

THE COOPER UNION ALUMNI & PIONEER

Alumni Pioneer Abstracts Original Analyses, Research, and Reporting

Past	Inauguration 10/18	Halloween 10/31	Open Forum 11/8	WNYC 11/23	Summit 12/5	Address 12/13	Summary 12/16	Future
2007 Strategy Deficit Spending Timeline HEPI	Bharucha Payroll Trustees	Bharucha Q&A Narratives Reinvention	Epstein Q&A Fee vs. Tuition	Cooper Voices PR Questions	Summary Presentation Selected Slides	Urtak Poll Fantasy Address	Board Summary PR Questions 2 Administrators	Scenarios The Deadline Austerity Chess

Cooper's Strategy through 2007 (http://www.notnicemusic.com/2007_strategy.pdf)

Abstract: Don Toman, president of the CUA from 2005 to 2007 and non-voting observer of Board meetings, summarizes the financial strategy, what went right, and what went wrong. Renegotiation of the Chrysler Building lease and sale of 26 and 51 Astor Place went as planned. The crash of 2008, the delayed construction at 51 Astor Place, the construction over-runs, the lackluster capital campaign, and the institutional operating expense over-runs derailed the strategy. Don believes the tuition issue is a smokescreen for a hidden agenda.

Do You Want Deficit With That? (rev 2) (<http://www.notnicemusic.com/deficit.pdf>)

Abstract: An explanation of how Cooper hides information in its consolidated statements by reclassification, how the presentation of data makes surplus years look like deficit years and negative cash flows look positive (they particularly enjoy calling things "totals" and then putting additional negative or positive dollars under a double underline), and how Cooper used a change in accounting principle to enable participation in a hedge fund that lost \$80 million in the 2008 crash, with a note about conversion of restricted endowment into unrestricted endowment.

A Fiduciary Timeline (rev 1) (<http://www.notnicemusic.com/incompetence.pdf>)

Abstract: The financial history of The Cooper Union from 2000 to 2012 in three year intervals, including the launch of the Capital Campaign in 2000, the change in accounting policy that allowed for investment in hedge funds in 2003, the mortgage of the Chrysler Building in 2006 in support of the Master Plan, the media campaign in celebration of the 150th Anniversary of Cooper and opening of the NAB in 2009 bragging that Cooper had survived the crash, and how the Board took a historical address about whether Abram Hewitt falsely attributed the "free as air and water" quote to Peter Cooper as a basis in 2012 to justify charging tuition to cover the debt the college became saddled with.

Don't Worry, Be HEPI (<http://www.notnicemusic.com/HEPI.pdf>)

Abstract: How Cooper used the Higher Education Price Index, rather than the Consumer Price Index, to trick the accreditation association into believing Cooper was following its Master Plan, and then, after obtaining reaccreditation, increased expenditures by a whopping 10% per year over 5 years, even after the 2008 crash. The issue of accreditation is also key to whether Cooper could have delayed construction of the NAB.

The Real Bharucha (<http://www.notnicemusic.com/bharucha.pdf>)

Abstract: How, prior to his first day on the job, President Jamshed Bharucha considered the full-tuition scholarship to be a "cherished aspect" of Cooper, but not as important as growth and globalization. Dr. Bharucha has become a popular speaker in the global education movement, and believes his training in psychology is useful in academic politics.

Cooper Payroll – The Monkey on Their Back (rev 2) (<http://www.notnicemusic.com/payroll.pdf>)

Abstract: Cooper's Form 990s say that it filed over 700 W-3s in FY 2009 and over 1000 in FY 2009 and 2010. 455 have e-mail addresses – of the \$33.5 million in salaries and benefits, only \$14 million go to teachers, with 18% tenured, 17% untenured full-time, and 64% visiting or adjunct artists and professors. That leaves approximately 200 other employees (at least), described as a big monkey on the back of the faculty. Since student fees can only be used to cover academic instruction, the fees could be raised to \$3.8K per semester, as opposed to the \$38.5K per year Cooper wants to charge in tuition to cover their \$60 million budget.

Trustees Mainly Board Junkies (<http://www.notnicemusic.com/board.pdf>)

Abstract: An analysis of how 14 of Cooper's 25 trustees are board junkies serving on the boards of several not-for-profits, including 8 at other colleges, how interlocking leads to ongoing escalation of higher education costs, and how the rich people on the Cooper board are unlikely to care about providing a free education to the children of the struggling middle class. Also, the board chairman is cited as saying that most board work occurs in its committees, which elected alumni trustees and CUAA presidents don't get to observe or participate in.

President Bharucha Q/A with Engineering Student Council a.k.a., The Halloween Massacre (rev 5)

(http://www.notnicemusic.com/2011_10_31.pdf)

Abstract: An objective report of the content of the Halloween Massacre, followed by an analysis that includes reporting on Cooper's surpluses in FY 1980 through 1983, the difference between a full-tuition scholarship and a free education, insight into Cooper's Deed of Trust, reaction to the false Chrysler Building narrative, concerns about Bharucha's research dreams, and a cautionary tale of how real threats of bankruptcy can be.

Counter-Narratives to the Administration Narrative (rev 5) (<http://www.notnicemusic.com/counter-narratives.pdf>)

Abstract: The humility of this document, first published on November 6, 2011, and revised through November 18, 2011, has been replaced with incredulity, as the administration has changed its own narratives in reaction to *Alumni Pioneer* analyses, the Free Cooper Union movement, and turmoil within the Board of Trustees. The baker's dozen narratives cover Cooper finances, policies, transparency, and direction.

The New Colossus (<http://www.youtube.com/watch?v=hQ318lmxyI0>)

Abstract: Barry Drogin, Publisher of *The Alumni Pioneer*, takes Cooper Union President Jamshed Bharucha's letter to the Cooper Union Community, "Reinvention of The Cooper Union," on a satirical journey in music, lyrics, and images through the absurdity of his "four important elements": access, service for the public good, global perspective, and inventive and entrepreneurial activity. With apologies to Emma Lazarus, Bruce Springsteen, and the E-Street Band.

Real Questions for the Board of Trustees (and the Chair's responses)

(<http://www.notnicemusic.com/questions.pdf>)

Abstract: Through the wonder of Google Documents and the intelligence of the Faculty/Student Senate, *The Alumni Pioneer* got Mark Epstein, Chairman of the Board of Trustees, to answer all six questions: on student fees, putting tuition on the table, the President discovers financial trouble story, the crisis story, and the Chrysler Building lie.

Fee vs. Tuition (rev 3) (http://www.notnicemusic.com/Fee_v_Tuition.pdf)

Abstract: The subtleties of definitions in academia: fees are for academic instruction, tuition is for everything else, so a "free education" and "full scholarships" have never been awarded to any Cooper students – except for those receiving financial aid. This is followed by consideration of when the President and his staff are speaking for the Board and when they are speaking for themselves, as pertains to the hiring freeze and the Development Office's suppression of the Free Cooper Union community summit announcement.

Cooper Voices (<http://www.notnicemusic.com/voices.pdf>)

Abstract: Nine quotations selected from the 101 comments posted on The Brian Lehrer Show: Cooper Union and the Cost of Higher Education, broadcast on November 23, 2011

<<http://www.wnyc.org/shows/bl/2011/nov/23/cooper-union-and-cost-higher-education/>>.

Alumni Pioneer Questions – 11/28/2011 (<http://www.notnicemusic.com/relations.pdf>)

Abstract: Thirteen questions sent to the Office of Public Affairs on November 28, 2011, pertaining to the past, present, and future of The Cooper Union, with a three day deadline of December 2, 2011. On January 10, 2012, in response to a second set of questions, Claire McCarthy responded, “As you know, The Cooper Union is moving forward openly, working with our community, to secure a sustainable future for this great institution. Statements and materials from the administration and Board are available on the website, including financials for the past decade.” Answers to the questions could not be found on the website.

Summary of the Summary (http://www.notnicemusic.com/summit_sum.pdf)

Abstract: A summary of the summary of the Free Cooper Union: A Community Summit (the full “summary” can be found as a 14-page PDF at <<http://www.notnicemusic.com/summit.pdf>> or in its original form as a set of HTML pages at <<http://cooperunioncommons.org/freecooperunionsummary/>> and <<http://cooperunioncommons.org/breakout-session/>>.

Great Hall Financial presentation (http://www.notnicemusic.com/Drogin_Financial.pdf)

Abstract: Seeking to clarify and fill in the blanks of the financial narrative presented by the Administration to the Cooper community, *The Alumni Pioneer* discusses changes in values of plant assets, the capital campaign, and operating and capital expenses and revenues. The presentation was based upon *The Pioneer*’s interpretation of consolidated financial statements from FY 2000 to 2010, difficult to analyze because of inconsistent accounting and presentation of data, arbitrary reclassifications of funds, and gnomic “notes.” Many questions are raised about significant rises in non-academic costs, the development strategy that led to the construction of the New Academic Building, investment in hedge funds, and using imputed income to create paper deficits. Finally, *The Alumni Pioneer* asked for more information from the Cooper finance department, and showed how the Form 990s, consolidated financial statements, and pie charts created by the administration failed to provide the transparency needed by alumni to coherently understand the past and suggest improvements for the future.

Selected Community Summit Slides (<http://www.notnicemusic.com/slides.pdf>)

Abstract: *The Alumni Pioneer* viewed all 145 slides of the Master Powerpoint and picked 17 that are particularly important. The first 11 have to do with the rise in non-academic costs, first in terms of the size of the administration itself, and on to actual headcounts and other non-academic expenses. Then there’s a spectacular graphic which illustrates how many alumni of which discipline are on the Board of Trustees and the Alumni Council, a histogram and table about annual giving (which is not Capital Campaign giving), a student pledge program, and finally 3 slides on the breakout sessions, including 2 slides which were never shown in The Great Hall. Presented without comment.

Urtak Poll (<http://www.notnicemusic.com/poll.pdf>)

Abstract: A snapshot of the Urtak Poll, “Cooper Union – Have Your Say”, taken on December 10, 2011, sorted by subject, without all of the clicking.

My Fantasy Presidential Address (<http://www.notnicemusic.com/fantasy.pdf>)

Abstract: On December 9, 2011, four days before President Jamshed Bharucha addresses the Cooper Union Community on December 13, 2011, Barry Drogin, Publisher of *The Alumni Pioneer*, serves as scriptwriter. Sent a copy, Bharucha wrote that he “enjoyed reading it,” but used none of it.

Hide the Salami (rev 1) (<http://www.notnicemusic.com/salami.pdf>)

Abstract: Commentary on the Board of Trustees December 15, 2011 Statement and spreadsheet, and the FY 2011 Consolidated Financial Statement, including the mother of all reclassifications, the nail in the coffin of the “decades of deficit spending” narrative, issues related to the fair value of the Chrysler Building, the spending policy, the hedge funds, the New Transparency, and a discussion of board member’s duty of loyalty, duty of care, and duty of obedience to the mission statement.

Alumni Pioneer Questions – 1/9/2012 (<http://www.notnicemusic.com/relations2.pdf>)

Abstract: Twelve questions sent to the Office of Public Affairs on January 9, 2012 with a three day deadline of January 12, 2012. Claire McCarthy, Director of Public Affairs, provided only this response: “As you know, The Cooper Union is moving forward openly, working with our community, to secure a sustainable future for this great institution. Statements and materials from the administration and Board are available on the website, including financials for the past decade.” *The Alumni Pioneer* informed Ms. McCarthy that none of the answers to any of the questions could be found on the Cooper Union website. No follow-up response was received.

Becoming the Story (<http://www.notnicemusic.com/story.pdf>)

Abstract: How Dr. Jamshed Bharucha, Derek Wittner, TC Westcott, Claire McCarthy, William Sandholm, John Michaelson, Stanley Lapidus, Mark Epstein, Don Blauweiss, and Francois de Menil made themselves, rather than the financial crisis, the story, and the constant threat that the administration will start their own rumor campaign against the *Alumni Pioneer* staff in an attempt to divert attention from themselves and make us the story.

Scenarios for End Times (rev 4) (<http://www.notnicemusic.com/scenarios.pdf>)

Abstract: The Bankruptcy Scenario, the Sell Scenario, the Nightmare Scenario, the Accreditation Scenario, the Angel Scenario, the Austerity Scenario, the Full-Tuition Scenario, the Punish Scenario, the Lawsuit Scenario, and the Criminal Scenario.

The Deadline (<http://www.notnicemusic.com/deadline.pdf>)

Abstract: Looking forward, *The Alumni Pioneer* takes its first steps into the future, proposing that a five-year plan – a focus on FY 2013 through FY 2017 – might be enough to get The Cooper Union through the financial crisis until the Chrysler Building rent is raised from \$7.5 million per year to \$32.5 million per year.

Envisioning Austerity (<http://www.notnicemusic.com/austerity.pdf>)

Abstract: The Cooper Union will survive as an institution devoted to philanthropy and austerity. An understanding of austerity must pervade every department and function of the institution. The author moves the discussion away from reinvention to reinforcing the mission of the college, with concrete suggestions for layoffs and changes in programs.

See the Whole Board (rev 2) (<http://www.notnicemusic.com/chess.pdf>)

Abstract: The author portrays the reinvention strategy gambit, the hybrid framework stratagem, the Way Forward offense and the mission statement defense as chess tactics and indicates that the game has been slowed down, with the austerity budget starting in FY 2013, a possible mission statement change in FY 2014, and the threat to abandon the mission statement altogether delayed until FY 2015. Unfortunately, the Chrysler Building doesn’t kick in that additional \$20 million per year until FY 2018.

Infographics (<http://www.notnicemusic.com/Infographics.pdf>)

Infographics by Matt Arnold AR '82 depicting Real Estate Holdings, the Endowment (excluding Real Estate), Expenses, Revenues, Annual Giving and Staff Changes.

The current version of this document can be found at <<http://www.notnicemusic.com/abstracts.pdf>>.

The Alumni Pioneer, <<http://www.notnicemusic.com/Cassandra/cooper.html>>, is a virtual newspaper with breaking news stories and links to analyses, sources and the media. It is written and formatted in an inverted-pyramid newspaper style to facilitate quick access to what is deemed the most important information.

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