



**Statement of the Committee to Save Cooper Union (CSCU) Regarding Today's Settlement Between CSCU, Cooper Union and the Office of the Attorney General That Sets Cooper Union on the Path to Restoring Free Tuition And Creates Measures to Increase Accountability and Fiscal Oversight**

*September 2, 2015*

The Committee to Save Cooper Union (CSCU) is proud to be part of a settlement finalized today between the school, the Attorney General of New York State Eric Schneiderman (OAG) and CSCU that aims to return Cooper Union to its tuition-free and merit-based mission; ensure the school's fiscal recovery; and establish better governance structures.

The effort to reinstitute free tuition, to provide a full accounting and to implement greater oversight was initiated by a CSCU lawsuit filed in May 2014 which was resoundingly supported by alumni, students and faculty, as well as supporters of the campaign nationwide.

The Attorney General launched a confidential investigation into the school, brought about by the CSCU lawsuit, which has culminated in today's announcement. According to the *cy pres*, the Attorney General intervened "to safeguard Peter Cooper's irreplaceable gift to the people of New York."

Today's agreements include a Consent Decree and *cy pres*. The Consent Decree has been signed by CSCU, the OAG and Cooper Union. As a result of this agreement, the lawsuit filed by CSCU has been settled.

While the agreements filed with the Court are not an immediate, or guaranteed, return to "free," they impose an independent financial monitor; establish a Board committee made up of alumni, students, and faculty that is dedicated to developing a plan for the return to free tuition; and require the school's leadership to make a good faith effort to return to free.

As part of the *cy pres*, the OAG has conducted an exhaustive investigation into the many fiscal missteps on the part of the Board of Trustees, as well as Presidents George Campbell and Jamshed Bharucha, over the course of the last 10 years. The Attorney General's full accounting shows a pattern of transactions that disregarded risks and did not include contingency plans.

The *cy pres* states, the "investigation reveals that Cooper Union has paid a steep price, including, at least temporarily, its free-tuition tradition, as a result of shortcomings in its oversight and management functions over the past decade."

The *cy pres* and Consent Decree include the following provisions:

- Cooper Union's Board of Trustees will work with the community to try to expeditiously return Cooper Union to a high-quality, sustainable, tuition-free model. A special committee of the Board will be dedicated to development of a strategic plan to return the school to its traditional tuition-free policy;
- Align the trust and charter of the school, through the *cy pres* petition, to reflect the evolution of the institution into its modern form and allow for judicial oversight of the effort to return to a full tuition scholarship model that does not materially compromise Cooper Union's academic quality or reputation of its Art, Architecture and Engineering programs;
- Expansion of the Board to include student trustees (2), additional alumni trustees (2), and faculty and staff representatives (6);
- Establishment of the *Council of the Associates of Cooper Union*—comprised of the alumni, student, and faculty trustees—with the charge to develop a full plan and proposal for The Associates of Cooper Union.
- Appointment of an independent financial monitor that will be responsible for evaluating and reporting on the financial management of Cooper Union, including compliance with the Consent Decree;
- Transparent disclosure of Board materials, budget documents, and investment results;
- A requirement to develop reforms of the school's outdated governances; and
- An inclusive search committee to identify the next full-term president.

The Free Education Committee of the Board of Trustees will have to review where the school stands and develop recommendations for how and when Cooper can become tuition-free. The Committee will present progress reports over the course of the next two years followed by a strategic plan in January 2018. The plan will have to be voted on by the Full Board in March 2018. Two-thirds of this Committee will be alumni and student trustees.

A separate Governance Committee is explicitly charged with identifying further changes and additions to new governance rules as needed, specifically examining conflicts of interest, best practices in non-profit governance and fiduciary duties and responsibilities of Trustees.

On September 14<sup>th</sup>, the New York State Supreme Court is expected to review and approve the settlement.

-----

## **Quotes from CSCU Team:**

### **Adrian Burton Jovanovic, President and Co-founder of the Committee to Save Cooper Union (CSCU)**

"Thanks to the resilience and tireless dedication of an extensive network of Cooper Union alumni, faculty, students and supporters, the Committee to Save Cooper Union was able to mount a highly effective legal battle to reclaim the unique mission, and protect the future, of The Cooper Union. This settlement implements significant reforms and creates a path to restoring Peter Cooper's vision of education "open and free to all."

We would like to thank Attorney General Eric Schneiderman and his staff for their critical role in investigating the fiscal mismanagement of previous presidents and board members that the CSCU lawsuit illuminated, and for helping all parties reach this milestone. We would also like to thank State Senator Brad Hoylman for his leadership on this important issue from the very beginning.

Finally, we would like to recognize the good faith efforts of newly appointed Interim President William Mea, who we look forward to working with to achieve our ultimate goal – free tuition and a fiscally sound Cooper Union. This is the hopeful beginning of a long journey, and CSCU will need the continued help of our supporters and others who believe in Peter Cooper's vision to see this through."

### **Richard Emery, Founding Partner of Emery Celli Brinckerhoff and Abady and Attorney for the Committee to Save Cooper Union**

"A tragic chapter in this great school's history has ended. For the past several years, a lack of fiscal restraint, conflicts of interest and a failure of educational vision banished Peter Cooper and his spirit from the school he founded. Cooper built a completely free, merit-based learning institution that encouraged free thinking and produced some of our nation's greatest minds in the arts and sciences. These recent years abandoned those values in favor of financial manipulation and debt. Because of the litigation settled today, Peter Cooper is back. Justice for Peter Cooper and all those who benefited from his great experiment is now a promise that must be kept.

The changes dictated by the settlement explore every possible way to get the school back to free tuition; give students, faculty and alumni a powerful role in Cooper's governance; and create a more fiscally conservative approach supported by a reshaped Board of Trustees. The Attorney General heeded our call for oversight and intervention and was key to brokering a settlement that delivers immediate results and sets the stage for an ultimate return to free tuition. Now, what Peter Cooper needs is all those who share his vision for free education to come to the aid of his school with their time, talent and donations. We have the tools to succeed but we need the support to finish the work."

### **Professor Toby Cumberbatch, Cooper Union Professor and Co-founder, CSCU**

"Working together as a community and with the support of the Attorney General, we have begun to steer Cooper Union back in the right direction honoring the legacy of its visionary founder and its 150-year history. We did our best to negotiate agreements that would give all parts of the Cooper community, including faculty, a role and real power in the governance of the school and we are confident that these new structures set the school on the right path."

**Scott Lerman, Cooper Union Alumnus and CSCU Advisor**

"These agreements provide far more power to the community and genuine oversight than CSCU could have possibly gained with its lawsuit alone. The agreements empower the community to begin the process of restoring the mission of Cooper Union today—not after years of legal appeals."

**Professor Mike Essl, Cooper Union Alumnus and Co-founder, CSCU**

"CSCU is committed to staying on top of the myriad of governance, fundraising, and communications efforts needed to save Cooper Union. We are pleased with today's outcome and continue to be committed to the hard work that remains ahead. Let's make Peter Cooper proud!"

###

Media Contact: Connelly McLaughlin & Woloz  
Michael Woloz (mwoloz@cmw-newyork.com)  
Karen Imas (kimas@cmw-newyork.com)  
212-437-7373

For more information, please visit: [www.savecooperunion.org](http://www.savecooperunion.org)