

THE COOPER UNION FOR THE ADVANCEMENT OF SCIENCE AND ART

**Minutes of Board of Trustees Meeting**

December 9, 2020 | 8:30 AM

PARTICIPANTS

Trustees:	Malcolm King (Chair), Stephen Gerard (Vice-Chair), Eric Hirschhorn (Vice-Chair), Anne Chao, Joseph Dobronyi, Wanda Felton, Pam Flaherty, Adriana Gomez, Elizabeth Graziolo, Dana Hughes, Aftab Hussain, Mahmoud Khair-Eldin, Lynn Lander, Jamie Levitt, Margaret Matz, Cristina Ross, Kevin Slavin, Brian Steinwurtzel, Rachel Warren (Executive Session only), Carol Wolf
Officers:	President Laura Sparks, Treasurer John Ruth, Secretary Charlotte Wessell
Representatives:	Raffaele Bedarida, Steven Hillyer, Yuri Masnyj
Financial Monitor:	Richard Faughnan, Ron Salluzzo
Guests:	Dennis Morrone, Samuel Anderson, William Du, Andrew Song (partial attendance for all)
Absent:	None

The meeting was called to order in Executive Session at approximately 8:37 a.m. The regular session began at approximately 9:00 a.m.

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

- Passed Resolution 2020-4, provided in advance of the meeting, approving amendments to The Cooper Union Bylaws:
  - Mr. King noted that a standard review of bylaws every three (3) to five (5) years is an important practice for a well-functioning organization. Such review and updating can help to ensure that bylaws are consistent with applicable state and federal laws, consistent with best practices for internal governance, and reflective of long-term governance needs.
  - He noted that several of the recommended changes are to provide clarity and remove sections which are no longer applicable (i.e., procedures for inaugural term of Representatives). Two other changes, reviewed by the Board in September, are more material:
    - Section 3.02: Changed length of Chair term to two (2) years with a maximum of three (3) consecutive Chair terms. Additionally, if a Trustee is elected to serve as Chair in the final year of their eligible service as Trustee, the Trustee term will be extended by one (1) year to allow such Trustee to serve a full two (2) year term as Chair.
    - Section 1.04.3; Section 1.05: Changed to require the time between a Trustee's nomination and subsequent election to be, at minimum, 30 days. A Trustee may be nominated at any regular meeting (including meetings called in addition to the prescheduled quarterly meetings) and elected at the following meeting (including special meetings), so long the Board is provided 30 days' notice between the nomination and election.
- Elected Adriana Gomez as Student Trustee; re-elected Trustees Joe Dobronyi and Brian Steinwurtzel;

- Approved Committee memberships for 2021, which included the appointment of two new non-Trustee members of the Investment Committee, Raudline Etienne and Judith (Judy) Freyer. Both have extensive expertise in managing investment portfolios; and
- Passed Resolution 2020-5, provided in advance of the meeting, appointing Officers as follows until the next annual meeting of the Board of Trustees on December 11, 2021:

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

Mr. King provided his report as Chair. He thanked Trustees for their engagement in virtual community events, most recently the Alumni/Trustee event held the previous evening featuring Electrical Engineering Professor and Cooper “Brewmaster” Sam Keene and celebrating the contributions of Rachel Warren, who served as Trustee for eight years, including four years as Chair of the Board. The Board has had a productive year under the Ms. Warren’s leadership, whose term as Chair concluded at the onset of this meeting, fulfilling the obligations set forth in the governing documents, supporting Management, and providing oversight and expertise in an incredibly challenging year. Mr. King also acknowledged and thanked Tom Driscoll and Taesha Aurora for their service on the Board, as their terms also came to an end. The Board is grateful for the service of these three generous and highly impactful Trustees.

Looking ahead, Mr. King reviewed the Work Plan for 2021, during which the Board will continue to build on these efforts. The Board will also assess progress on the institutional goals and strategic priorities, two years after their approval, and discuss the path forward in the coming years as Cooper emerges from the pandemic and is scheduled to reach critical milestones in the Plan to Return to Full-Tuition Scholarships. Additionally, a series of guest speakers will join Board meetings this year to provide greater context and education around key topics, from rebuilding after the pandemic, to diversity and equity, to the economy and its impact on higher education.

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:

- September 30, 2020 Board of Trustees minutes; and
- Resolution 2020-6 authorizing December 2020 degrees.

*President’s Report:*

Ms. Sparks began by expressing her thanks to Malcolm King and Rachel Warren for their efforts in ensuring a smooth transition in leadership for the Board.

She commended the Board and Committees for completing considerable foundational work over the past few years, creating opportunities to focus even more deeply on academic and creative programs and civic engagement in the years to come. At the March Board meeting, Ms. Sparks will concentrate her President’s Report on reviewing this multi-year progress. She also noted that, while this year has been challenging and managing through the pandemic has felt all-consuming, Cooper has shown determination to not let the overarching nature of COVID prevent focus on and investment in the future of the school. In fact, some of the constraints introduced this year have allowed Faculty and Management to envision alternative and innovative approaches that may outlast this time of crisis. Ms. Sparks highlighted key activities in the school since the prior meeting.

- After meeting budget for FY20, Cooper remains on track with the 10-year financial Plan. Based on critical work completed over the summer, FY21 is off to a solid start, though with the underlying uncertainty in the economy at large, Management remains cautious.
- Next week, the IDC Foundation Art, Architecture, Construction, and Engineering (AACE) Lab will hold a virtual opening event to celebrate the completion of the new state-of-the-art maker space. Located on

the fourth floor of the Foundation Building, the AACE Lab gives Cooper students from all three disciplines remote and, eventually, in-person access to advanced fabrication equipment—from 3D printers to robotic arms to virtual-reality technologies. This effort is emblematic of Cooper’s work to advance multidisciplinary opportunities for students and faculty, and it provides an important resource for students to continue making physical work remotely during the pandemic.

- More than \$400K in emergency funding has been provided for students with needs in response to the COVID-19 pandemic this year. While this has helped relieve some of the financial burden, other challenges of stress and mental health remain and Cooper is responding with student wellness initiatives, a robust network of available counselors, and the CooperCare telehealth platform.
- The enrollment census was finalized last month, confirming all three schools met first-year enrollment targets. As several admission cycles have passed and the corresponding data has been collected since tuition was instituted, the Academic and Student Affairs Committee and the Board will review and discuss the analysis of enrollment trends, rankings, and Cooper’s academic reputation.

*Student and Faculty Presentation:*

Faculty and students are regularly invited to present work they are doing as illustrative examples of the ways the academic programs are advancing The Cooper Union’s institutional goals and strategic priorities. This quarter, students from Professor Samuel Anderson’s Building Technology class in the School of Architecture presented their course projects for Trustees. The primary project of the course requires students to build large-scale mockups of details drawn from works of architecture they are concurrently studying in their studio. William Du and Andrew Song described the process of constructing their models of specific building elements and the challenges they encountered, one of which was built remotely due to the pandemic.

**COMMITTEE REPORTS:**

The Board received reports from the standing Committees. In addition to these reports, all Committee Chairs shared the 2021 Work Plans, approved by the Committees at the previous 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:

	FY20 Actual	YTD Sept 2020	FY21 Budget	% Earned or Spent
Total Revenue Before Endowment Payout	81,181	25,090	78,497	32%
Less: Total Expenditures	(73,095)	(15,922)	(75,878)	21%
Surplus Before Endowment Payout	8,086	9,168	2,619	
Plus: Endowment Payout	4,630	1,170	4,680	25%
Total Surplus Available for Plan Priorities	12,716	10,338	7,299	

Mr. Ruth presented the 5-year forecast using the recently approved FY21 budget as the Year 1 baseline. He reminded the Board that this long-term view is, as any projection is, based on assumptions and forecasts, each or all of which could vary from actual results. Cooper enters this 5-year period well-positioned with the cumulative net surplus favorable to Plan, however, cognizant of the negative impact of COVID on operations and financial results in FY21 and beyond.

The Financial Monitor shared that the higher education sector has been further stressed financially due to the pandemic, and the longer the effects are felt, the more the sector will continue to struggle. He noted that Cooper Union is managing through the crisis by managing expenses and building reserves. This discipline along with the school’s differentiation in academic offerings positions Cooper Union well in a sector that he expects will experience consolidation.

*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, 2020. 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, 2020, 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).

While Grant Thornton does not provide comments on internal controls in the letter, Mr. Morrone reported to the Board that a minor control deficiency relating to conflicting access on the Colleague software platform was reported to Management and the Audit Committee and, in Grant Thornton's opinion, has been corrected.

*Investment:*

The Committee reported that Cooper Union's Investment Portfolio finished slightly positive at the end of the fiscal year at +1%, representing a strong recovery from a difficult position of being down -9% in March due to the pandemic's negative effect on the market. For the first quarter of FY21, the rebound has continued. As of September 30, 2020, the portfolio balance is \$219MM, reflecting a +5% return for the quarter.

The Committee will continue to invest in alignment with the Board-approved asset allocation. During the upcoming calendar year, as two new members will join the Committee with experience serving as Chief Investment Officers for major pension funds, the Committee plans to do a comprehensive review of the Investment Policy Statement.

*Alumni Affairs and Development*

As the calendar year-end comes to a close, the Committee Co-Chairs reviewed the fundraising results year-to-date. As of November 24, 2020, \$2.065MM in current-use funds has been raised toward the \$7.715MM goal for the fiscal year (ending June 30, 2021). This is ahead of the fundraising progress at this point in 2019 by \$516K. As a reminder, the goal was recast to reflect the financial challenges that have arisen with the pandemic. The Development Office anticipates an increase in giving at the end of December, as is typical near the end of the calendar year, and has planned appeals and targeted outreach accordingly.

*COVID-19 Task Force:*

The COVID-19 Task Force of the Board shared updates on the health and safety measures on campus, specifically the new testing partnership that has allowed students, faculty, and staff to be rapidly tested for COVID-19 on campus. The Task Force has also been receiving reports from Management on financial and enrollment implications of the pandemic during their meetings.

While Representatives provided input throughout the meeting, two Representatives provided additional input. One Representative expressed gratitude for the COVID-19 testing services the school has begun, commenting that it has encouraged more eligible people to come to campus and forged an increased sense of community. Another Representative noted the challenges experienced by many adjunct faculty as a result of the pandemic. A significant portion of adjunct faculty have lost jobs outside of their teaching responsibilities. The issue is not unique to Cooper, but it is affecting the culture of the school as a portion of the faculties in each school are on an adjunct basis. Management will review how to most effectively incorporate this feedback into ongoing planning.

There was no New Business. The Board moved to Executive Session at approximately 12:00 p.m. The meeting adjourned at approximately 12:17 p.m.