

THE COOPER UNION FOR THE ADVANCEMENT OF SCIENCE AND ART



LAWRENCE CACCIATORE
SECRETARY TO THE BOARD OF TRUSTEES

Minutes of Board of Trustees Meeting
September 14, 2016
8:30 AM

PARTICIPANTS

Trustees: Richard Lincer (Chair), Nils Anderson, Joseph Dobronyi, Thomas Driscoll, Jeffrey Hersch (phone), Eric Hirschhorn, Adrian Jovanovic, Peter Katz, Malcolm King, Scott Lerman (phone), Jessica Marshall, Julian Mayfield, Edgar Mokuvos, Kevin Slavin, Robert Tan, Johnny Taylor, Rachel Warren, Jeremy Wertheimer (phone)

Officers: Acting President William Mea, Secretary Lawrence Cacciatore

Representatives: Toby Cumberbatch, Mike Essl, Atina Grossmann, Yuri Masnyj, Amy Westpfahl

Guests: Chris Cloud (Interim VP for Alumni Affairs and Development), Day Gleeson (Presidential Search Committee), Anne Griffin (Presidential Search Committee), Rob Marano (Presidential Search Committee), Laura Sparks

Financial Monitor: Richard Faughnan, Ron Salluzzo (phone), Joseph Spinelli

ABSENCES:

Trustees: Robert Bernhard, Elizabeth Diller

Representatives: Anthony Vidler

Mr. Lincer called the meeting to order at 8:30 AM.

The Board entered into Executive Session and invited all of the members of the Presidential Search Committee (PSC) and the Faculty Representative to attend the session. The PSC provided a report on the status of the search which had culminated in the PSC's recommendation that Laura Sparks be presented to the Board for consideration. Ms. Sparks was then introduced to the Board for an extended discussion session which was followed by an Executive Session.

Upon motion made and seconded, Laura Sparks was unanimously elected as the 13th President of The Cooper Union for the Advancement of Science and Art.

Mr. Lincer acknowledged Mr. Mea for his leadership over the past year as Acting President and thanked him for the important role he played in restoring trust between the administration and the students, faculty and alumni. The trustees joined the chairman in a round of applause.

Consent Agenda

The March 9, 2016 and June 8, 2016 Board of Trustees meeting minutes were presented for approval and, subject to a requested modification in each of them, were approved.

The minutes from the special meetings of the Board of Trustees held on August 11, 2016 and August 31, 2016 will be issued for the Board's approval at the next quarterly Board meeting.

Governance Committee

Mr. Slavin reported on the status of the chair succession process. There are three candidates whose names were put forward by trustees: Eric Hirschhorn, Adrian Jovanovic, and Rachel Warren. The process for selection will include (a) soliciting input from trustees; and (b) oversight of the process by the Governance Committee. A special meeting of the Board will be scheduled to more fully discuss the candidates and select the new chair. The candidates will be recused from participating in the selection process.

Mr. Cloud joined the meeting.

Ms. Warren reported on the status of the 4 trustees whose first terms conclude in 2016 and who are eligible to serve for another 4-year term. Ms. Warren explained the process for recruiting and evaluating prospective trustees and noted that the goal of the Governance Committee is to nominate 1-3 candidates for consideration by the full board by the end of the year. In addition to the characteristics and priorities previously articulated, the Governance Committee is seeking to increase representation from women, minorities and non-alumni on the Board to broaden the depth of experience and ensure a diversity of perspectives.

Mr. Cloud reviewed the top prospects who have had initial meetings and will be scheduled to meet with other trustees. It is expected that 1-3 of these candidates will be presented to the full board for election at the annual meeting in December. The Office of Development will reach out to the President-elect to share the current ranking matrix of prospective Trustees and solicit additional prospects. Trustees were encouraged to review the list and provide feedback to Ms. Warren or Mr. Cloud.

Ms. Warren led a discussion on various governance matters including (a) the appropriate level of detail in minutes; (b) the role of committees; and (c) improving consistency in board processes across committees.

Ms. Warren reported that, at its last meeting, the Governance Committee engaged in a discussion with the Financial Monitor about their interactions with the Board. The Financial Monitor noted that the Consent Decree sets forth their purpose and role and they will not serve as a referee. Mr. Spinelli articulated some of the ways in which the Financial Monitor will assist The Cooper Union within the existing governance structure. Trustees were requested to address any issues first with the respective committee chair or the board chair before approaching the Financial Monitor.

Mr. Cloud was excused from the meeting.

Finance and Business Affairs Committee

Mr. Mea presented the administration’s recommended Tuition and Fees schedule for the 2017-2018 academic year which had been previously approved by the Finance and Business Affairs Committee. In the future, the proposed Tuition and Fees will be presented at the September quarterly meeting to conform with FAFSA requirements for colleges and universities.

The recommendation reflects a 3% increase in tuition over the current rate and maintains all fees at their current rates. The proposed housing rates reflect an approximate 3% increase for single and double occupancy rooms and it was noted that Cooper Union’s housing rates are more competitive than neighboring institutions. It was noted that the proposed FY18 tuition and fees will generate approximately \$230,000 of additional revenue in FY18.

Following discussion, upon motion made and seconded the Board approved the 2017-2018 Tuition and Fees, as shown below:

	FY 17	Proposed Increase		Proposed FY 18
		\$	%	
<u>Undergraduate</u>				
Tuition	\$ 42,000	\$ 1,250	2.98%	\$ 43,250
Per credit hour (tuition divided by 34)	\$ 1,235	\$ 37	3.00%	\$ 1,272
Summer - per credit hour	\$ 1,235	\$ 37	3.00%	\$ 1,272
<u>Graduate</u>				
Master of Engineering (per credit hour)	\$ 1,235	\$ 37	3.00%	\$ 1,272
Master of Architecture (per semester)	\$ 21,000	\$ 625	2.98%	\$ 21,625
<u>Fees (per semester, unless otherwise indicated)</u>				
Student/Registration	\$ 800	\$ -	0.00%	\$ 800
Lab & Studio materials	\$ 125	\$ -	0.00%	\$ 125
International	\$ 1,005	\$ -	0.00%	\$ 1,005
Maintenance of Matriculation	\$ 3,000	\$ -	0.00%	\$ 3,000
Graduation (per each)	\$ 250	\$ -	0.00%	\$ 250
Application (per each)	\$ 75	\$ -	0.00%	\$ 75
Transcript (per request)	\$ 5	\$ -	0.00%	\$ 5
Late Fee (per incident)	\$ 100	\$ -	0.00%	\$ 100
<u>Residence Hall</u>				
Academic year - Double occupancy	\$ 11,910	\$ 360	3.02%	\$ 12,270
Academic year - Single occupancy	\$ 12,980	\$ 390	3.00%	\$ 13,370
Summer - double occupancy (per week)	\$ 330	\$ 10	3.03%	\$ 340
Summer - single occupancy (per week)	\$ 415	\$ 10	2.41%	\$ 425

Messrs. Driscoll and Mea reviewed the recent expense reductions already achieved in FY16 and FY17 and the expense reductions that are planned for FY18. These reductions include:

1. \$0.7 million in FY 16;
2. \$2.2 million in FY 17; and
3. \$0.8 million planned when the FY18 budget is proposed.

Mr. Mea noted that, following the approval of the FY17 budget in June, the Board mandated that management (a) identify potential reductions of \$5-\$7 million in addition to those referenced above and (b) assess the associated risks to the institution if those cuts are made, including those risks to the academic programs and compliance requirements.

In response to the Board's directive, management examined their budgets for opportunities to reduce spending, considering both personnel and non-personnel areas. In addition, management employed a zero-based budgeting approach to find opportunities for enhanced efficiencies. The process culminated in a confidential report to the Board which outlined \$5-7 million in potential budget cuts along with an analysis of the impact of those cuts on the institution.

Mr. Mea explained the following:

- Management primarily targeted reductions that were the least impactful to the academic programs;
- The proposed reductions represent a budget and administrative structure that is manageable;
- Some proposed reductions will require upfront costs;
- Some proposed reductions will take time to implement;
- Some proposed reductions will require negotiation with one or more unions;
- The President-elect should have the opportunity to review the proposed reductions prior to implementation.

Mr. Mea commended the members of the cabinet for their input in the process and their commitment to the best interests of Cooper Union.

A discussion ensued over what it will take for Cooper Union to be a financially viable institution. It was noted that achieving financial sustainability includes expense reductions as well as other measures to be determined by the Finance Committee in concert with the administration and the Free Education Committee.

A further discussion ensued regarding the impact of these potential cuts on student life and how best to maintain the services which are important to the students.

Upon motion made and seconded the Board authorized the Acting President to implement the \$6.2 million recommended expense reductions in a timely and prudent manner and in consultation with President-elect Laura Sparks. The Acting President was further directed to report back to the Board if any issues arise which require its further attention.

Middle States Accreditation

Mr. Mea confirmed that the planning for the upcoming Middle States Accreditation and Strategic Planning process, which was outlined in a previously circulated memo, remains on schedule track. The Middle States Steering Committee will provide an update at the next Academic and Student Affairs Committee meeting. Mr. Mea noted the following highlights pertaining to the Self Study Report, which is due approximately one year prior to the accreditation visit in 2018:

- The Steering Committee was formed in the spring and committee members were assigned to the various Working Groups as specified by the Middle States Standards of Excellence;
- The Working Groups are developing work plans which will comprise the Self-Study Design and that will guide them and the Steering Committee throughout the self-study process;
- The Middle States liaison to Cooper Union is expected on October 11th to meet with the Steering Committee, members of the Board of Trustees, faculty and students.

Mr. Mea further noted that, at the recommendation of the Governance Committee, the Free Education Committee will serve as the Board liaison with the Mission Subcommittee of the Steering Committee to develop the mission statement for The Cooper Union.

Free Education Committee (FEC)

Mr. Tan reported that the FEC has met 5 times since the Board of Trustees meeting in June with guest presentations by the academic deans and the VP for Alumni Affairs and Development. The committee has extended invitations to the Dean of Students and the leaders of the three unions for future presentations.

Mr. Saluzzo then led a discussion on a framework for the FEC that methodologically assesses financial sustainability, a thriving college, and viability of a “free” mission. He noted the value this framework provides insofar as establishing the necessary metrics for the Finance Committee and the FEC.

Alumni Association Report

Mr. Anderson expressed his appreciation for Mr. Mea’s leadership as Acting President. Mr. Anderson reported that:

- The CUAA is working with the school to synchronize their respective databases.
- The block party in early fall co-chaired by Casey Golan and Victoria Sobel was a success;
- Karina Tipton was elected secretary of the CUAA;
- The CUAA is proceeding with its plan to apply for 501(c)(3) status;
- One of the CUAA’s goals for 2017 is to update the Memorandum of Agreement between the CUAA and The Cooper Union;
- The financial services affinity group has been renamed, once again, to The Cooper Union Wall Street Affinity Group.

There being no further business the meeting was adjourned at 4:20 pm.