Renew Rensselaer

Moving Toward Solutions

Special Meeting of the RAA

October 8, 2018

Timeline Leading to RAA Special Meeting

- Renew Rensselaer formed about two years ago
- Fact finding/analysis centered around *The Rensselaer Pla*n and whether it is achieving its goals
- Meeting in NYC with chairman, vice-chair and member of Board of Trustees in Spring 2017
- Renew Rensselaer website launched, putting long-term interests of RPI ahead of potential short-term effects
- Requested two meetings with RAA Board
- Petitioned for Special Meeting Spring 2018
- Renew Rensselaer "Informational Meeting" September 29th

Summary of Financial Findings

- High debt load, rating agency downgrades
- Substantial interest burden
- Low liquidity, borrowing working capital
- Static endowment value, well below peers
- Research revenues below expenditures
- Substantially reduced alumni participation rate
- Refinancing for $205 million bond due in 2020
- Maintenance of infrastructure lagging

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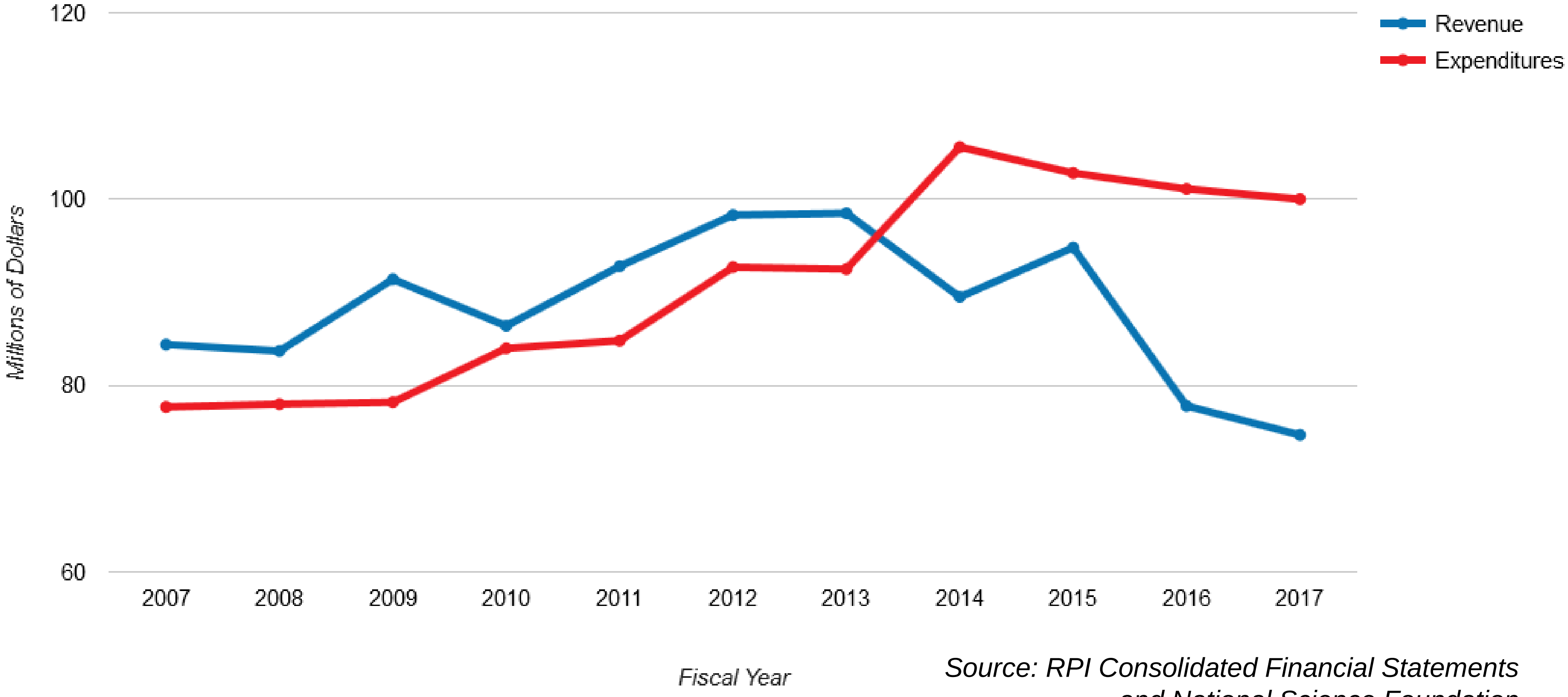
Credit Ratings

- Credit ratings lowest in this peer group:
  - S&P: three credit downgrades since 2000
  - Moody's: two credit downgrades since 2000

University	Standard & Poor's	Moody's
RPI	BBB+	A3
Carnegie Mellon	AA	
Case Western	AA-	A1
Lehigh	AA-	Aa2
MIT	AAA	Aaa
RIT		A1
WPI	A	A1

Research Revenues

- *Rensselaer Plan 2024* goal: $250 million in sponsored research (revenue)



Source: RPI Consolidated Financial Statements and National Science Foundation

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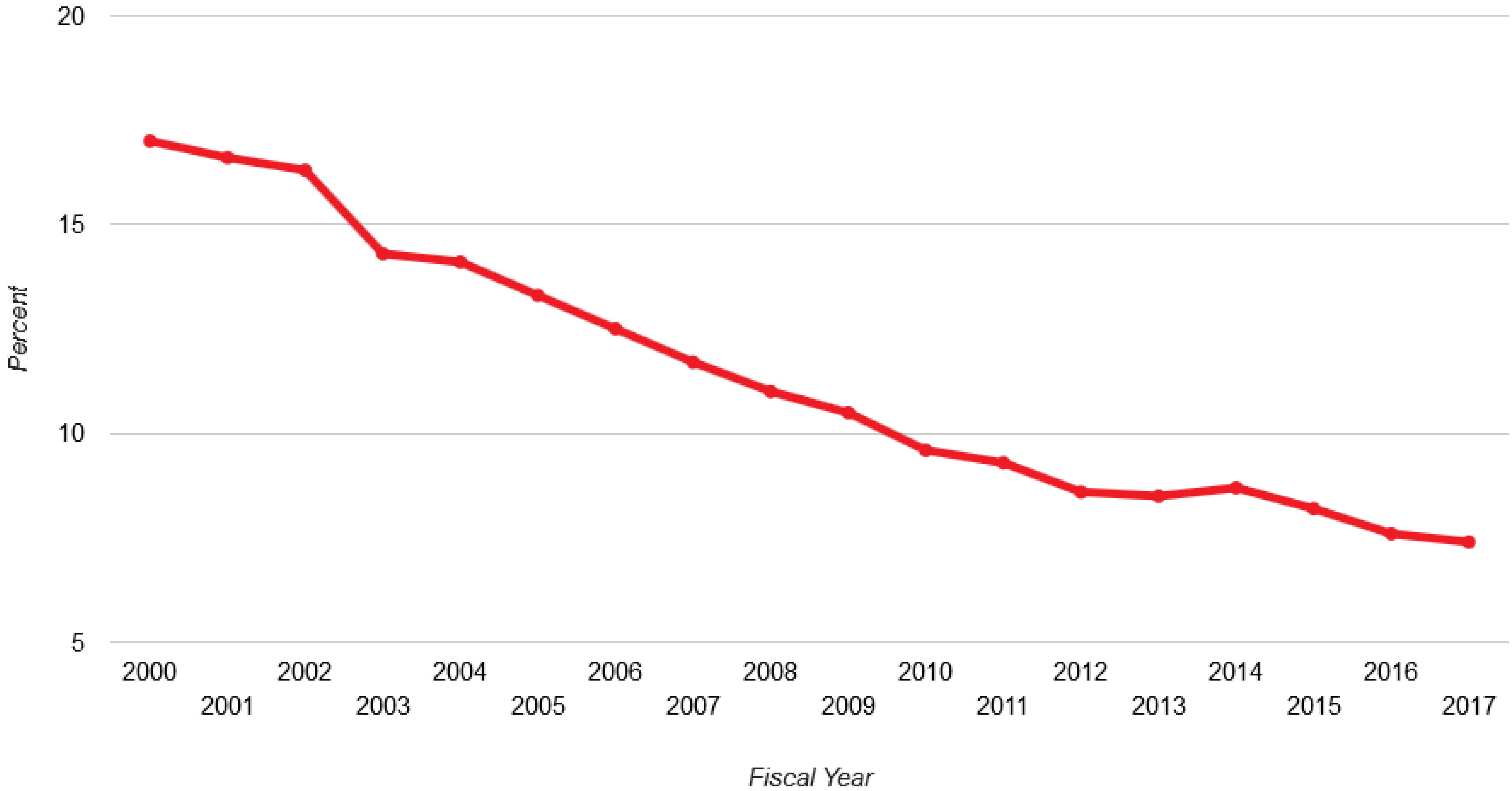
Alumni Participation



Source: Council for Aid to Education

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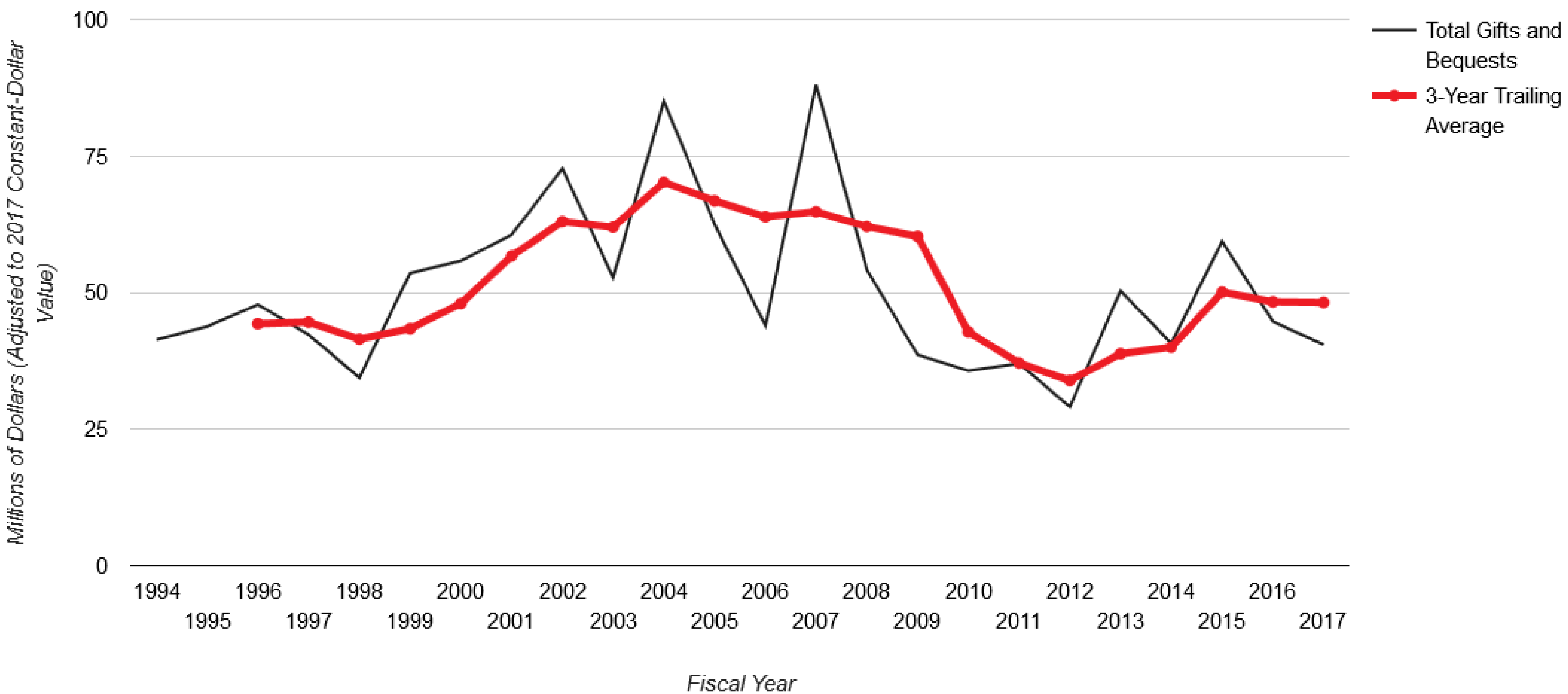
Gifts and Bequests



Source: RPI Consolidated Financial Statements

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Endowment Value

University	Endowment ($ millions)	Growth (2005-2015)
RPI	667	+8.5%
MIT	13,475	+107%
CalTech	2,199	+55%
Georgia Tech	1,859	+98%
Case Western	1,766	+17%
Carnegie Mellon	1,739	+108%
Lehigh	1,213	+43%

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Summary of Academic Findings

- Application "boom" in line with peers, not unique
- Freshman yield drops from 32.5% to 19.8% since 2000
- Tenured and tenure-track faculty well below 500 target
- Student-to-Faculty ratio well below peers
- *USN&WR* Rankings essential unchanged since 2001
- Graduate enrollment well below plan and prior years
- Distance Learning Program terminated

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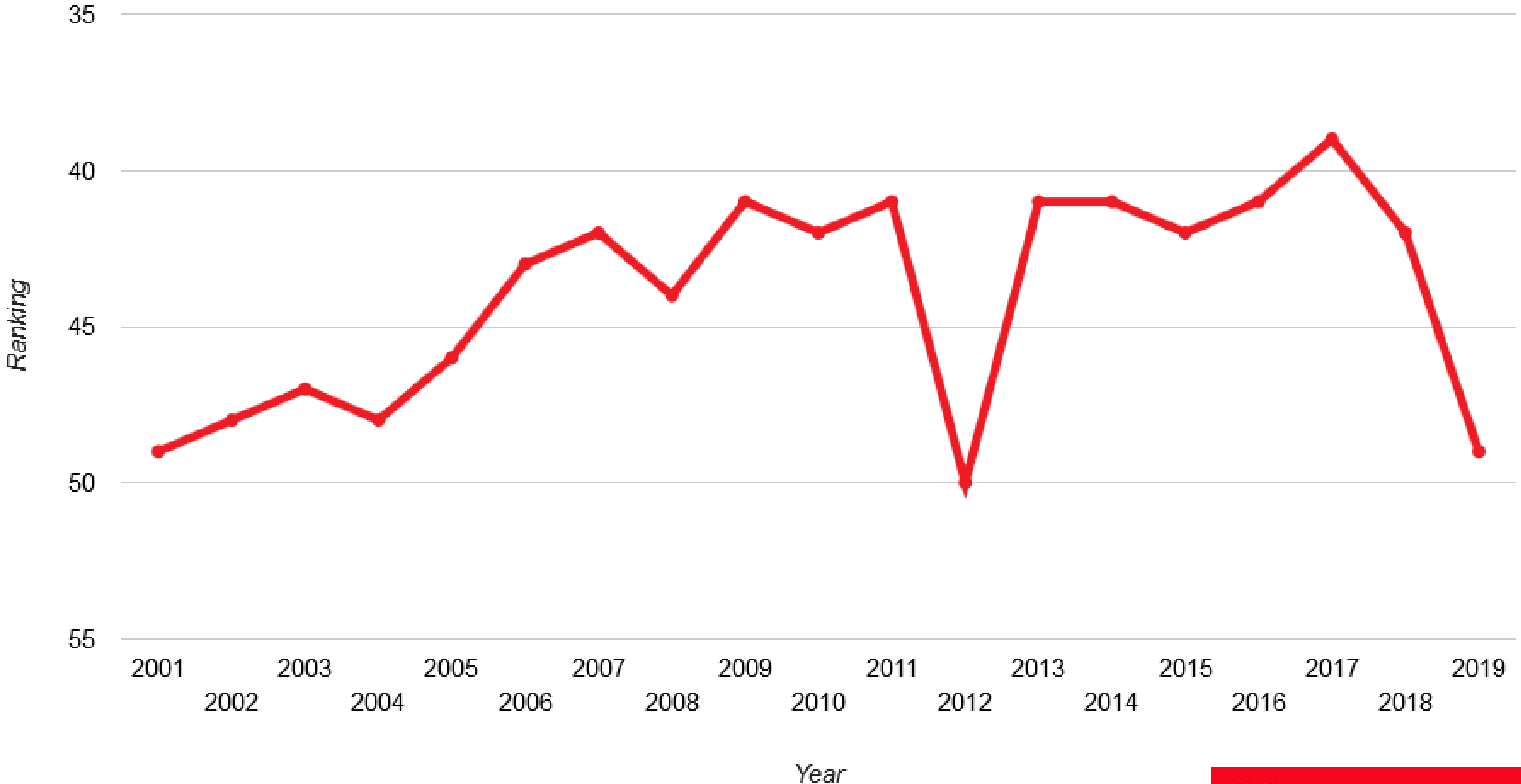
Academic Rankings

- *US News & World Report* Rankings: 2001: 49th; 2017: 39th; 2019: 49th



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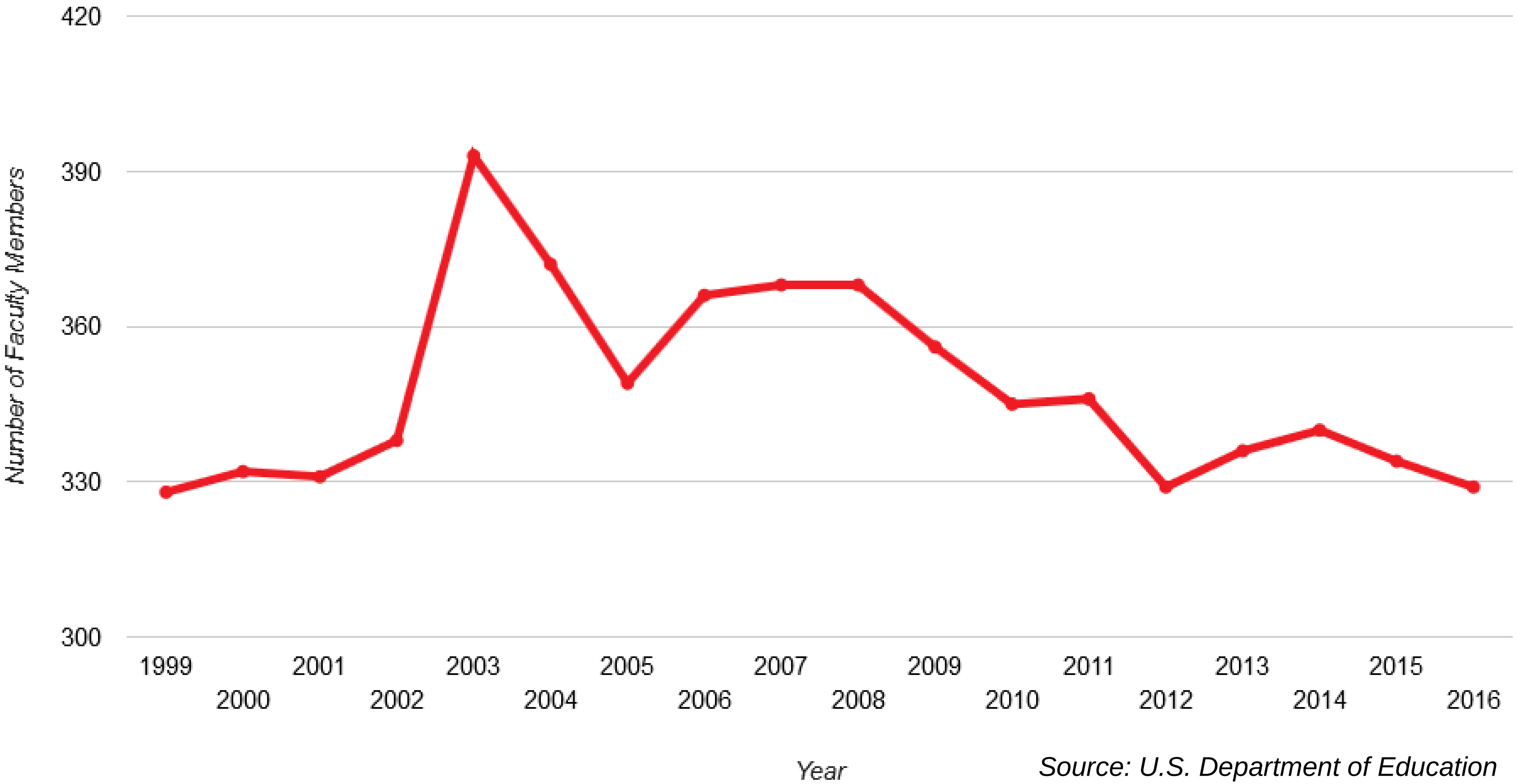
Tenured and Tenure-Track Faculty

- *Rensselaer Plan* goal: 500 tenured and tenure-track faculty members



Source: U.S. Department of Education

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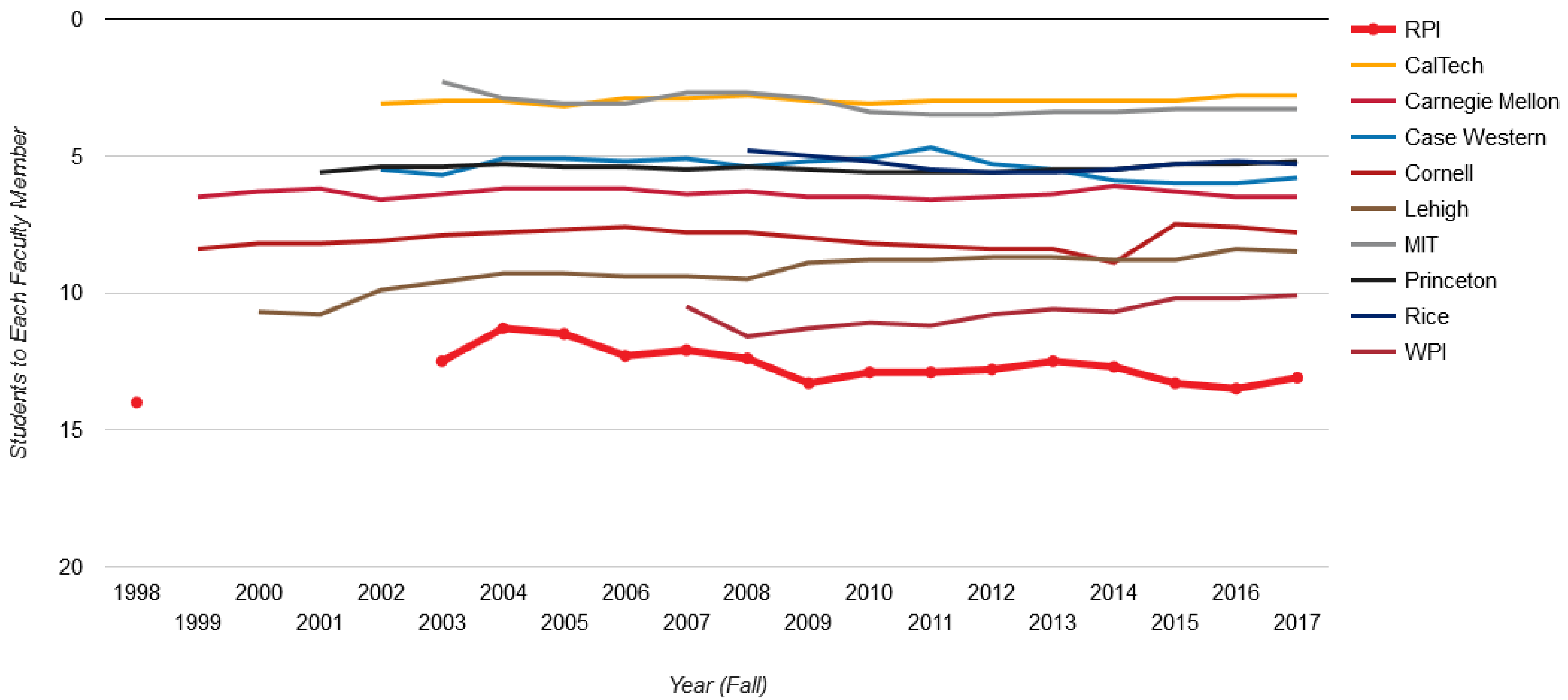
Student-to-Faculty Ratio



Source: Common Data Set

Graduate Enrollment

- *Rensselaer Plan*: "Rensselaer will grow its research enterprise dramatically…and greatly expand doctoral programs."
- *Rensselaer Plan* Goal: 1,600 PhD students:
  - The reality: PhD enrollment was 805 students in 2000 and 831 students in 2015
- *Rensselaer Plan* Goal: 2,500 resident graduate students:
  - The reality: Full-time graduate enrollment was 1,500 students in 2000 and fell to 1,123 students in 2017
- Students pursuing a Master's degree: 1,073 in 2000, fell to 278 by 2015

Summary of Governance Findings

- Student Union takeover causing wide discontent:
  - 5,500 petition signatures
  - Student Senate no longer approves changes to Student Handbook
  - Executive Board control over Activity Fee and budget significantly reduced
  - Students no longer have representatives on Trustee Committees
- FIRE and NYCLU questioning “free speech” at RPI
- “Culture of Fear,” low morale, high turnover
- Shift from “shared governance” model to “top-down”
- Lack of unfiltered dialog between Board of Trustees and students, faculty, and alumni
- Minimal amount of financial transparency

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Consequences of Inaction

- Financial risk (debt, unfunded pensions, endowment) leaves RPI vulnerable
- Drop in academic standing/programs will eventually impact recruiting and yield
- Board of Trustees and president viewed as insular and non-caring when compared to peer institutions
- Alumni, essential for financial recovery, remain disaffected
- *The Rensselaer Plan* has not met its objectives, leaving RPI well below “top tier”
- Alumni giving will continue to struggle
- Loss of competitiveness relative to peers

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What We Ask of the RAA Board

- Carefully consider long-term implications of inaction
- Endorse the Renew Rensselaer Platform and urge its implementation by the RPI Board of Trustees
- Communicate support for change to all RPI alumni and third parties when applicable

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Renew Rensselaer's Platform

1. Embrace and implement policies for governance, financial transparency, and campus climate, as espoused by the Association of Governing Boards of Universities and Colleges (AGB).
2. Encourage and facilitate regularly scheduled, open, unfiltered dialogue by the Board with faculty, staff, students, and alumni.
3. Enable periodic nominations for, and elections of, at least two Board members by means of an open process conducted by the Rensselaer Alumni Association (RAA).
4. Provide ample space within *Rensselaer Magazine* for content solely developed by the RAA and its president; for example, an editorial column.
5. Affirm the tradition and unique independence of the Rensselaer Union, as managed and run by students, within broad guidelines that can only be overturned by a majority of the Board.

Renew Rensselaer's Platform

6. Focus on debt reduction to boost RPI's credit ratings.
7. Grow RPI's endowment to $2 billion by its 200th anniversary.
8. Renew RPI's traditional focus on undergraduate academic programs and emphasize improvements to its physical facilities, such as the lecture halls, classrooms, and laboratories.
9. Develop and implement periodic, unique marketing and promotional campaigns to reposition RPI as a world-class technological institution based on its own trademarked brand of "Why Not Change the World?® "
10. Initiate a search, at the appropriate time, for a new president whose term would commence upon the completion of the current president's existing contract term.

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Resolution

Whereas, We, the Members of the Rensselaer Alumni Association (RAA), endeavor to further the educational mission of Rensselaer Polytechnic Institute (RPI); and

Whereas, We seek to strengthen RPI by stimulating greater alumni engagement, participation, and financial support;

Therefore, be it *resolved*, that it is the sense of this meeting to recommend to the RAA Board of Trustees that it should:

1. vote to endorse the Renew Rensselaer Platform (as it appears on its website renewrensselaer.org); and

2. urge the RPI Board of Trustees to adopt and implement all of the policies, principles, and goals of the Renew Rensselaer Platform, thereby triggering the commitments of support from the alumni signers to the Platform.

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