# RIDER UNIVERSITY CHAPTER

American Association of University Professors
2083 Lawrenceville Road
Lawrenceville, NJ 08648-3099
609-896-0092 email aaup@rider.edu


*vox facultatis*

Dear Colleagues,

In the context of the temporary reprieve President Dell'Omo offered Westminster faculty in his March 26 letter, the AAUP wishes to share information obtained since the buyer's name was revealed. Unfortunately, each new revelation only reinforces our adamant opposition to Dell'Omo's ongoing plan to sell the College.

Contrary to the norms of academia, Dell'Omo's secretive process has from the beginning excluded any meaningful role for faculty. Among many consequences, this prevented faculty from scrutinizing the nature, experience, and financial condition of the buyer. Instead, we were asked to rely on information we could not check and to trust people whose actions are demonstrably unethical.

The secrecy continues. After signing a term sheet with Kaiwen, the administration refuses to reveal the details. The AAUP formally requested those details to defend Westminster faculty against Dell'Omo's improper layoff, but the administration did not provide them. Was our demand a factor in the president's decision to cancel the arbitration? We don't know. Still, the term sheet remains secret, leaving us to wonder what the administration refuses to share and the reason they will not share it.

DELL'OMO'S LETTER SAYS IT IS KAIWEN'S "STATED INTENTION TO EXTEND OFFERS OF EMPLOYMENT TO ALL FULL-TIME AND PRIORITY ADJUNCT FACULTY."

- This contradicts what Kaiwen's lawyer stated on March 4, saying the company planned to hire a substantial number of Westminster faculty. Substantial is not all.

KAIWEN'S LAWYER SAID FACULTY HIRED WOULD RECEIVE COMPARABLE SALARY AND BENEFITS.

Kaiwen's lawyer said the *aggregate* compensation and benefits would be the same, but added that health care for a smaller group will likely be much costlier than at present. That means other items, like salary and retirement, will substantially decrease.

DELL'OMO'S LETTER SAYS KAIWEN INTENDS TO ISSUE A "CONDITIONAL OFFER OF EMPLOYMENT TO WCC FACULTY."

- The president's language regarding the "conditional offer" deserves a close reading.

- When Dell'Omo says "we understand that when this occurs," he allows for the possibility the administration "misunderstood" that everyone would be hired, when in fact only some would be hired.
- Faculty must be willing to accept new terms of employment. (We discuss the import of those words below.)
- A binding agreement must be reached.
- The transaction must be concluded successfully. Before that is possible, lawsuits must be settled, Kaiwen's funding must be guaranteed, a non-for-profit corporation must be created, etc.

### Dell'Omo says Kaiwen's "offer will be contingent on your willingness to accept new terms…"?

Many union contracts include only "mandatorily required" items, such as wages, hours, and benefit information. The AAUP contract includes many more items that affect every aspect of how the College runs and that have contributed to its success.

- The current contractual governance provisions would likely cease to exist. According to Marshall Onofrio, the campus executive, currently a dean, would make the decisions. Faculty's role would be limited to teaching and curriculum development. Faculty have already experienced this top-down model of governance — the invitation from Onofrio to send him suggestions he could pass along and more recently, the announcement of Consultant Livingston's Gmail "suggestion box."
- Kaiwen's lawyer said faculty with tenure could keep it. Unsaid was those without, which suggests new hires wouldn't be able to earn tenure. Tenure as we understand it is NOT part of the Chinese educational system. Nor is academic freedom.
- Kaiwen's lawyer said present faculty would retain their rank. Unsaid was whether the buyer would offer rank to any new hire or whether there would be a completely different system, like that typical in China.
- Kaiwen's representative said the company would not adopt the existing Agreement.
- The faculty role in hiring, promotion, and the like are part of the governance provisions in the AAUP contract. Under Kaiwen, all would be subject to elimination or weakening.

### The Kaiwen representative said with Kaiwen, Westminster would be independent and first in line for resources.

Westminster would be no more independent than it is presently. In fact, the slide presented by Kaiwen's consultant showed Westminster as eighth in the hierarchy of the organizational chart of companies that expect to make a profit. Moreover, instead of being part of an American not-for-profit University regulated by the state of New Jersey, Westminster would be owned by a for-profit company that effectively lies outside the American legal system.

### The Kaiwen representative said If Westminster fails, then Kaiwen fails.

Though it is true that if Kaiwen fails, Westminster fails, the opposite is not true. If Westminster Choir College fails, Kaiwen will still own a physical property zoned for education only blocks from one of the Ivy League schools that are the aspiration of its stated K-12 business model. How difficult would it be to recruit wealthy Chinese high school students using the brand name Westminster and a beautiful Neo-Georgian campus in the prestigious town of Princeton?

### How does buying Westminster fit Kaiwen's business model?

It doesn't. Further, their stated desire to branch into higher education does not equate to having the ability to do it. Kaiwen has no higher-ed experience and less than two years experience operating two Beijing schools that enroll a total of 500 students. An organization with so little experience in education and no understanding of the field of choral music couldn't possibly run a highly specialized College like Westminster successfully. But using Westminster's name, property, and reputation to attract high school students from China is a perfect fit for Kaiwen's current business model.

### How could Kaiwen make a profit without fundamentally altering the nature of Westminster?

Consultant Livingston, the Kaiwen attorney, Dean Onofrio, and others all speak to the need for fundamental changes that would affect the bottom line. There are two ways to engage the issue — increase revenue and decrease expenses.

- How might Kaiwen increase revenue?
  - The Kaiwen rep says they intend to franchise the Conservatory. But couldn't they do that without spending $40 million to buy Westminster? And why do they need people from Princeton to show talented, conservatory-trained Chinese musicians how to teach piano? They already know how.
  - Raise tuition
  - Reduce scholarship aid. Kaiwen's current students pay full-price tuition that is circa $40k.
  - Recruit more Chinese students, who will pay full price (this raises an ethical question of the fairness to these students forced to shoulder the full cost while other students receive aid)
  - Increase donations and endowments. If WCC is owned by a for-profit, what's the likelihood donor support will increase?
  - Charge the not-for-profit rent and for every service (e.g., internet and telephone, computer support, food, bookstore, maintenance, security, etc.)
- How might Kaiwen decrease expenses?
  - Increase employee workload
  - Decrease the length of private lessons (WCC's biggest cost)
  - Implement more group instruction
  - Enlarge class sizes
  - Reduce the number of sections

- Reduce the number of employees
- "Streamline" the curriculum (provide fewer student options; implement lock-step class offerings, etc.)

Which one of these wouldn't fundamentally change the nature of Westminster?

When the buyer was announced we learned Kaiwen was until two years ago a failing steel fabrication company, which exited that business to enter the business of for-profit education. It has no higher education experience and presently runs two schools in Beijing with a total enrollment of 500.

Since those revelations, we have done our own due diligence. In order to open numerous new for-profit K-12 schools in China, Kaiwen must raise massive amounts of new capital, yet the company's finances are precarious, it is deeply in debt, and it has failed to show a profit in the two years it has been in the business of education. Kaiwen's creditors — the organizations and individuals who fund the company with their money — do so not because of a passion for choral music, but because they seek a return on their investment. What will happen to Westminster once they demand repayment?

We believe it is time to halt this flawed process and convene all Westminster stakeholders in order to develop a realistic, sustainable future for this extraordinary treasure.

Elizabeth Scheiber, President
Michael Brogan, VP
Jeff Halpern, CGO
Joel Phillips, AGO
Kathy Price, Treasurer
Kathleen Pierce, Recording Secretary
Tracey Garrett, At-Large
Matthew Goldie, At-Large
Art Taylor, Immediate Past President