June 11, 2015

Cooper Union's President Quits, but Fight for College's Future Continues

By Steve Kolowich

[Updated (6/11/2015, 11 a.m.) with a statement from the Committee to Save Cooper Union.]

The fight over the future of the Cooper Union for the Advancement of Science and Art, an arts and engineering college in New York City, came to a head this week as five members of its Board of Trustees abruptly resigned and its president agreed to step down at the end of the month.

The resignations mark the latest chapter in a years-long battle over tuition at the college, which historically has offered full scholarships to all undergraduates.

Cooper Union announced in 2013 that it would start charging tuition to undergraduates for the first time in over a century, citing dire financial straits brought to light two years earlier by Jamshed Bharucha, four months into his presidency there.

Faculty members, students, and alumni were outraged. A coalition of critics sued the college in hopes of reversing the new tuition policy, which took effect last fall.

In April the board offered to force Mr. Bharucha from office in a bid to settle the lawsuit and to ward off an investigation by the New York attorney general into the board's management of the college's finances. (That investigation remains open, the attorney general's office said on Wednesday in a statement.)

But by then, the relationship between Mr. Bharucha and Richard Lincer, the board chair, had worsened. The Wall Street Journal reported on a confrontation between the two men during a
meeting at New York's Harvard Club. The president threatened to write a book about Cooper Union’s dismal finances, and the board chair responded by saying he would “cut [him] off at the knees.”

Mr. Lincer was not immediately made available for an interview on Wednesday. In a written statement before the news of Mr. Bharucha’s resignation had been made public, Mr. Lincer said that, despite its differences, the entire board had been “committed to the best interests of Cooper’s students and of the institution going forward.”

The resignations might ease some of the dysfunction in the Cooper Union leadership, but the college’s problems are far from solved. The new tuition policy, nominally the subject of the conflict, does not appear to be going away.

“It can’t,” said Mark Epstein, one of the trustees who quit this week. “There’s not enough money coming in to keep up with expenses.”

‘A Sacrifice’?

Much of Cooper Union’s revenue stems from New York City’s historic Chrysler Building, whose land the college owns. But the college has been spending beyond its means for years, and a recent capital campaign came up well short of its goal.

According to Mr. Epstein, Cooper Union would need an infusion into the endowment of at least $400 million to allow it to revert to a tuition-free model. The new tuition policy is “not going to go away if Jamshed goes away,” he said. “It’s a financial problem, not an administrative problem.”

“There’s an old saying in crisis communications: Sometimes the gods demand a sacrifice,” said Gene Grabowski, a partner at the crisis-management firm Kglobal, which is not involved in the Cooper Union case. “And that’s what we’re seeing here.”

Ironically, the college’s financial crisis might have been much worse had Mr. Bharucha not forced the board to reckon with it, a fact that the trustees acknowledged in a statement announcing his departure.
"The financial exigencies with which he was confronted upon his arrival were not of his making," the statement said, "and he deserves credit for sounding the alarm about the need to take urgent action to ensure Cooper Union's long-term financial sustainability."

Previous administrations might have foreseen the need to charge tuition but failed to take action, said Mr. Epstein, who served as board chair before Mr. Linzer.

"They knew it would be politically difficult, nobody wanted to do it," he said. "There was always hope that we could try to avoid it."

Mr. Bharucha, a cognitive neuroscientist, will join Harvard University in the fall as a visiting scholar. Cooper Union will begin a formal search for his replacement.

The events of the past few months could make filling the position tough, said Lawrence S. Bacow, who served as president of Tufts University when Mr. Bharucha was provost there.

"Who's going to want to take that job going forward?" said Mr. Bacow in an interview this spring, after the board first moved to oust his former colleague. "Who is going to want to work for a board that's going to endorse the president's tuition plan, the president takes two years of grief, and then the board says, Your reward for doing this is we're going to throw you under the bus?"

The Committee to Save Cooper Union, the group that is suing the college over its tuition policy, said in a written statement that it welcomed the news of Mr. Bharucha's departure, adding that it hoped his resignation would mark "the beginning of a new chapter" for the college.

Steve Kolowich writes about how colleges are changing, and staying the same, in the digital age. Follow him on Twitter @stevekolowich, or write to him at steve.kolowich@chronicle.com.
Cooper Union President Resigns

Bharucha quits post amid infighting on board and rift with chairman; five trustees also leave

By MIKE VILENSKY
Updated June 10, 2015 7:37 p.m. ET

Cooper Union President Jamshed Bharucha announced his resignation Wednesday evening following months of trustee infighting amid a state probe.

Mr. Bharucha said he would leave at the end of June after four years as president and would serve as visiting scholar at Harvard University in the Graduate School of Education in the fall.

“The focus of my presidency has been to secure Cooper’s finances for generations of deserving students in the future, while preserving excellence and increasing socio-economic access,” he said in an email to faculty.

EARLIER

• Cooper Union Chief Academic Officer Takes Syracuse Job (May 2015)
• Cooper Union President and Board Chairman Clashed at Harvard Club (April 2015)
• Cooper Union Board Offers Not to Renew Contract of President Jamshed Bharucha (April 2015)
Five trustees also resigned from Cooper Union this week. PHOTO: BEBETO MATTHEWS/ASSOCIATED PRESS

Mr. Bharucha’s anticipated departure had already made waves this week: Five trustees who support him resigned in unison on Tuesday. The shake-up in the 23-person board comes at a tense time for Cooper, formally named the Cooper Union for the Advancement of Science and Art. Last year, New York Attorney General Eric Schneiderman began probing the board’s financial moves, following the Manhattan arts-and-engineering school’s decision to begin charging undergraduate tuition in 2014 for the first time in its history.

“Our investigation into finance and governance issues at Cooper Union is still ongoing, and we are pleased that recent discussions with members of the board and school community have been both cooperative and productive,” a spokesman for Mr. Schneiderman said Wednesday.

The trustees who resigned this week are Daniel Libeskind, an architect who designed the plan for the World Trade Center redevelopment; Mark Epstein, a businessman and former board chairman; Catharine Hill, the president of Vassar College; Monica Vachher, an attorney; and Francois DeMenil, an architect.

The departures also come in the wake of a rift between Richard Lincer, the board chairman and a corporate lawyer, and Mr. Bharucha. The two have tussled over how to lead the school amid protests from students over the tuition change. Before it began charging, Cooper Union was part of a shrinking cadre of free undergraduate institutions across the U.S.

In his email to faculty, Mr. Bharucha defended his tuition decision: “The class completing its freshman year was the first to be admitted under the 2013 Financial Sustainability Plan, and the class just admitted
will be the second. These two classes uphold Cooper’s unparalleled standard of excellence. With need-based financial aid, we have also been able to increase access to those who can least afford it, as shown by an increase in the proportion of students eligible for Federal Pell Grants.”

In an interview on Wednesday, Mr. Epstein said he was concerned about the board’s efforts to part ways with the president before he resigned.

“In the scope of things, I think that’s a terrible move,” he said. “The board got over this tuition hurdle, which was a necessary change, and Jamshed was the right person to lead the school going forward.”

Mr. Epstein also criticized Mr. Schneiderman’s investigation.

“The board was talking to the A.G.’s office, and the A.G.’s office was listening to the rhetoric and not looking into it deeply enough,” he said. “I actually welcome the probe. They’ll find there’s been no malfeasance.”

Mr. Libeskind’s resignation letter painted an acrimonious picture of the board’s deliberations.

“As an alumnus of the school who had joined the Board recently, I expected that in this difficult time of change, there would be a meaningful and open discussion—one which would assure Cooper Union’s stability and future,” he wrote. “My experience was far from that.”

In an email, Mr. Lincer said he regretted the trustees’ resignations. But he added: “Each of the difficult decisions facing the board has been discussed openly and thoroughly with all viewpoints heard from. At the end of the day, all decisions—including those the resigning members dissent from—have been approved by overwhelming majorities of the board.”

Earlier this year, the trustees voted in favor of a provisional agreement not to renew Mr. Bharucha’s contract as part of continuing settlement negotiations with Mr. Schneiderman’s office. Mr. Bharucha has said that charging tuition was a tough but necessary decision and that he has tried to work with all trustees and students during its rollout. Last month, Teresa Dahlberg, the school’s chief academic officer, left the school after two years for a job at Syracuse University.

“The Cooper Union Board of Trustees has been dysfunctional, with various factions supporting contrary goals,” Ms. Dahlberg said in an email Wednesday. “Until board leadership is able to unite the board, no person serving as president will be able to unite the community.”
The school also said this week that applications to Cooper Union rose 29% over last year, to 3,259 from 2,536, after dropping the year prior.

Write to Mike Vilensky at mike.vilensky@dowjones.com
It was a matter of hours from when the resignations of five Cooper Union trustees rolled in until their names were erased from the college's website.

And it was a day later that the President Jamshed Bharucha announced he too would resign, more than a year before his employment contract expires.

Yet the upheaval that led to the acrimonious departures has been years in the making.

Recent controversial decisions -- including the board's announcement last year that Cooper Union would abandon its tuition-free model -- and the dismissal of Bharucha, who is deeply unpopular with many student and alumni groups and the New York State attorney general, have led to contention and unrest at the New York City college, especially among the leadership ranks.

Cooper Union is a well-regarded training ground composed of three colleges for artists, architects and engineers that, until last academic year, provided free education to students since its founding in the mid-1800s. It was unusual among private colleges, especially those that aren't work colleges, in having been free to students for so long.

Five members of the 23-member Board of Trustees resigned Tuesday, with three openly citing dissatisfaction with college's direction. They are staunch supporters of Bharucha, a three-year veteran of the Cooper Union's top post who announced his own resignation, effective July 1, on Wednesday evening.

Under Bharucha's leadership, the college began charging tuition as a way to dig itself out of annual operating deficits of more than $15 million. Deficits existed long before Bharucha took office, and many allege they were exacerbated by poor real estate decisions that also predate the president. Cooper Union has a $723 million endowment.
Bharucha has argued that charging tuition is essential to keep the quality of Cooper Union high, and that the university is providing student aid to continue access for low-income students.

"The focus of my presidency has been to secure Cooper’s finances for generations of deserving students in the future, while preserving excellence and increasing socioeconomic access," the president wrote in a collegewide email announcing his resignation.

Bharucha’s approach received heavy opposition from students, alumni and faculty, who believe charging for attendance is against the mission of Paul Cooper, an industrialist who founded the college nearly 170 years ago to educate the working class.

He had also lost the backing of the board.

In a recent vote trustees -- reportedly under pressure from Attorney General Eric Schneiderman -- voted 13 to 6 not to renew Bharucha’s contract when it expires next year. Although the vote was not made public, the five who resigned were likely among those who wanted to renew the contract, at least based on their public statements.

In their resignations, the departing trustees were harsh in their criticisms of the college.

“If the schools fail in the future, it will not be due to the change in the scholarship policy,” wrote former chairman of the board Mark Epstein, who pledged to withdraw his financial support of the college. “It will be due to the organized opposition to it.”

Added trustee Monica Vachher, “The board is unwilling to make or support often difficult decisions that would be in the long-term best interests of the institution.”

Advocates of reverting back to a free model filed a lawsuit in 2014 in the New York Supreme Court alleging that the board, in deciding to charge tuition, breached its fiduciary duty to protect the college’s mission. They argue that the college is not allowed to charge tuition without permission from public authorities, and sought changes in the administration and governance.

The lawsuit has made little progress since it was filed last year, and Cooper Union administrators are seeking to have it dismissed. But Schneiderman in March began investigating the college's financial troubles and its decision to start charging tuition.

*The Wall Street Journal* has reported that Schneiderman’s office is unhappy with a lack of transparency from Bharucha and was advocating for his departure. The April vote to dismiss Bharucha was in part a response to Schneiderman’s investigation.
“Our investigation into finance and governance issues at Cooper Union is still ongoing, and we are pleased that recent discussions with members of the board and school community have been both cooperative and productive,” said Matt Mittenthal, a spokesman for the attorney general’s office, in a statement.

Many who have spent years advocating against a tuition model celebrated the recent resignations. Some have been calling for the resignations of the president and certain board members for years, and see recent events as a victory.

“There’s some kind of sea change taking place,” said Casey Gollan, a 2013 Cooper Union graduate and an organizer of Free Cooper Union, one of several advocacy groups that has fought the tuition model.

“The trustees, even in the way they resigned, make it so much about themselves and their egos and leaving in a huff that we haven’t been able to get a real accounting of the situation,” she said. “I think we’re going to see a lot less obstruction in terms of moving forward with a free Cooper Union.”

Epstein, in his resignation letter, said he is not acquiescing to his detractors. “There are some in the Cooper community that will take my resignation as a false victory of some sort. I am not resigning due to any pressure from that group, rather that I no longer want to associate with them,” he wrote. “Although I respect the rights of those of the faculty, alumni and students to act as they see fit, I no longer want to support them.”

Not all faculty and students were dissatisfied with the president and the decision to begin charging tuition.

"Faced with a small but vocal community of belligerent protestors who refused to do the math, and an overzealous attorney general, the board lost its nerve and its way," three faculty members -- Eric Lima, George Sidebotham and Alan Wolf -- wrote in a joint statement. The trio belongs to a group in support of changes at the college. "We have lost our best and brightest leaders."

Attempts to contact trustees went unanswered or were denied, but Richard Lincer, chair of Cooper Union’s board, did provide a statement saying all board members were given equal opportunity to offer opinions on the college’s future.

“At the end of the day, all decisions -- including those the resigning members dissent from -- have been approved by overwhelming majorities of the board,” he said.
Yet those who are not on the board have accused trustees of being opaque. For example, the board does not make its votes public (the vote on Bharucha’s contract was leaked), and it’s often unclear by what margin new measures pass.

“The board of trustees hasn’t been very transparent regarding the future direction of the school,” said Daniel Lepek, an engineering professor and a member of Cooper Union’s Faculty–Student Senate, which is charged with advising the Board of Trustees on academic issues.

In a separate statement, the board said it was grateful for Bharucha's service: "The financial exigencies with which he was confronted upon his arrival were not of his making and he deserves credit for sounding the alarm about the need to take urgent action to ensure Cooper Union's long-term financial sustainability."

Cooper Union’s vice president for finance and administration, William Mea, will serve as interim president as the college searches for a new leader. Mea joined the institution in September 2014. Bharucha will become a visiting scholar at Harvard University in the Graduate School of Education.

The trustees who resigned include Epstein, a real estate manager and longtime board member; Vachher, an investment banker; architect François De Menil; Vassar College president Catharine Hill; and Daniel Libeskind, architect of the World Trade Center redevelopment.
After Trustees Resign, Cooper Union President Says He Will Step Down

[Updated (6/10/2015, 7:06 p.m.) with news of Mr. Bharucha's departure.]

The embattled president of the Cooper Union for the Advancement of Science and Art, Jamshed Bharucha, will step down at the end of this month, he announced on Wednesday.

The announcement was made on the day after five trustees resigned amid an investigation by the New York State attorney general into the college’s decision to start charging tuition. The resignations were reported by The Wall Street Journal.

“It has been an honor to serve as the 12th president of Cooper Union these past four years,” Mr. Bharucha said in a written statement, adding that he would become a visiting scholar this fall in Harvard University’s Graduate School of Education. “The focus of my presidency has been to secure Cooper’s finances for generations of deserving students in the future, while preserving excellence and increasing socioeconomic access.”

In a separate statement, Cooper Union’s board said it was “grateful” for Mr. Bharucha’s service. “The financial exigencies with which he was confronted upon his arrival were not of his making, and he deserves credit for sounding the alarm about the need to take urgent action to ensure Cooper Union’s long-term financial sustainability,” the statement said.

Members who resigned from the 23-person board Tuesday included Mark Epstein, a former board chairman, and Catharine Bond Hill, president of Vassar College. The five trustees were seen as allies of Mr. Bharucha, whom the board had offered to fire in an effort to bring an end to the state’s investigation, which is being led by Attorney General Eric T. Schneiderman.

“During my term as chairman we were able to put the school on a path to sustainability,” Mr. Epstein wrote in his resignation letter. “It was going to be a difficult path with some hurdles to get over. We were on our way, but have now gotten so far off of that path due to the actions (or inactions) of the board that I no longer want to participate.”

In a statement before news broke of Mr. Bharucha’s resignation, the current board chairman, Richard Lincer, wrote: “While we regret the resignation of these trustees, each of the difficult decisions facing the board has been discussed openly and thoroughly with all viewpoints heard from. At the end of the day, all decisions — including those the resigning members dissent from — have been approved by overwhelming majorities of the board.”