INTERVIEW WITH PRESIDENT BHARUCHA

CHRISTOPHER HONG (EE '13)

On Thursday, November 10, 2011, The Cooper Pioneer interviewed President Jamshed Bharucha regarding the financial situation of Cooper Union. The interview followed up on several points including the open forum with Mark Epstein, Chairman of the Board of Trustees of Cooper Union. In addition, more details were revealed regarding the revenue task force that President Bharucha is organizing along with the figure that would end this financial crisis once and for all. The following are excerpts from the interview.

Cooper Pioneer: Mark Epstein said that we are not exactly in a crisis yet and if we don’t do anything soon, we will be. Do you agree that we’re not in much of a crisis now?

Jamshed Bharucha: Well, let me focus on a factual description of the situation rather than using adjectives. We have a very large deficit, its 27%-28% of the budget. It was $16.5 million in terms of the cash deficit last year. Deficits of that magnitude and percentage terms have been there pretty steadily, going back to the early ’90s and the institution has had serious financial challenges going back 20 years before that. In fact, At Cooper Union (the publication) from 1971 talks about the serious financial situation and all options were even considered at that time. It was pretty open. Cooper Union has been able to preserve free-tuition scholarship for all by drawing down the endowment, by selling off assets, and by borrowing money. But there are no assets left to sell. The endowment cannot be drawn down for more than 2 or 3 years more and borrowing money makes sense only as a temporary means to get to a more permanent sustainable budget. So we must act and we must act now. I would love to see us come up with solutions that would not require charging tuition, which is a last resort. The task force will be empowered to look at all solutions, but we have to get a new and robust revenue stream that ramps up quickly to put us on a sustainable path.

Cooper Pioneer: Who is overseeing the task force? What exactly are they responsible for?

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CP: Bloomberg is holding a competition for building a high tech graduate school in NYC – the applied science campus. Cooper has applied to this competition. Do you know where you stand in this competition right now?

JB: We sent in our proposal in the first round – that was in the spring. The first round was not a competition. The city of New York was soliciting ideas. We sent in a proposal and the proposal was for the city to invite multiple institutions to join in a collaborative campus and that Cooper Union would be one of them, bring its own unique strengths. The city decided not to go down that route. Instead, it decided that it was going to award the contract to one institution. That institution could bring along partners or collaborators, but they would be responsible, that one institution would be responsible for organizing the whole thing.

Then the next round was for the actual competition. We have joined forces with Stanford to be a collaborator with them if they were to win the competition. We will be a relatively small collaborator. As people know, Stanford has selected City College as its main partner and that would be a Stanford-City College partnership. But we are in there as a small collaborator. Stanford was interested in our school of architecture and in sustainable urban design and we also indicated that we have a very strong pipeline of engineering students coming out of Cooper who could go into some of the graduate programs in this new campus.

CP: Where does Stanford stand now? Are they in the running?

JB: They are in the running and everybody is waiting to see where we stand in this competition right now.

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-PRESIDENT JAMSHED BHARUCHA
INTERVIEW WITH THE PRESIDENT (continued from front)

CP: The other night, alumni in the audience asked Mark Epstein what is the number that we need to get out of this crisis and Mark Epstein gave the number of the deficit, $16.5 million. Do you think that just getting a donation of $16.5 million would really save us or will that just be relief for one year? Can you give a more reasonable number for an actual amount that would help push this crisis off?

JB: That would be for one year. You will have to do that every year. That deficit is expected to grow because as the endowment runs down, it will generate less money in return and so we would have to make up the difference. So in a few years, that deficit would be more like $20 million. So that’s the number per year, growing with inflation.

There’s another number. If somebody was interested in giving us a new endowment that made us sustainable, then you would have to take that $20 million and multiply that by 20 because in a stable condition, in a sustainable state, we should be spending 5% of the endowment per year. But because of inflation, there will be some growth and because we probably have to borrow in order to give us some time to build up these new revenue streams, I believe the new endowment number is $500 million. If somebody gave us $500 million, we would end this conversation right now, we would have a big celebration, and we would be tuition free for a long time...

CP: The NAB and the School of Art are not named yet. Do you know approximately the prices of those naming rights?

JB: We’re looking into that, but we would love to have somebody name the School of Art and we would love to have somebody name 41 Cooper Square. We would love to have someone give us a gift, put their name on it, thousands of people each day will see their names

INTERVIEW ANALYSIS

In The Pioneer’s interview with President Jamshed Bharucha, Bharucha said that he will form a group separate from the task force which would look into ways that Cooper can reduce operating costs by looking into “how we can save money by saving energy for example or by saving things like printing costs.” Largely, emphasis has been placed on a revenue task force, which would help find ways to increase the revenue to the school. This is a different perspective the community is hearing about – reducing the money spent, rather than increasing the revenue. While managing energy and paper use is a smart policy in general, it does not seem to be a solution that would help Cooper make a dent in the debt, and as many in the administration have stated, the institution already has “bare-bones”.

Many have asked how much money it would take to take tuition off the table. During a forum with Chairman of the Board of Trustees Mark Epstein, an alumni asked Epstein to “give us a number” to which he replied “he didn’t have a number, at least $16.3 million” for this year. The President gave a number of about $20 million per year assuming that we get this amount every year starting this year. If this does not occur, Cooper Union will have to borrow about $100 million to survive for an additional 5 more years, increasing the debt to about $28 million per year.

Thus, if Cooper receives a new endowment of $500 million, it would be able to draw 5% of this amount, or $25 million per year, covering the deficit, and putting the school in a sustainable condition. The question is: where will this money come from?

JOINT STUDENT ASSEMBLY 2 (continued from front)

One student and his friends went to Occupy Wall Street, and passed out flyers informing people of the situation at Cooper.

There were several ideas floating around about generating public attention such as the creation of a YouTube channel about the values of free education, symbolic gestures of balloons containing notes from the Cooper community, and achievement of 100% student donation. Other demonstrations could include constructing a patchwork balloon of plastic bags with messages from every student. Cooper Square could represent the idea of free as air and water, a giant balloon that states “free as air and water” in Cooper Square Park, and flags hanging out of the Foundation Building. The 100% student donation would be an effort to “talk using financial terms”, as one student stated, in order to better communicate with Chairman Epstein and the Board of Trustees. The idea would not focus on the amount of money raised but rather show that every student wishes to benefit the institution.

Giving back to the community would include perhaps hosting free tutoring sessions for children in the community, as well as reaching out to high school students.

The fundraising committee has started researching the board of trustees and their backgrounds in order to map out their connections and to find out what their interests are and to appeal to those interests. They will be holding a meeting on Tuesday during club hours on the 5th floor of the foundation building. Everyone is welcome to come and be part of this. Opt-in the Google group with the subject of “Save Cooper Google Group” to help spread ideas. Saving Cooper cannot be accomplished unless we all come together as a school, put our minds together, and transform these ideas from just mere thoughts into reality.

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