

THE COOPER UNION ALUMNI & PIONEER

Counter-Narratives to the Administration Narrative (rev 5)

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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.

Administration Narrative: The Cooper Union has a structural deficit based upon an unsustainable financial model and has been carrying a 25% deficit for decades, including a low of 34% in 1995.

Counter-Narrative: Forced to admit its figures included non-cash items like depreciation, imputed income from a spending policy dropped in FY 2003, and graphs that hid actual surpluses in tiny graphics unadjusted for inflation, the administration has abandoned this narrative. First it said that everything before 2005 was in doubt, then it published, on December 15, 2011, a spreadsheet that showed surpluses for 6 of the past 12 years. The latest spreadsheet tries to claim an average \$3 million loss per year, without mentioning that almost all of that derives from the crash of 2008.

Administration Narrative: As a response to the deficit, The Cooper Union must form a Revenue Task Force.

Counter-Narrative: As pressure mounted, the administration has promised to form an Expense Reduction Task Force, although the Revenue Task Force has been given the impossible goal of raising \$28 million per year, the hiring freeze has been ignored, and the president continues to use qualifiers like "absolutely critical to the reinvention strategy" and "most effective, most catalyzing" to demonstrate he has no intention of instituting an austerity budget and dropping his growth plans.

Administration Narrative: Revenues are down because the Chrysler Building rent has dropped, starting in 1989.

Counter-Narrative: This narrative, fed to the national media, has become a joke. The Chrysler Building rent and payments in lieu of taxes (PILOT) have risen steadily every year, with large increases scheduled every ten years starting in 2018. Revenues are down because Cooper lost millions in the crash of 2008 in a hedge fund, we are in a Great Recession where returns on non-real estate investments are low, and development of the property at 51 Astor Place, originally scheduled for completion in 2012, has not even been started yet. And that's just the revenue side.

Administration Narrative: Institutions of higher education should adopt a 5% endowment spending policy.

Counter-Narrative: As a unique institution of higher education devoted to its mission of providing a full scholarship to all of its students, The Cooper Union cannot adopt the endowment spending policies of other colleges, nor does its accreditation association expect it to. Historically, Cooper has always relied upon philanthropy and austerity to survive. Cooper spaces and schools used to be named after honored trustees, faculty, and graduates, not after philanthropists. Restricted gifts are anathema. Students and parents understand that the Cooper experience is not a typical “college experience” – that the stress is on learning to the exclusion of everything.

Administration Narrative: The decision to charge tuition is being considered only as a last resort.

Counter-Narrative: Every public statement made by the administration has not been to warn the faculty, students, alumni and media that The Cooper Union might have to start charging tuition, but in justifying that there is a legal and historical context for The Cooper Union to charge tuition. In addition, the board cannot charge tuition without changing the college’s mission statement, which is why President Bharucha is starting a “process” to justify to the Middle States Association that all stakeholders were involved in the planned change to the mission statement.

Administration Narrative: The administration will not file for bankruptcy.

Counter-Narrative: The Great Recession may last another decade or even turn into another Great Depression, and bad decisions made in the next two years – or a delay in making a decision over the next two years - may, in fact, lead to the financial ruin of The Cooper Union before the Great Recession ends.

Administration Narrative: The Cooper Union has, since 1902, offered a “full-tuition scholarship” to every student, as stated in Form 990s filed with the government and in other public documents.

Counter-Narrative: See other analyses at <<http://www.notnicemusic.com/Cassandra/cooper.html>> for information about the student fees and its strange relationship to tuition.

Administration Narrative: The administration has shared with the entire Cooper Union Community the information presented by Vice President TC Westcott at a forum on October 31, 2011.

Counter-Narrative: The administration has shared with the entire Cooper Union Community an enumeration of expenses that blurs an understanding of how expenses might be reduced. Vice President TC Westcott presented first a complete detailed breakdown of Cooper expenses, but this information was not shared with the entire Cooper Union Community, nor was a copy of the breakdown provided to any attendees on October 31, 2011. TC Westcott has rebuffed repeated attempts by *The Alumni Pioneer* to obtain the original expense breakdown slide, and repeated attempts by the CUFCT to obtain more data. Participants in the financial tables at the Free Cooper Union breakout sessions have been frustrated by administration non-cooperation, and have vowed social action to expose the New Transparency for the lie that it is.

Administration Narrative: 40%, or \$24.1 million, of FY 2011 expenses were for salaries and 16%, or \$9.4 million, were for employee benefits.

Counter-Narrative: The final audited figures are higher - \$25.4 million for salaries and \$10.1 million for benefits – and the definition of expenses vs. cash flow can be questioned, but this is all beside the point. What’s

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important is the growth in non-academic salaries, over \$10 million of the salary figure, and a proportionate portion of the benefits figure. Out of 519 private colleges with budgets over \$50M, the Cooper president is in the top 10, and the office staff – and office space – are the result of a Board that refuses to reject administration budgets for five years running, despite repeated presidential vows to cut costs. President Bharucha – in office for four months before announcing the crisis and three months after – doesn't need an independent consultant to layoff staff. Even the announced hiring freeze was a joke.

Administration Narrative: Important elements suggested by the administration to drive the reinvention of The Cooper Union include encouraging a culture of vigorous research, scholarship and other creative pursuits, as well as inventive and entrepreneurial activity and a focus on the deployment of technology, design and art for the good of society.

Counter-Narrative: The Cooper Union should focus on providing a free education equal to the best to students who qualify based on merit. Attempts to attract instructors with an interest in research, entrepreneurship and deployment will put The Cooper Union in direct competition with tuition-charging institutions and will only increase further the continuous rise in expenses, not lead to a sustainable financial model. Also, The Cooper Union cannot be “reinvented” without changing its mission statement.

Administration Narrative: If the Revenue Task Force recommends that The Cooper Union charge full tuition to those students whose families do not meet financial aid criteria, then, in order to create a sustainable financial model and avert the serious financial crisis, the administration will implement such a policy for new students.

Counter-Narrative: Well, that was the plan – shift the burden of the incompetence of the Board of Trustees and the expansionist plans of its presidents on to the stakeholders least able to handle the burden, middle class students and their parents. With unemployment in America at 9%, and, for example, unemployment of engineering graduates at 31% (excluding engineering graduates who are partially employed or employed in non-engineering professions), the middle class cannot afford more debt. President Bharucha thought he could quote the Deed of Trust to a few students, the faculty would acquiesce, and the disengaged alumni would stay disengaged. Then he found that a large number of faculty are alumni, and that the Internet and social media make it impossible for him to control the message. Then there's the problem of accreditation and the mission statement. First mass media kink: The Village Voice called keeping Cooper tuition-free “inevitable.” More to follow.

and finally, for a Baker's Dozen:

Student Narrative: The Cooper Union dug itself into a deep financial hole when it constructed the new Academic Building, and those responsible should be held accountable.

Counter-Narrative: This is what is known as a “sunk cost” (the author learned this in his Cooper engineering economics course). Fixating on this issue is not going to solve the future financial problems of The Cooper Union. Unless it is renegotiated, the \$10 million debt service on the \$175 million loan is now a permanent part of The Cooper Union budget for the next 30 years.

In its first five versions, the author did not mean to infer which of these narratives were partially or completely true, factual, or believable. On January 28, 2012, this humility was dropped for incredulity – every one of the administration narratives are either demonstrably false, misleading, or irrelevant. Spin Doctor Jamshed has

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been rechristened The New Colossus, and these narratives have sarcastically been labeled The New Transparency.

When the legend becomes fact, print the legend. – John Ford's *The Man Who Shot Liberty Valence*, screenplay by James Warner Bellah and Willis Goldbeck

Keep my tongue and my lips from speaking deceit, and to them that curse me let my soul be silent, and like dust to all. May the words of my mouth and the meditations of my heart be acceptable in your sight. – Mar, son of Rabina (translated)

Facts are stubborn things; and whatever may be our wishes, our inclinations, or the dictates of our passion, they cannot alter the state of facts and evidence. - John Adams, 'Argument in Defense of the Soldiers in the Boston Massacre Trials,' December 1770

The current version of this document can be found at <<http://www.notnicemusic.com/counter-narratives.pdf>>. Corrections to this document are appreciated and, if based on substantiated facts from legitimate sources, will be implemented by the author. The original version was completed on November 6, 2011, with later versions completed on November 7, 12, 15, and 18, 2011. A completely new version was fashioned on January 28, 2012.

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.