extra costs. That's not the scholarship. There are other schools that charge tuitions and fees. They are listed as separate charges.

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## JOINT STUDENT ASSEMBLY

BY YARA ELBOROLOSY (CE'14)

The Joint Student Council Meeting that was held on Wednesday, November 8, 2011, was productive in an unexpected way. Almost one hundred students came together to discuss the financial situation impacting the Cooper Union. Students began the forum with a list of predetermined topics; a debriefing of the open forum with Chairman Mark Epstein, the next form of student action, and whether or not faculty or alumni be admitted to these forums were just a few of the topics discussed. The debriefing was discussed first since it was assumed that it would be the fastest one.

Chairman Epstein blames the lack of alumni donation (only 20% of alumni contribute) for the deficit. He claims that the Board maintains its investments well (losing less than other institutions during the recent market crash), but any loss hurts the school. The Chairman also stated that there is no recourse against the Board of Trustees, and that the President Bharucha's prospect of a fundraising campaign in the near future would be counterproductive as it would depict a poor Cooper Union. The students felt that Epstein and the Board view tuition as a convenient solution to the financial deficit, and would rather implement charging money than find other viable solutions.

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## COOPER UNION AT iGEM

BY MARTIN LAWLESS (ME'13)

This past summer, students from The Cooper Union and Columbia University teamed up to conduct research and participate, for the first time, in the International Genetically Engineered Machine (iGEM) competition in Synthetic Biology. In October 2011, the team, consisting of Cooper's Peter Liu (ChE'13), Alison Acevedo (BSE'13), and several students from Columbia, attended the Americas Regional Competition in Indianapolis where they received a Gold Medal for their work with Quantum Dots. The Columbia-Cooper group was one of only twenty teams to advance to the iGEM World Championship, which took place at MIT from November 5th to 7th.

Synthetic Biology is an area of study that involves using genetically modified organisms to solve problems. Columbia-Cooper's project involved using E. Coli to produce nano-crystals, otherwise known as Quantum Dots, which fluoresced and emitted a specific narrow band of light wavelengths.

To participate in the competition, each of the approximately 70 teams from 12 different countries were required to present in front of peers and judges for 20 minutes, as well as describe their research during a "Poster Session" while judges and members from other teams toured the room.

Congratulations to the Columbia-Cooper Team on a job well done!

CAPTION CONTEST EXTENDED - WIN \$10

New Deadline: 11/28/11  
See Mini-Issue #1 for the picture and more details

**THE PIONEER NEEDS YOU!**

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## OPEN FORUM WITH MARK EPSTEIN

*(continued from front)*

Deficit

TM: The financial information sent with Pres. Bharucha's Nov 4 email identified the current budget deficit as "Deficit drawdown from Investment Portfolio". Does this mean that investment principal has been sold as opposed to using interest and dividends?

ME: I'm not sure how that question is worded. What that means is, as an example, if you have \$100 and you're gaining 5% interest on it, you'll get \$105 at the end of the year. But, if you need some that money because you have bills to pay and you take \$10 out to pay the bills, well, next year, you'll have \$95 and you're now getting the 5% interest on \$95. If you have to draw out of that again, then you're lessening investment pool to make up the deficit and each year your return on that become smaller because the investment pool is smaller. And that's a systemic deficit. That's what we have.

TM: Do you believe the faculty or staff unions have contributed to the deficits?

ME: Not directly ... I'm not pointing figures and saying that that's the cause. There is no one cause. The cost of higher education is going up and we have to pay higher salaries to get the faculty and administration that we need.

TM: Why did the Board allow the deficits to pile up to such huge amounts? Why did it not act earlier?

ME: It has acted earlier. When we decided to build the building, we also asked the administration for a 10% cut and we didn't quite make 10%. Cuts were made. Outside consultants were brought in to review the situation and they found that we couldn't really make any more substantial cuts without affecting the program. ...

TM: What happened to the \$97 million Cooper received when 51 Astor Place was "sold"?

ME: It went into the fund which covered the cost of the building. ... Also, it was determined that since the bulk of our endowment was tied up in real estate (the Chrysler building), it would be a wise move to take money out in order to diversify our portfolio.

TM: Higher education is fundamentally an investment in our future, what infrastructural investments have you made in Cooper during your presence on the board that have already yielded a return?

ME: I spend time and donate money here. I participated in the phone-a-thon and participate in the development effort here any way I can. I don't know what I can is a direct result of that, except that some of you are being educated by those efforts. What efforts failed? Well, we made an investment in a lot of students that are now alumni, and only 20% of them donate back to the school so I think that that's a failed investment as far as that's concerned for development. It's hard for us to justify the small percentage of alumni who donate when we're asked by potential donors, "what percentage of alumni donate?" They say, "why should we donate to the school where only 20% of the alumni donate back to the school?" It's a hard question to answer. That has failed.

TM: Why has administrative compensation risen far more over the past ten years than faculty compensation?

ME: To get quality people in those positions, we have to pay the prevailing rate and the rates throughout higher education has gone up, which is one of the reasons why the costs of higher education throughout the country is growing faster than inflation.

TM: Are alums unwilling to give?

ME: ... I mean there's a thousand reasons why people claim they don't want to give Cooper Union, but... they're glad to be able to say they attended Cooper Union because that carries a lot of weight. You know and when they're in parties and social circles, I'm sure they feel pretty good about saying they attended Cooper Union, you know so, if they're that pissed off about Cooper Union and don't want to give back, then, I suggest they give back their degrees. You I mean, how do you answer a question like this: why don't people give back to a school that gave them a free education

worth now a hundred-some-odd thousand dollars? To me it's baffling, it truly is.

Tuition Policy

TM: Could you explain the tuition option (how much will be charged as a top rate, when it will take effect, with which incoming class, etc.).

ME: There is no tuition policy in place yet. We are still looking at all the options. We do consider this as a last resort option. We actually have outside experts looking into the tuition cost. Be assured that anybody who is truly needy will still get a full tuition scholarship. It's not across the board. In one respect, we give a full tuition scholarship to students who do not truly need it. This is not the 1859 model where every student is an immigrant without money and no other way of getting an education. In one respect, if we don't have enough money and we have to charge tuition, we can now use the money to give further aid those who need the money. At other schools, they give better packages (laptops, room and board, travel expenses, etc.) and we can't match that in any way shape or form. It's a problem.

Tuition certainly will not be charged to any student that is currently here and it's probably too late for the class of 2012. If it were to happen, it would start 2013. I do not see it starting before then, if it had to start.

TM: What would be the top rate?

ME: The current tuition is \$38.5k, I don't know if that's the top rate, but that is being investigated. But in all reality, if the student comes from a family with extreme means why shouldn't they pay the full rate? Once again, that is not my decision. We are looking to outside experts to provide us facts on that.

TM: Will the school rely on tuition income for operating expenses, and if so, how will it be possible for admissions to be purely merit based if this were the case?

ME: That's a good question. Of course, tuition will go towards operating expenses. That's what we need the money for. As for the merit-based question, that will have to be investigated properly and we try to keep it as merit-based as possible. Of course, that's the goal.

TM: Has the Board of Trustees obtained legal advice on any of the following questions: Within the framework of Cooper's governing documents, can Cooper legally charge tuition or cease to operate one or more of the three schools?

ME: Yes, as a matter of fact, in the early years of Cooper Union, tuition was charged. Admitted students got in for free and if there was room in the classes, other students can come on a tuition basis. There is a history of tuition here. We can legally charge tuition. I don't think there is any legal problem with closing one of the three schools. Closing one of the three schools will not solve our problems.

TM: Would the Board of Trustees agree to making a firm commitment not to alter the current Cooper Union mission of providing full tuition-free scholarships to all admitted students?

ME: I would love to be able to say "yes," but if it comes down to it and it's a last resort, then we'll have to do it. As an alum and an active lover of this school, I would love to say "yes," but with the position of chairman, I can't say that.

Savings and Revenue

TM: How would you feel about reduction of faculty or staff?

ME: I don't know if that's really possible. In large schools when they make cuts in a school with thousands and thousands of students where they have four sections of Math 101 in a lecture hall with 300 kids and one TA teaching them. They combine them. There's ways they could solve that problem and have some savings.

ME: We don't need to tighten the belt anymore. We need benefiting pants. There's not much again that we can do to save. The solution is not in savings. The solution is in more income.

TM: What is our projected income from the lease of 51 Astor and when will it kick in?

ME: We got paid in full for the \$97 million. That's already in our pocket, sort to speak, and some of it was already spent. We will be getting about \$2 million a year in tax equivalency and that will kick in when the building is completed.

TM: Is the Board considering cuts in administrative benefits such as the housing supplied to the President and other perquisites and bonuses?

ME: No. Most of the benefits are in union contracts and we can't play with them. President Bharucha is being paid an adequate salary. ...

TM: Would you request a salary cut from administration?

ME: No.

TM: What is the feasibility of starting a 1% campaign to ask all alumni to contribute 1% of their income annually to Cooper? A number of alumni have indicated that this is something within their means.

ME: I hope they start doing it even if we have a program or not. I don't want to limit it. If someone is capable 10%, give 10%. One of the worst mistakes you can make in fundraising is to ask somebody for \$1 million if they were prepared to give \$5 million. So you have to be very careful about that. I could see some kind of ongoing campaign. I think it would be a good idea. ...

The entire transcript is posted up as a Google document, which can be accessed through <http://bit.ly/uMaR5o>. The entire open forum was just posted onto YouTube not too long ago. If you would like to watch the entire forum, you may do so at: [http://www.youtube.com/watch?v=khX4u5\\_hEM0](http://www.youtube.com/watch?v=khX4u5_hEM0).

We would like to hear responses from you regarding this forum to create a portrait of our overall impression of Chairman Epstein's leadership and intentions. Our goal is to give a voice to the community and to encourage interactions between the three schools, between faculty and students, and between the school and alumni.

Please send your responses (a maximum of 200 words) to [cooperpioneer@gmail.com](mailto:cooperpioneer@gmail.com) by Friday, November 18, 2011.

## JOINT STUDENT ASSEMBLY

*(continued from front)*

Many questioned the creation of the Revenue Task Force, which will consist of students, faculty, and third-party consultants with financial expertise, as a suitable committee of determining said solutions. Currently, it seems as if the RTF will not have any say in the decision making process, but simply be a voice providing suggestions to the Board.

Cooper cannot use other institutions as financial models because Cooper is not a traditional school. A student quoted Professor Sayres, saying that the philosophy of providing the right, not a privilege, to a free education was untraditional, thereby stressing that alternative solutions need to be found.

As the night continued, it came to the light that there was a deeper issue between the students that needed to be addressed. About half of the room believed that charging tuition would completely change Cooper to the point that it should not bear the same name. The other half would rather charge tuition than close the school so that no one would be denied the right to a Cooper education. The issue was no longer whether or not tuition should be charged but more about coming to a consensus on the essence of the Cooper Union's mission. The student body is willing to fight, but in order to succeed it must have a united goal. The night concluded with agreeing to another forum composed of students alone, to create direct communications with the Board, and to determine what the student body wishes to discover and accomplish, including upholding Cooper's ideals.