The meeting was called to order at 2:10 p.m. and began with an Executive Session. The Regular Session was called to order at 2:22 p.m.

The minutes from the December 6, 2023 Board of Trustees meeting were provided for advance review. Upon motion duly made and seconded, the minutes were approved with one correction to a typographical error.

The Board voted to approve Resolution 2024-1, as required by New York State, which authorizes the Treasurer and Secretary to execute contracts in addition to the President and Board Chair, who have been previously authorized.

Mr. King delivered his report as Chair. He reported that during the Executive Session, the Board:

- Elected James Haywood Rolling, Jr., for a four-year term as Alumni Trustee upon recommendation of the Governance Committee; and,
- Affirmed an updated Committee Membership list.

Mr. King reviewed the significant work the Board has done since the previous quarterly meeting and thanked Trustees for their participation in recent campus events and activities. Mr. King invited the Financial Monitors to present key findings from their annual report, submitted on February 15, including:

- Cooper Union’s financial performance in FY23 showed continued progress against the Board’s Plan to Return to a Full Tuition Scholarship (Plan) model.
- Cooper Union saw a moderate increase in operating revenues of 1.0% over 2022, but managed costs so that an operating margin of over 8% was realized. This allowed continued allocation of
funds for key priorities.

- The operating results for 2023 show an $8.2MM surplus as compared to a $9.9MM surplus in 2022. (For a historical perspective, between 2009 and 2018, Cooper Union had a cumulative operating deficit of $181.1MM.)
- While there was a cumulative surplus excluding net tuition and fees for the period, that surplus is clearly insufficient to restore fiscal viability to Cooper Union without some continuing level of support from student revenues.
- Continuing operating surpluses will be critical to Cooper Union’s achieving a full-tuition scholarship environment.
- Cooper Union’s increase in scholarship levels is consistent with the Board’s Plan, and Cooper Union stayed well within the Guardrails established in the Board’s Plan in fiscal year 2023.
- The budget for fiscal year 2024 anticipates a cash surplus of $7.6MM. The forecast as of September 2023 indicates Cooper Union expects to meet this goal in 2024.

Overall, the results showed a strong year in a volatile economic environment. However, the Financial Monitors included their perennial notes of concern – continued progress is dependent on:

- Continued payment of Chrysler Rents
- Continued management of expenses while addressing the need for increasing investment in capital plant, curriculum, and services
- Continued expansion of philanthropy, particularly current-use philanthropy

**President’s Report:**

Ms. Sparks began her report by welcoming new Trustee James Rolling to the Board. She thanked Trustees for their participation in recent meetings and events and reminded the Board of upcoming events this semester during which Trustee participation is encouraged, including student exhibition openings, showcases, and Commencement.

Ms. Sparks then reviewed key points of the quarterly memo which was shared with Trustees in advance of the meeting. The Board discussed the productive steps forward following the student protest during the fall semester and the how current tension on college campuses nationwide has created opportunities for education. Ms. Sparks discussed the significant work planned to continue making progress against the Plan, reviewing the external dynamics creating challenges through which Cooper Union is navigating. These include sector-specific challenges like demographic shifts, backlash to college diversity efforts, and the growing culture of student demands, as well as macroeconomic challenges. The Board reiterated Cooper Union’s unique position in the conversation of return on investment in higher education alongside the importance of preserving distinct qualities to attract students, faculty, and staff.

**Student, Faculty, and Staff Presentation:**

At each quarterly meeting, the Board learns more about progress on Cooper’s institutional goals and strategic priorities through student, faculty, and/or staff work in these areas as part of a guest presentation. This quarter highlighted the work of this year’s participants in the Benjamin Menschel Fellowship for Creative Inquiry. For more than 25 years, the fellowship has provided students with funding to pursue creative inquiries related to art, architecture, engineering, and design, that aim to improve the world around them. Since the Board’s approval of Cooper Union’s institutional goals and strategic priorities, the Menschel Fellowship selection team has further encouraged students to propose projects that explicitly address relevant goals, including considering the ethical, cultural, and environmental contexts and consequences of our technical and creative disciplines, and engaging with important civic issues.
Ms. Sparks introduced Professor Buck Wanner, who recently began as the faculty advisor for the Menschel Fellowship. Professor Wanner reviewed the details of the fellowship and recent efforts to leverage the program as an opportunity to further Cooper Union’s institutional goals. Professor Warner introduced the student participants present, who presented their projects exhibited in the 41 Cooper Gallery:

- Jacksun Bein used photography to exhibit the limited view and narrative presented by prison museums from Louisiana to Ohio.
- Dylan Clark studied the capacity of local news in Burkina Faso, particularly during last fall’s failed coup attempt.
- Stella Martone, Eva Rodriguez Lagevin, and Rita Ross recreated the experiences of their senses and crafting with nature while living on a Kentucky farm.
- Mylean Raeder exhibited paintings depicting entopic phenomena (the images occurring inside the eye) onto landscape paintings, as experienced during his travel to White Sands National Park in New Mexico.

Trustees engaged in a discussion with the students about objectives of their projects, unexpected lessons learned during the experience, and how they plan to build upon the projects in future academic or professional pursuits. Trustees commended the students on their insightful projects and displays as well as the deep questions they explored to understand and improve the world around them.

Planning for the Annual Retreat:

President Sparks engaged the Board in a discussion in preparation for the Board’s annual retreat, during which the Board considers strategic pathways for the institution. The Board prioritized the following topics to explore during the retreat:

- Future academic priorities for Cooper Union, including interdisciplinary education, capitalizing on the importance of new facilities including the AACE Lab and Civic Projects Lab, and strategic resourcing toward programmatic strengths and/or weaknesses;
- The external dynamics facing higher education and how Cooper Union, as a historic and cultural institution and place of civic discourse, can play a role in shaping national conversations and furthering civic education;
- Achieving and sustaining next-level philanthropy; and,
- Issues of affordability facing Cooper Union students, including non-tuition costs of attendance.

COMMITTEE REPORTS AND UPDATES:

Each quarter, the Board rotates Committees to provide in-depth reports and engage the broader Board on key issues, with other committees providing brief reports of their quarterly activities. For this quarter’s meeting, the Board received in-depth reports from the Audit, Finance & Business Affairs, and Free Education Committees. Reports were included from the Investment, Governance, Academic & Student Affairs, and Alumni Affairs & Development Committees.

Audit Committee Report:

John Ruth presented a summary of the report of the Segregated Gift Annuity Funds, as issued every five years by the State of New York. There were no violations found but two recommendations were made, the first being that Trustees be required to sign and acknowledge they were provided the report and had an opportunity to read it. (The report had been provided for review in advance of the meeting, and Trustees
signed a statement of acknowledgement during the meeting.) The second recommendation is for Cooper Union to obtain a death certificate upon the annuitant’s death, which Management currently tries to do. (Estates and families will not always provide it.)

The Committee provided an update on Cooper Union’s insurance program, which renewed on February 14. Overall costs rose 8%, as the general liability and umbrella liability market has begun to harden for the education industry. The Committee also shared the Uniform Guidance Audit for FY23. In the auditor’s opinion, Cooper Union complied in all material respects within the scope of the audit and there were no matters of concern reported. The Audit will be filed by the March 31, 2024 deadline.

Finance and Business Affairs Committee Report:

The Committee Chair reviewed the budget variance report for the second quarter of the fiscal year, ending December 31, 2023.

<table>
<thead>
<tr>
<th></th>
<th>FY23 Actual</th>
<th>YTD Dec 2023</th>
<th>FY24 Budget</th>
<th>% Earned or Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue Before Endowment Payout</td>
<td>85,453</td>
<td>44,270</td>
<td>86,328</td>
<td>51%</td>
</tr>
<tr>
<td>Less: Total Expenditures</td>
<td>(85,840)</td>
<td>(44,195)</td>
<td>(85,222)</td>
<td>52%</td>
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<tr>
<td>Surplus Before Endowment Payout</td>
<td>(387)</td>
<td>75</td>
<td>1,106</td>
<td></td>
</tr>
<tr>
<td>Plus: Endowment Payout</td>
<td>5,943</td>
<td>3,340</td>
<td>7,636</td>
<td>50%</td>
</tr>
<tr>
<td>Total Surplus Available for Plan Priorities</td>
<td>5,943</td>
<td>3,340</td>
<td>7,636</td>
<td></td>
</tr>
</tbody>
</table>

At the mid-point in the fiscal year, financial performance remains within the FY24 budget though Management continues to monitor the macroeconomic factors which could have adverse consequences on the institution's finances and the Plan to Return to Full-Tuition Scholarships (the “Plan”). The summary of key year-to-date impacts are as follows:

- Tax rates in NYC decreased by 0.5%, resulting in a negative variance to tax equivalency payments.
- Additional revenue was received as interest on late monthly real estate payments. However, fees for real estate activities are anticipated to extend further than the budgeted period.
- There is a positive variance for tuition and fees revenue as the number of average undergraduate students was above the budgeted level, however, this typically shifts in the spring semester as students graduate. Scholarships are forecast to be at Plan target levels of 79.5%.
- The second round of Higher Education Emergency Relief Fund (HEERF) issued by the government in response to the COVID-19 pandemic reduced certain benefits by 50% for institutions subject to the Endowment Tax. Cooper Union successfully appealed the reduction and received the previously withheld funding, representing a favorable variance.
- Management expected to receive the $750K grant from New York State to offset the Foundation Building façade project during this year.

Cumulatively, performance remains ahead of all four guardrails, however, expenses approved as part of the FY24 budget are above Plan due to a planned catch up on deferred maintenance and hiring. Therefore, the Budget net surplus is expected to be met but not the Plan net surplus for this year. Performance will remain ahead of Plan on a cumulative basis.
As the FY25 budget process is underway, At the Q2 Finance & Business Affairs Committee meeting, Management will present a proposed budget for FY25 for the Committee’s recommendation to the Board. Per previous discussions, budgeting will continue to focus on net results, with an eye toward expenses and reporting on structural versus one-time expenses that may deviate from the Plan.

In addition, Management will remain cognizant during the budget process of continued revenue challenges from real estate and from facility rentals as well as expense budgeting ramifications in response to increased construction costs and inflation. Scholarships for this upcoming year are also planned to increase to cover 83% tuition on average.

Trustees engaged in a discussion about human capital needs to support the successful completion of the Plan, particularly as fundraising needs continue.

*Free Education Committee Report:*

The Committee shared the draft of “The Plan at Five Years” publication, a recap of the institution’s accomplishments under the first five year of the Plan. The Board discussed the importance of the report as a means to appeal to alumni and commended the publication’s illustration of progress in a comprehensive way.

**COMMITTEE UPDATES**

*Investment Committee:*

As of December 31, 2023, Cooper Union’s portfolio was valued at $307.4MM, +7.9% for the quarter and +13.2% calendar year-to-date. The Committee continues implementation of the Enterprise Review findings, building out the allocation to diversifiers. During the Committee’s quarterly meeting, the Committee approved a new private investment commitment and a multi-stage rebalancing proposal to accommodate an expected $11.3MM inflow to the portfolio.

*Governance Committee:*

The Committee is continuing ongoing succession planning to ensure the Board is actively prepared to fill openings. The Committee will prepare for seating two new Alumni Trustees, as elected during the Cooper Union Alumni Association (CUAA) spring election, and one Student Trustee in June.

*Academic & Student Affairs Committee:*

The Committee engaged in a discussion about Cooper Union’s strategic priority to increase opportunities for interdisciplinary studies, reviewing the benefits of and challenges that come with courses co-taught by faculty in different schools. The Committee discussed a report and analysis of retention and graduation rates for Cooper Union students over the last ten years. Notable trends include higher retention rates for females, underrepresented minority students, and Pell-grant eligible students. This information helps guide efforts for student support within the academic programs and student affairs, and further analysis is planned to better understand the root cause of these outcomes.

*Alumni Affairs & Development Committee:*

Current-use fundraising was at approximately 33% of the year’s $10.7MM goal with $3.6MM raised as of December 31, 2023. The total fundraising result (including pledges) as of this date was $6MM, approximately 38% to the overall $15.9MM goal. During the first six weeks of the calendar year, total
fundraising increased to $10.4MM, or 65% to goal. Focus remains on building the pool of sustainable donors that provide current-use funding on an annual basis.

There was no New Business. Representatives of the Board commented throughout the meeting and added support of undertaking a staffing analysis and promoting the Five Year Plan Report as an important communication tool showcasing the school’s progress. The Board moved to an Executive Session at 5:25 p.m. and adjourned at 6:20 p.m.