

**THE COOPER UNION FOR THE ADVANCEMENT OF SCIENCE AND ART**

**Board of Trustees Meeting**

December 8, 2021 8:30 AM

**PARTICIPANTS**

Trustees: Anne Chao, Maurice Cox, Brickson Diamond, Joe Dobronyi, Pam Flaherty, Judy Freyer, Adriana Gomez, Elizabeth Graziolo, Eric Hirschhorn, Dana Hughes, Aftab Hussain, Tim Ingrassia, Malcom King (Chair), Lynn Lander, Jamie Levitt, Lou Manzione, Cristina Ross, Kevin Slavin, Brian Steinwurtzel, Robert Tan, Carol Wolf, Shirley Yan

Officers: President Laura Sparks, Treasurer John Ruth, Secretary Charlotte Wessell

Financial Monitor: Richard Faughnan and Ron Salluzzo

Representatives: Diana Agrest, Melody Baglione, Raffaele Bedarida, Steven Hillyer, Yuri Masnyj, Walid Raad

Staff: Vice President Mark Campbell

Guests: Marisa Lago, Dennis Morrone

Absent: Wanda Felton

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The meeting, conducted via video conference, was called to order at 8:34 a.m. and began with an Executive Session. The Regular Session was called to order at 9:00 a.m.

Mr. King reported that during the Executive Session, the Board:

- Elected Maurice Cox and Tim Ingrassia as Trustees;
- Re-elected Trustees Joe Dobronyi, Anne Chao, and Wanda Felton
- Approved Committee memberships for 2022; and
- Passed Resolution 2021-5, provided in advance of the meeting, appointing Officers as follows until the next annual meeting of the Board of Trustees on December 8, 2022:

Malcolm King	Chair, Board of Trustees
Laura Sparks	President
John Ruth	Treasurer
Charlotte Wessell	Secretary

Mr. King also acknowledged and thanked Eric Hirschhorn and Kevin Slavin for their service on the Board, as their terms also came to an end. The Board is grateful for the eight years of service from these two committed and generous Trustees. Mr. King recognized departing Faculty Representatives to the Board, Yuri Masnyj and Walid Raad, whose terms end this year, and Melody Baglione, who will be on sabbatical for her final semester as a Faculty Representative. He thanked them for providing a helpful perspective and valued input through the countless meetings they took part in.

The Board reviewed items on the Consent Agenda for approval, which was provided for advance review.

Upon motion duly made and seconded, the Consent Agenda including the following items was approved:

- October 6, 2021 Board of Trustees minutes
- Resolution 2021-6 authorizing December 2021 degrees
- Committee Work Plans
- Committee Charters
- Board Policies for Annual Review

*President's Report:*

Ms. Sparks began by welcoming two new Trustees, Maurice Cox and Tim Ingrassia. Mr. Cox is an alumnus of the School of Architecture and currently the Director of City Planning in Chicago. Mr. Ingrassia is the Co-head of Global M&A at Goldman Sachs and is a Trustee of the Brooklyn Public Library. Ms. Sparks also thanked Anne Chao, Joe Dobronyi, and Wanda Felton for continuing their service at Trustees, as well as the departing Trustees and Representatives for their time on the Board.

As is standard, Ms. Sparks shared a quarterly memo with Trustees in advance of the meeting that reviewed the activities of the previous quarter. During the meeting, Ms. Sparks reviewed the following key points from the fall semester and welcomed questions from the Board.

- Following the positive financial results of FY21, Cooper Union is poised to remain on track for FY22 with the 10-year Plan to Return to Full-Tuition Scholarships (Plan). The necessary capital expenditures, largely deferred maintenance projects, slated for this year will partially erode this position, consistent with the annual budget. As outlined in the Plan, Cooper Union continues to raise scholarship levels; this year, 78% of tuition, on average, is covered for undergraduates.
- Cooper is seeing momentum in fundraising with a \$4MM gift that was made this fall and used to catalyze a fundraising challenge. Giving Tuesday, the national day of giving following Thanksgiving, raised more than the \$1MM goal. Notably, 543 donors participated compared to 293 in the previous year. Ms. Sparks also shared that, as previously reported, planning for a targeted campaign is progressing.
- The community was enthusiastic to be back to a full semester of in-person learning, particularly to use the spaces for hands-on work that is so critical to the Cooper experience. These include the AACE Lab, which is a digital fabrication space available to students and faculty across all disciplines, and the soon-to-open Civic Projects Lab, a collaborative workspace for students and faculty with civic-minded projects.
- COVID protocols remain in place, including the campus-wide vaccine mandate, mandatory weekly testing, and mandatory mask wearing. Our community numbers have been low through the semester, but the Health and Safety team is monitoring rising numbers due to the rapidly spreading Omicron variant and planning for a potential surge related to both the variant and winter break travel.
- Overall, faculty, students, and staff are looking forward to the winter break for an opportunity to recharge. While Cooper provided ample support for the transition back to campus, it was still an adjustment, or a new experience for many. We remain aware of the need to continue fostering community during this time, a strategic priority approved by the Board.

Ms. Sparks provided an update on the work of a Visiting Committee of external scholars that is reviewing Cooper Union's Humanities and Social Sciences (HSS) program. As previously shared with the Board, President Sparks charged the Visiting Committee with assessing and, where needed, reimagining the structure, curriculum, and pedagogical approaches of the Humanities and Social Sciences program at The Cooper Union. She provided an update with Trustees on the Visiting Committee's recent two-day site visit and reviewed next steps in the process. The Visiting Committee's report is expected in 2022 and will

be shared with the Board and faculty. A Representative who participated in meetings as part of the visit noted that the Visiting Committee was engaged and supportive of the program and looks forward to reviewing the report.

Concluding her report, President Sparks thanked departing Trustees for their deep commitment to The Cooper Union and to their Board service. The departing Trustees expressed their gratitude for being part of the Board and how pleased they are to see the current turnaround in financial stability and community spirit since President Sparks began. The departing Trustees then exited the meeting.

#### *Chair's Report:*

In his report as Chair, Mr. King reviewed the Board's Work Plan for 2022, during which the Board will lay the groundwork for the next iteration of long-term planning. As considerable progress has been made routinizing key aspects of the Board's operations over the last few years, this work will be concentrated during the quarterly Committee meetings, enabling greater use of the Board's expertise for strategic and planning discussions at full Board meetings. The Board will stay apprised of Board committees' work through regular committee recaps and access to all committee materials. Upon motion duly made and seconded, approved the Work Plan for the year.

#### *Guest Presentation:*

The Board welcomed Marisa Lago, a 1977 physics graduate of Cooper Union, as the guest speaker for the meeting to help inform the Board's thinking about the impact of key external factors on Cooper Union. Ms. Lago is awaiting appointment as the Under Secretary of Commerce for International Trade, a key position in the U.S. Commerce Department. Through this role, Ms. Lago will be returning to federal government after previously serving as the U.S. Department of Treasury's Assistant Secretary of International Markets and Development. She most recently served as the Chair of the City Planning Commission in New York City. Ms. Lago has also spent time in state government, the SEC, and the private sector, at Citigroup.

Ms. Lago was invited to speak to the changing nature of our public realm, specifically in New York City, but also nationwide. She presented on the urban recovery of New York City following lessons learned from the pandemic, specifically the changing nature of work, public space, and industry.

The Board engaged in a robust discussion about the shifting nature of work and the complexity of the societal challenges and opportunities Cooper Union graduates will address in their careers, highlighting the value and importance of cross-disciplinary efforts in education to prepare for collaboration in the work force and the evolution of professional fields. Following the presentation, Trustees thanked Ms. Lago for her time and continued support of Cooper Union. Ms. Lago exited the meeting.

#### **COMMITTEE REPORTS:**

The Board received in-depth reports from the Academic and Student Affairs, Audit, and Finance and Business Affairs Committees. Brief reports were also shared from the Alumni Affairs, Investment, and Governance Committees.

#### *Academic and Student Affairs:*

Vice President of Enrollment Mark Campbell joined the meeting to share key points from the 2021 Enrollment Report. Applications grew nearly 14% from the previous year, reaching the highest level since 2015. Cooper achieved the overall entering class targets along with lower (more selective) admittance

rates and higher yield, key indicators of a successful admission process. Incremental improvements in diversity of the class continued as the proportion of women and students of color grew, particularly in the School of Engineering. Following the report, Mr. Campbell exited the meeting.

*Finance and Business Affairs:*

The Committee reviewed the budget variance report for the first quarter of the fiscal year, ending September 30. Highlights are as follows:

	FY21 Actual	YTD Sept 2021	FY22 Budget	% Earned or Spent
Total Revenue Before Endowment Payout	81,681	32,576	83,216	39%
Less: Total Expenditures	(70,818)	(18,129)	(82,084)	22%
Surplus Before Endowment Payout	10,863	14,447	1,132	
Plus: Endowment Payout	4,680	1,341	5,365	25%
Total Surplus Available for Plan Priorities	15,543	15,788	6,497	

The Committee reported on the cash and investments rollforward, which presents a high-level summary of the change in the cash and investments balance during FY21. The results were driven by the various operating results of the fiscal year, which increased our cash and investments balance by \$78.8MM to a closing position of \$310.9MM at 6/30/21.

The Committee reviewed the long-term plan, a 5-year forecast using the recently approved FY22 budget as the year 1 baseline. The plan is evaluated vs. the guardrails of the Board-approved financial Plan. Cooper enters this 5-year period well positioned with a cumulative net surplus level nearly \$14.4MM favorable to Plan, however, the Committee shared perennial caution of economic uncertainties.

*Audit:*

Dennis Morrone, National Managing Partner of Grant Thornton's Not-for-Profit & Higher Education Practices, joined the meeting to review Cooper Union's audited financial statements for the fiscal year ending June 30, 2021. He provided an overview of the process and noted key areas of focus, including tuition, investment, federal programs, and information technology. Mr. Morrone remarked that in conducting their audit, Grant Thornton had complete, unfettered cooperation from Management and access to necessary information throughout the process. Having conducted a thorough, unrestricted audit of Cooper Union's financial statements as of June 30, 2021, Grant Thornton's opinion letter asserts that Cooper Union's financial statements are presented fairly and accurately, that Grant Thornton did not identify any material misstatements or material weaknesses, and that Cooper Union's financial records have been maintained in accordance with Generally Accepted Accounting Principles (GAAP). There were no questions from Trustees. Mr. Morrone exited the meeting.

*Investment:*

The Committee reported that Cooper Union's portfolio is currently valued at \$280.5MM, -0.2% for FY21 and +12.3% calendar year-to-date (through September 30, 2021). During the meeting, upon recommendation from investment consultant Cambridge Associates, the Committee voted on a rebalancing to allocate \$2MM from an existing manager to cash, bringing equities back in line with policy targets after recent gains.

The Committee shared the progress of the Enterprise Review, which is analyzing the portfolio's strategic target asset allocation and the role of the portfolio in supporting Cooper Union's operations. Once complete at the Committee's February meeting, the results will be shared with the Board at the March meeting. The Committee will also continue conversations about Environmental, Social, and Governance (ESG) investment considerations. Following the Committee's conversations, the Board will review the topic at next year's annual Board retreat.

#### *Alumni Affairs and Development*

As the calendar year comes to a close, the Committee reviewed the year-to-date fundraising results. As of December 1, 2021 \$8.4MM has been raised toward the \$13.4MM goal for the fiscal year (ending June 30, 2022). This is ahead of the fundraising progress at this point in 2020 by \$5.4MM. The team is preparing for the end of calendar year giving push off the heels of a successful Giving Tuesday, as President Sparks reported. The Committee reminded the Board of the increases in fundraising goals outlined in the Plan and the contribution expectations from the Board.

#### *Governance*

The Committee shared the accomplishments of the past year recruiting and electing a number of well-qualified and dedicated Trustees to the Board. Next year, the Committee will focus on long-term cultivation efforts for prospective Trustees to fill seats opening in the next few years. Trustees commented on the need for more School of Art representation among Alumni Trustees and will communicate this need to the Cooper Union Alumni Association.

Representatives provided input throughout the meeting and had no additional comments at this time. There was no New Business. The Board moved to Executive Session at approximately 12:34 p.m. The meeting adjourned at approximately 1:20 p.m.