

TO **THE COOPER UNION COMMUNITY**
FROM **THE COMMITTEE TO SAVE COOPER UNION**

THE REAL STATE OF COOPER UNION

MARCH 26, 2015

SAVECOOPERUNION.ORG

**THE COMMITTEE TO
SAVE
COOPER
UNION**

The Real State of the Cooper Union

On March 15, 2015, Cooper Union released a comprehensive view of “The State of the Cooper Union.” Predictably, it triumphantly declares that, “... [Cooper Union has] weathered a storm and come through intact.” Hogwash.

“The [Rosy] State of Cooper Union,” as related in the school’s repost, does not hold up to scrutiny. It is rife with bald-faced inaccuracies, clumsy attempts to misdirect and mislead readers, and the careful omission of information that undermines its assertions.

We find it difficult to believe that anyone would accept this rosy (self-) assessment. Faculty, students, and alumni have repeatedly gone on the record opposing the dismantling of Cooper Union’s founding mission and voiced their complete lack of trust and confidence in the course taken by the Board and President; hundreds have donated time and money to support the CSCU’s lawsuit to counter the improper imposition of tuition by the Board of Trustees; and there is a constant drumbeat of despair and fury rising up from all corners of the Cooper Community as academic processes are circumvented and administrative costs skyrocket. The crisis is not over and the storm is as active as ever.

We find it hard to believe that anyone really believes that Cooper Union has actually emerged “intact” from the crisis or that we are now headed “toward a vibrant future.”

While the report talks about “joining together to build our future,” we see no evidence that there is any interest in truly working with the larger Cooper community. We believe that the current course is dependent on ever-rising tuition, puts revenue before mission, and uses a ‘cherished’ patina of history to sell an inferior product. The strategy for the school is quickly undermining and corrupting a 156 year-old reputation.

Over the past few days, many of you have written to CSCU and asked that we publish a detailed counterpoint to the “The State of Cooper Union” report’s assertions. We’ve done our best to draft an accurate and fair analysis of its claims and correct inaccuracies. Just as important we tried to provide missing information that’s needed to make good judgments about what action is needed to save Cooper Union.

Overall, we do not agree with assertions that Cooper Union is making progress in its efforts to:

- Preserve its distinctive mission and vaunted reputation.
- Maintain or improve the quality of its student body, faculty, and curriculum.
- Rally faculty, students, alumni, parents, donors and others around Cooper Union.
- Assure its financial viability.

We found serious flaws in the report, mischaracterizations, and statistical slights-of-hand used to support a false narrative of a school on a solid and positive path forward. Despite claims to the contrary:

- Admissions standards are sinking.
- Proper academic oversight of students, faculty hires and tenure, and programs are being circumvented.
- Ill-conceived programs that are of dubious quality and without faculty and classroom space are being rushed into place for next semester.
- The tuition-plan is tearing the school apart, destroying its reputation, and raising risks (death of mission, loss of tax subsidy, Court sanctions, drop in rankings, etc.) that far outweigh any potential, unproven, revenue stream.

We maintain that the Administration and Board are ignoring critical factors, such as the potential loss of tax-subsidies and the pending ruling of the State Supreme Court, doesn't make them any less important in assessing the state of Cooper Union.

Sincerely yours,

The Committee to Save Cooper Union Founding Directors:

Adrian Jovanovic, CU BSE '89

Mike Essl, Associate Professor of Art, CU ART '96, M.F.A.

Toby Cumberbatch, Professor of Electrical Engineering, Ph.D.

We will cover these major areas where “The State of the Cooper Union” fails to deliver a complete and accurate description of the state of the school:

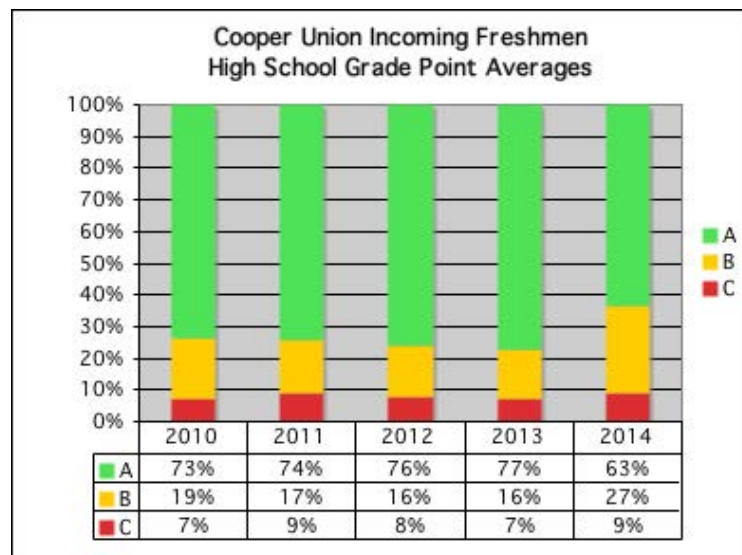
1. Student Body Quality
2. Academic Quality & Reputation
3. Proposed New Programs & Revenue Projections
4. Living Within Our Means
5. Deteriorating Community Relations
6. Other Critical Issues

Student Body Quality

Dropping Grades for Incoming Freshmen

The school’s report claims, “Our freshman class is as strong as ever, based on traditional measures, including grades and standardized test scores in engineering...”

However, as you can see from the chart below, this simply isn’t true.



Source: <http://www.cooper.edu/about/news/2014-incoming-class-academic-profile>

In the years prior to Cooper Union implementing tuition (2010–2013) the percentage of incoming students with high school averages above 90% (A) ranged from 73–77%. In 2014, that figure fell dramatically to 63%.

High school grades are acknowledged to be the best indicator of success in college, and these have significantly dropped for incoming freshmen at Cooper Union.

SAT I scores have also dropped noticeably in each of The Cooper Union’s schools as seen below:

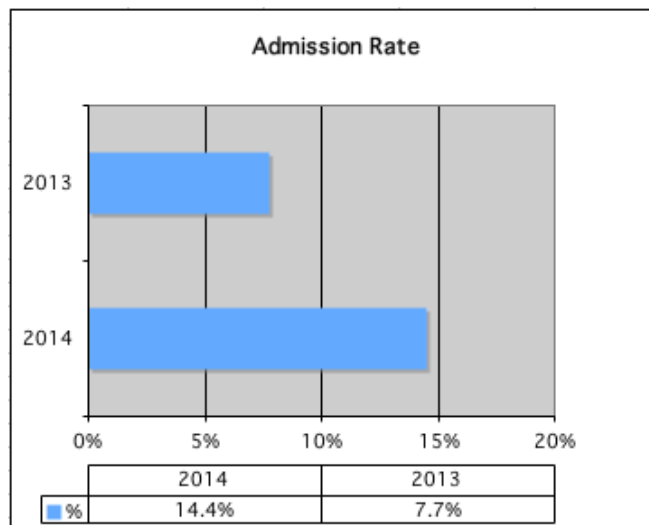
SAT 1 middle 50% ranges (25th/75th percentile) out of 1600 max score

	Architecture	Art	Engineering
2010	1200/1380	1070/1300	1400/1510
2011	1170/1310	1090/1320	1400/1500
2012	1160/1440	1100/1290	1380/1500
2013	1200/1410	1060/1260	1420/1510
2014*	1200/1330	1040/1220	1380/1490

* All 2014 data is preliminary as of September 2, 2014

Source: <http://www.cooper.edu/about/news/2014-incoming-class-academic-profile>

In addition, the admission rate, (where lower percentages indicate higher standards,) nearly doubled from 7.7% in the previous year to 14.4% for the incoming class of 2014.



Source: <http://www.nytimes.com/2014/04/05/nyregion/applications-fall-and-admission-rate-rises-as-cooper-union-charges-tuition.html>

Academic Quality & Reputation

The Real Rankings

The report proudly touts the school's #1 ranking in the *Princeton Review's* listing of "colleges that pay you back." We not only have reservations about the methodology of that ranking, but question its central premise that early salaries versus cost of education are a primary measure of the value of a college education. Not only has "rate of payback" of investment traditionally been an irrelevant measure for a Cooper Union education, the school's tuition-free model always assured it a superb ranking on such criteria!

A far more significant and disturbing trend has been the dramatic drop in Cooper Union's academic ranking in *U.S. News & World Report's* survey:

2013: All the accredited engineering majors were ranked in the top 10.

2014: All the accredited engineering majors were ranked in the top 10.

2015: *The only engineering major represented in the top 10 is electrical engineering, now in 5th place down from 3rd in 2014.*

The latest Affordable Elite Colleges Rankings from Washington Monthly, published for the first time in 2014, ranks Cooper Union at #96 based on the current 50% tuition data and #96 in a list of "affordable, elite colleges," a category that our institution has in the past always dominated.

Missing Applications Information

The report boasts of engineering school applications being 33% higher than in any year in Cooper's history, but fails to mention it's the first year Cooper Union has accepted the "Common Application" which makes it far easier to apply online to multiple schools with a single application and typically results in substantial application increases. Applications have further been driven up by aggressive and expensive recruiting in the Far East. We may also be seeing an increase in applications from less-qualified students, as online college discussion boards spread the word on lower entry standards and larger admitted classes.

The report also shamelessly boasts of a 5% increase in applications to the Art School, but neglects to mention the fact that in the previous year, when tuition was first implemented, **applications were down by 47%**. A 5% increase after a 47% decline is not a cause for celebration. This kind of statistical slight-of-hand, a sin of omission, undermines any confidence we might have in the President's "hard numbers."

In Architecture, the lack of qualified applicants was reportedly so dire that for a normal class of 30, only 19 acceptance offers were made.

Proposed New Programs & Revenue Projections

Questionable New Revenue and \$50 Million More Borrowing

Bharucha's fiscal roadmap for Cooper Union is based on incredibly questionable assumptions of "new net revenues totaling at least \$12 million by 2019." There is no contingency plan for what happens when that goal is not attained.

Borrowing money is always an attractive option for this Administration and Board. Bizarrely, while the "guardrail" of not invading the corpus, or principal, of the endowment is sacrosanct, using Cooper Union's real estate assets as collateral to borrow hundreds millions of dollars is fine with our Trustees — most recently adding a \$51 million "bridge" loan at a reported cost of over \$8 million. (The Working Group plan called for a \$15 million smaller bridge loan, with a lower cost of financing.)

Expanding with New Programs

In *The State of Cooper Union*, Bharucha writes that, "Only by broadening the revenue base with new programs can the half-tuition scholarship be sustained." However, there is no mention, much less a breakdown, of the costs that will be associated with these new programs.

One example is the new proposed Computer Science Program for the School of Engineering. The proposed program driven by Bharucha-recruited "Chief Academic Officer" and highly compensated Engineering Dean Teresa Dahlberg, was **hastily and largely appropriated from courses offered by other universities around the country.**

The plagiarized course descriptions were the responsibility of the Chief Academic Officer. We feel that she should be removed for this and other failures to sustain, much less live by, Cooper Union's historical academic standards. The betrayal of academic integrity is astounding. Students who plagiarize to this extent are failed or expelled, and yet the administration proceeds without concern or consequences.

In addition, a new Chemistry Program is planned along with a new "Institute for Design and Computation."

The Faculty Voted Against Instituting New Programs

CSCU has no doubt that Cooper Union can, should, and will continue to evolve its programs. But there is a stark difference between sanctioning a panicked attempt to use borrowed money to jumpstart ill-conceived new programs to raise revenue and the thoughtful improvement of academic programs. Not only is the rush-to-revenue undermining the integrity of the curriculum, it is circumventing established faculty review and participation. Even if these ill-conceived programs are “successful,” the expansion of infrastructure needed to support them will saddle the school with fixed costs that doom Cooper Union to never be free again.

The Curriculum Committee of the Engineering Faculty voted down the plagiarized, derivative Computer Science (CS) Program for many reasons, including pedagogic sloppiness and lack of faculty and space. Despite assertions to the contrary from the administration, a majority of the faculty believe that the academic content and standards required for the proposed program do not come close to matching those of the current engineering majors. Many believe that this program will significantly degrade the academic standing of the School of Engineering.

Regardless of the consequences, the administration decided to circumvent the faculty with a backdoor process and is introducing the CS program this coming fall within the BSE program with an intake of 30 students. A highly compensated “Director of Computation and Innovation” was brought aboard and tenure review for this new position was ordered, *“to be conducted in an expedited fashion.”*

Living Within Our Means

Betting heavily on revenue from questionable new programs places the tuition-based fiscal plan and the school in dire jeopardy. Even carefully crafted and faculty-supported programs will struggle to compete against long-standing, highly-ranked programs at competitive institutions. The only near-term, low risk fiscal strategy is for Cooper Union to live within its means.

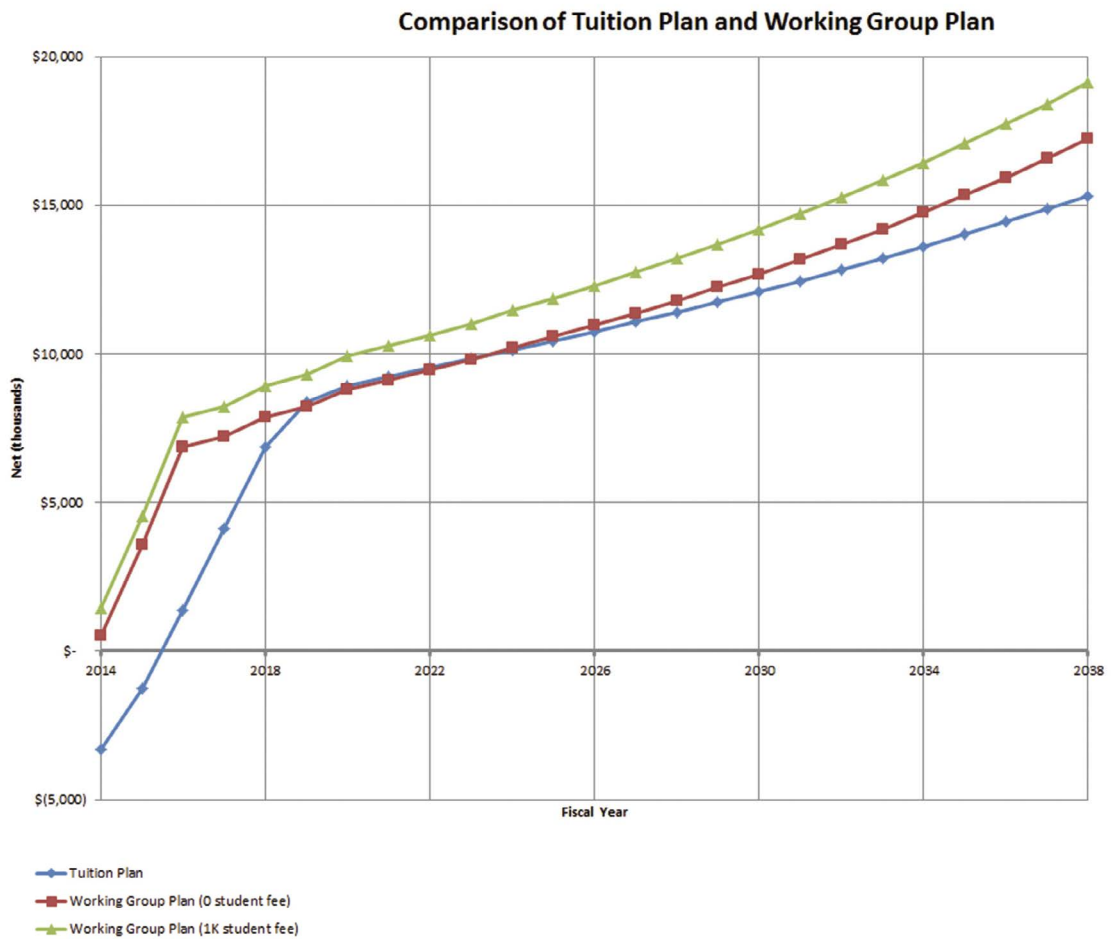
President Bharucha does not agree. He claims that the sale of Green Camp, the transfer of the Cooper-Hewitt Museum, the elimination of the Physics program and the periodic sale of real estate assets in the surrounding neighborhood prove that cost reduction won't work. We don't agree. While past sales of assets and program closures modestly reduced operating costs, they were hardly the well-planned and coordinated efforts needed to address a “structural deficit.”

It is time to deal with the problem by addressing the cost side of the equation—by building an operating structure that is affordable within current conservatively predictable revenues and a mechanism that ensures program growth is kept in step with financial resources.

It is time to halt and reverse the administrative bloat—a hallmark of the Bharucha administration. In the past 154 years, The Cooper Union has never had so many vice-presidents, directors, associate deans and other administrative staff as it does today—*yet the number of students has remained largely unchanged over the past three decades.*

Working Group Plan

Instead of relying on uncertain revenue from new tuition-generating programs that scuttle the school’s mission, the Working Group Plan detailed attainable budget cuts of \$8 million. Those cuts were designed to cut fat, not academic bone. *Overall, the Working Group plan was projected to outperform Bharucha’s Tuition Plan every year over the course of 25 years.*



Why didn't the Board of Trustees embrace the Working Group's recommendations? The truth is that President Bharucha was vehemently opposed to the Working Group developing a plan for free tuition *from the outset* and actively obstructed it. Pro-tuition appointees, Teresa Dahlberg, Lawrence Cacciatore & Catharine Hill, were forced onto the Working Group over the objections of the Working Group Chair, Trustee Mike Borkowsky.

Despite repeated promises of complete access and transparency, Bharucha insisted that requests for financial information by the Working Group be run through him, where he unilaterally cut off Working Group access to important financial and other critical information.

Unlike the administration's appointees, the student, faculty, and alumni representatives to the Working Group were elected by their constituencies. The administration's appointees not only failed to contribute to the effort, they worked actively to undermine the process. In a final act of bad faith, they published a negative "Minority Report" at the twelfth hour to undermine the effort.

In the end, the Trustees *summarily* concluded that the risks of the Working Group plan were too great, without acknowledging the serious risks inherent in charging tuition and unproven forecasts of revenues from new programs. Tellingly, there was a rush to implement tuition, rather than identify and address perceived weaknesses in the Working Group alternative plan—despite Trustee Gural's offer to donate up to \$2 million to delay tuition during *such an effort*.

Deteriorating Community Relations

Faculty Relations

The Computer Science program isn't the only academic issue at the School of Engineering that is being decided without proper faculty oversight. Chief Academic Officer (CAO) Teresa Dahlberg has refused to agree to new School of Engineering governance procedures while disregarding old. Specific examples include:

1. Reinstatement of a student dismissed by the Academic Standards Committee.
2. Granting tenure to new hires without the review and approval of the Promotion and Tenure Committee.

3. Denial of tenure to an accomplished and well-respected professor despite the unanimous recommendations of both his Department and the Promotion and Tenure Committee.
4. Granting tenure to full-time faculty members without consulting the Promotion and Tenure Committee.
5. Introducing the Computer Science program despite its rejection by the Curriculum Committee.

The wholesale circumvention of academic committees and processes is shocking and unprecedented. Not surprisingly, faculty morale has been devastated.

Faculty members are being distanced from academic decisions, forced to accept deep budget cuts, crowd students into larger classes, give up lab and other specialized space, and fund new layers of administration for programs they don't believe meet academic standards.

Alumni Relations

Alumni are an indispensable resource. Their perceptions and relationship to a school, their success in the world, and their efforts to shape the reputation of their *Alma Mater* have a profound effect. Despite these truths, the school has, in effect, exiled the Cooper Union Alumni Association (CUAA.) It has ended its funding, cut it off from email and website communication with Alumni, threw it out of its offices, banned it from meeting on campus, and "replaced" it with his own administrative office of alumni support to dislodge the CUAA from its role as a key fundraiser and link to Alums. Why? We suspect it is because the CUAA has steadfastly stood in support of Cooper Union's tuition-free mission and even honored alums who took an active role in support of the CSCU and its lawsuit.

Our view is that these acts are an outrageous betrayal of a loyal service organization and a brazen violation of a long-standing written memorandum of agreement honored by past Cooper presidents.

We will leave it to the CUAA to clarify and discuss the specifics of its situation. We know that it has entered into 'negotiations' with President Bharucha that have regained it access to a meeting room and vague discussion of 'coordination' of some events. Alone, the CUAA is trying to re-construct its alumni contact list and reorganize as an independent non-profit. In our opinion, it should be welcomed back into its former role within the school.

It is obvious why the school does not discuss the CUAA in his optimistic report on the state of Cooper Union.

Other Critical Factors

The Lawsuit

The school's "[Rosy] State of the Union" report completely ignores the CSCU lawsuit in State Supreme Court that seeks to compel the trustees to abide by the requirements of Cooper Union's Trust agreement. **No** "State of Cooper Union" is complete without discussion of that legal action.

Over 1,500 donations from alumni supporters raised over \$300,000 to enable the Committee to Save Cooper Union to take this legal action. CSCU filed a lawsuit with the NY State Supreme Court to compel the Cooper Union Administration, under Jamshed Bharucha, and the Board of Trustees to uphold the tenets of the school's Trust and Charter as required under NY State law. The suit was filed on May 27, 2014 and the oral arguments were presented to Justice Bannon on August 15, 2014. The lawsuit seeks:

1. An injunction against charging tuition.
2. The formation of "The Associates of Cooper Union" as required by the Cooper Union charter.
3. An audit, by a special master appointed by the court, of the school's finances.
4. Removal of Trustees whom have failed to properly execute the Trust or engaged in fiscal or management improprieties.

The CSCU legal team made a cogent and compelling argument to Justice Bannon at NY State Supreme Court. It is worth reading the [rough transcript](#) to get a sense of the oral arguments and the tough (and encouraging) line of questions posed by the Justice.

Powerful allies, including [State Senator Hoylman](#) and [State Assemblywoman Deborah Glick](#), Chair of the Higher Education Committee, have spoken out in strong defense of Peter Cooper's true legacy: [Senator Hoylman's speech can be seen here](#).

"The tax benefits that have accrued to Cooper Union are based on maintaining the mandate for free tuition. It is critical to the future access to higher education for deserving students that that commitment be maintained."

— State Assemblywoman Deborah Glick

“New York needs the same Cooper Union we have had for the past 155 years providing excellence in engineering and the arts. It’s time for the board, state and local government officials, and all parties involved, to forge a plan that will preserve Peter Cooper’s model of free tuition and save this great institution from becoming just another college.”

— State Senator Brad Hoylman

CSCU believes that it has a very good chance of prevailing in the State Supreme Court or in an appeal to a higher court. In that light, it is astonishing to us that the school has accelerated its efforts to restructure Cooper Union as a tuition-dependent institution given uncertain legal grounds. We can only speculate that the President and Board hope to reach a point of no-return. Certainly, we don’t believe that he sincerely wants to, or intends to, ever return to a free Cooper Union.

Tax Exemption History

Even if the revenue from new programs is attainable, charging tuition presents an enormous risk to the unique historical tax exemption benefiting Cooper. Other educational institutions do not have this tax exemption on all owned property (including property that isn’t used for academic purposes), which results in revenue of \$20 million per year and dwarfs the revenue received from tuition.

Cooper Union’s original Charter was enacted as a statute by the New York State legislature. The legislature granted, and the Charter provides, that Cooper Union’s property is not subject to taxation. Over the years, Cooper Union has vigorously litigated and defended its tax-exempt status against attempts by the City of New York to collect the significant tax dollars associated with the school’s lucrative real estate, including the school’s properties at Astor Place and the Chrysler Building.

The Cooper Union has repeatedly justified its tax exemption from the perspective of a tuition-free institution. For example, in 1936, the school successfully defended its tax-exempt status before the Court of Appeals, highlighting that the trial court had taken judicial notice of the fact that in providing “*free instruction, “without charge,”* the school was for “*all intents and purposes a part of the educational system of the City of New York.*”

Most recently, in an Article 78 Petition dated September 21, 2006 and verified by the school’s then Vice-President for Business Affairs and Treasurer, Robert E. Hawkes, which challenged the City’s attempt to tax certain school property, The Cooper Union argued that it was tax exempt because, in return for its tax exemption, its Charter “*placed significant restrictions and conditions on Cooper Union ... [including that] Cooper Union must provide ‘regular courses of instruction ... free to all who shall attend the same ...’*”

\$20 million/year Tax Exemption at Risk

President Bharucha and Board of Trustees are putting the unique tax exemption that sustains Cooper Union at risk by imposing tuition. While they claim the tax exemption is not at risk, the Board has already been proven wrong on the tax exemption issue.

In 2006, as part of the massive real estate scheme including the New Academic Building, then President Campbell and the Board claimed that losing the school's unique tax exemption for the new properties at 26 and 51 Astor was extremely remote, "about the same probability as losing it at the Chrysler Building." (See [Master Plan document](#), p.8) But New York City challenged that assertion and in the end, Cooper Union settled by losing ½ the tax exemption on those properties. We repeat, Cooper Union's unique and critical tax status was successfully challenged in a manner not expected by the Board of Trustees.

Now, with the imposition of tuition, the core tax exemption for the Chrysler Building, an exemption worth over \$20 million/year that sustains The Cooper Union, is at risk. Do not accept the assurances of President Bharucha and the Board of Trustees that the exemption is secure. Doug Turetsky, Chief of Staff at the Independent Budget Office, has already questioned whether Cooper's deal should continue once it charges tuition, saying, "The other universities don't get to do these kinds of commercial deals."

State Senator Hoylman commented: "*What's at stake here is if the free tuition is scrapped, then we in the legislature have to reconsider, I think, our position in affording a property tax break to Cooper Union. Let's be clear, no other private institution in New York currently receives such a tax break...*"

Regardless of any legal issue, there is no doubt that the State Legislature can choose to withdraw the tax exemption—particularly if Cooper Union is just another tuition-charging school.

Conclusion

The real state of Cooper Union is dire. Student quality and academic reputation are sinking fast. Shoddy revenue-generating academic programs are being instituted next semester—programs that were hastily and ill-conceived, will further damage the school's academic reputation, and vastly expand the size of the engineering school. The desperate imperative to grow the numbers of paying 'customers' is undermining the integrity of the institution. Faculty oversight of students, faculty hiring, tenure and proper academic program oversight are circumvented in the rush to revenue and 'reinvention.'

The tuition plan is tearing the school apart, destroying its reputation, and is a violation of Cooper Union's trust and charter (that CSCU has petitioned the Supreme Court to rectify). Even if the Cooper Union Board were to 'win' the lawsuit and is judged 'free' to charge tuition,

it exposes Cooper Union to the **very** real risk of losing its \$20+ million per year (and growing) tax subsidy. Such a loss would more than swallow any income from the tuition scheme and **destroy** the school. This Administration and Board are so determined to ‘reinvent’ Peter Cooper’s school that it won’t heed the warning of a State Senator, much less listen to the pleas of its faculty, students, alumni, and the broader community.

There is only one responsible and rational path forward. We must put in place the reforms necessary for Cooper Union to begin living within its means and get back on a sure road to return to free tuition. We must also reform the governance of the school to ensure we’re never blindsided or placed in this dire a situation again.

It is time for the Board of Trustees and Administration to reverse their disasterous course and put an immediate stop to the ill-conceived programs, administrative bloat, and academic compromises that are digging an early grave for Cooper Union.