The meeting was called to order at 9:15 a.m. and began with an Executive Session. The Regular Session was called to order at 9:30 a.m.

The minutes from the March 9, 2023, Board of Trustees meeting were provided for advance review. Upon motion duly made and seconded, minutes were approved as presented.

Chair’s Report

Mr. King reported that during the Executive Session:
- Marshall Rafal, Ron Vogel, and Stephen Welby were elected to the Board as Alumni Trustees.
- Jadyn Hammond was elected to the Board as Student Trustee.
- Aftab Hussain, whose term as Alumni Trustee concluded at the meeting, was re-elected as Trustee for a four-year term.

Mr. King welcomed the four new Trustees to the Board. He also recognized the service of departing Trustees: Shirley Yan, who joined the Board in June of 2021 as a Student Trustee and graduated with her B.S. in Civil Engineering last week; Robert Tan, who has served as an Alumni Trustee during the past two years while president of the Cooper Union Alumni Association; and Ben Vinson, who is ending his Trustee term as he will assume the role of President of Howard University this fall. The Board is grateful for the time, expertise, and viewpoint the three Trustees each brought to the role.

Mr. King reported on the Board Retreat, held the day before at The Cooper Union. At the Retreat, the Board completed annual governance training as required under the Consent Decree. Dr. Robert A. Scott, President Emeritus of Adelphi University and expert on higher education governance, provided training focused on the principles and purpose of shared governance. Trustees participated in guided tours of exhibitions, archival
collections, and laboratory research to view examples of academic and community-focused projects furthering the institution’s goals and strategic priorities.

During the second part of the day, Trustees participated in group discussions and breakout sessions to focus on the current and future initiatives. Guest speakers, faculty and students presented on artificial intelligence and the ethical implications of technology, alongside coursework utilizing data and technology to address societal issues, showcasing the broad spectrum of the issues covered in the schools’ curricula. Trustees discussed important questions relating to Cooper Union’s priorities, including comprehensive student financial support, the institution’s impact on New York City and the surrounding community, and strengthening synergy between the academic disciplines to advance academic excellence through enriched opportunities for students and faculty.

Ideas and follow-up actions from the discussions will be incorporated into the Board and Committee Work Plans for the upcoming year as well as the strategic planning process currently underway. Mr. King thanked Trustees for their active participation in the discussions and the Retreat, as well as their time and insight provided over the course of the year.

President’s Report

President Sparks delivered her quarterly report. She began by welcoming the four new Trustees to the Board and thanking them for their commitment to the role. Ms. Sparks echoed Mr. King’s gratitude for the departing Trustees and all Trustees for their active participation in the previous day’s Retreat.

Ms. Sparks reflected on the past academic year and commended the efforts of faculty and staff to provide a high-quality experience for the students. The second in-person year since the pandemic was rich with important classroom and campus experiences, including research showcases, student exhibitions, and Commencement in the Great Hall. Ms. Sparks shared critical efforts that lie ahead in the coming year to support Cooper Union’s institutional goals and strategic priorities, including:

- Welcoming Dr. Demetrius L. Eudell as the inaugural Vice President of Academic Affairs;
- Establishing leadership for the School of Architecture;
- Onboarding new faculty hires in the Humanities and Social Sciences, School of Art, and School of Engineering;
- Planning for upcoming accreditation milestones in the Schools of Architecture and Engineering, as well as undergoing a strategic planning process in the School of Art;
- Continuing critical deferred maintenance work on campus buildings; and
- Continued fiscal discipline in order to achieve these efforts consistent with the institution’s Plan to Return to Full-Tuition Scholarships (Plan).

Ms. Sparks recapped the longer-term planning discussions held at the Board Retreat, during which Trustees discussed financial progress and priorities for the next five to ten years, looking ahead to Cooper Union’s next chapter, once the current Plan is fulfilled.

Trustees engaged in follow-up discussions from the retreat, emphasizing the importance of financial aid for tuition as well as the costs of attendance beyond tuition. Affordability of housing and other costs of living are critical issues facing Cooper Union students and Trustees support exploring long-term strategies to combat these barriers for student attendance and success as priorities in the next strategic plan. Trustees also remarked on the quality of incoming faculty next year and the diverse backgrounds and expertise represented in the new
hires. The Board discussed the volume of events and exhibitions on campus and the importance of marketing these opportunities to alumni and a broader community of prospective supporters.

Alumni Work Presentation

The Board of Trustees meeting was held at the New Museum, the contemporary art institution nearby. Trustees participated in a tour led by a curatorial team member of Wangeci Mutu: Intertwined, a major solo exhibition encompassing the past 25 years of the 1996 Cooper graduate’s multi-media work. Mutu included the work from her senior show in Cooper Union’s School of Art as part of the exhibition, the first time this work was publicly displayed since the 1996 show in the Foundation Building. The exhibition was an incredible display of work by a Cooper-trained artist, building upon the foundation of her early education, and showcasing the thought-provoking and culturally dynamic work Mutu has made herself known for since. The tour provided a thoughtful opportunity for Trustees to view an alumna’s accomplishments and broader cultural impact.

Committee Reports

Five Committees of the Board met for their quarterly meetings in May. Based on the Board’s annual Work Plan, the Finance and Business Affairs Committee, Free Education Committee, and Investment Committee delivered in-depth reports at the meeting. The remaining Committees provided written updates prior to the meeting, included below.

Finance and Business Affairs Committee

The Committee Chair shared an overview of year-to-date (as of March 31, 2023) financial results and forecast and the FY23 Budget Variance Report. The report synopsis is as follows: (in 000’s):

<table>
<thead>
<tr>
<th></th>
<th>FY22 Actual</th>
<th>YTD Mar 23</th>
<th>FY23 Budget</th>
<th>% Earned or Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue Before Endowment Payout</td>
<td>$91,229</td>
<td>$67,437</td>
<td>$83,858</td>
<td>80%</td>
</tr>
<tr>
<td>Less: Total Expenditures</td>
<td>($80,670)</td>
<td>($62,714)</td>
<td>($85,904)</td>
<td>73%</td>
</tr>
<tr>
<td>Surplus Before Endowment Payout</td>
<td>$10,756</td>
<td>$4,723</td>
<td>($2,046)</td>
<td></td>
</tr>
<tr>
<td>Plus: Endowment Payout</td>
<td>$5,365</td>
<td>$4,747</td>
<td>$6,330</td>
<td>75%</td>
</tr>
<tr>
<td>Total Surplus Available for Plan Priorities</td>
<td>$16,121</td>
<td>$9,470</td>
<td>$4,284</td>
<td></td>
</tr>
</tbody>
</table>

Summary of key year-to-date impacts are as follows:

- Tuition and Fees – Scholarships are expected to be awarded at Plan levels of 79%.
- Capital Expenditures – The $6.3MM provision for FY22 was revised from the original $4.5MM provision and approved by the Board at the December meeting. This includes an additional $1.8 million in capital expenditures, accounting for capital budget underspend from FY22 as a result of project delays and increases in materials and services as a result of inflation.
- Operating savings – As searches continue to fill open positions, headcount savings are reflected as a positive variance. Additional savings have been realized following the change in campus COVID-testing requirements, however, these savings have been slightly offset by higher utility costs.
- Real Estate – New York City tax rates decreased by 1.0%, impacting the tax equivalency revenue.
• Other revenue – Cooper Union received $520K in reimbursements from the Federal Emergency Management Agency (FEMA) related to expenditures incurred for COVID prevention.
• As planned, operating expenses will be behind the operating expense guardrail due to COVID-related costs and expenses for real estate activities and the targeted campaign.

The expected net surplus for the year is $5.0MM, exceeding the budget by $750K. This still falls short of the Plan goal by $7.9MM (the approved budget estimated a $4.3MM net surplus, which was short of the Plan’s $13.0MM goal, due to required investments in deferred maintenance and uncertainty of tax equivalency and retail revenue).

During the May quarterly meeting, the Finance & Business Affairs Committee formally recommended the FY24 budget and endowment spend rate, provided to Trustees for their review in advance. Vice President for Finance and Business Affairs John Ruth shared the recommended FY24 budget including proposed changes in revenue and expenses and the associated budget risks and opportunities.

Key points, including variances from Plan, are as follows:
• The revenue budget increased $1.9MM (2%) from $90.9MM forecast for FY23 to $92.8MM budgeted for FY24.
  o As tuition will be held flat for the fifth consecutive year, undergraduate tuition revenue will be decreased. Graduate tuition revenue will be increased, in line with the 3% Plan level.
  o Real estate revenue is budgeted to increase due to the assessment increase for Chrysler and Astor properties.
  o Retail revenue remains lower with market challenges and the need to relet five newly vacant properties.
  o Contributions are budgeted to increase per levels in the Plan.
  o There is no revenue expected through government funding related to COVID-related safety expenses, as have been received over the past two years. However, there are also no COVID-related safety expenses budgeted.
• The expense budget increased by $1.2MM (2.0%) from $61.1MM forecast for FY23 to $62.3MM budgeted for FY24.
  o Deferred positions from FY23 have been returned to the proposed budget, along with annual increases and employee benefit costs.
  o Real Estate activity costs are expected to be lower this year.
  o Investment management fees related to the Long-Term Investment Pool have increased as the portfolio has grown.
• Debt service remains flat for FY24 at $18.5MM budgeted.
• The capital expenditures budget decreases to $4.4MM (30%) from $6.3MM forecast for FY23. This higher amount was primarily due to the Foundation Building façade repair project. Despite the lower level, there is an additional $1.9MM included above Plan levels, identified in the long-term capital plan in 2022.
• In aggregate, this results in a $5.4MM negative variance to Plan, with a net surplus of $7.6MM. This is mitigated by prior years’ positive variances to Plan.

Trustees discussed key points of the proposed budget, emphasizing the critical need for capital projects to continue alongside ongoing maintenance of the institution’s infrastructure. Trustees commented on the importance of fundraising and the need to build upon the momentum of recent years, while mindful of the economic climate that presently challenges fundraising and real estate revenue.
As required by the Consent Decree, the Financial Monitor provided its opinion on the proposed FY24 budget and recommended the Board approve it as presented. The Financial Monitor stated the proposed budget appropriately and adequately assesses potential risks and opportunities while prioritizing investments in assets and the academic experience.

There were no further questions and upon motion duly made and seconded, the Board approved a resolution to adopt Cooper Union’s Budget for FY24 as presented, pending final enrollment and tuition numbers. The Board also approved the Finance Committee’s recommended 4.0% endowment spending rate, proposed with the goal of continuing to build the endowment. The FY24 budget summary attached to the resolution is below:

**Fiscal Year 2024 Operating Budget for The Cooper Union for the Advancement of Science and Art**

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Unrestricted Budget</th>
<th>Full Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>$57,977</td>
<td>$57,977</td>
</tr>
<tr>
<td>Undergraduate and Graduate Tuition and Fees, net of scholarships</td>
<td>14,177</td>
<td>14,177</td>
</tr>
<tr>
<td>Contributions</td>
<td>11,001</td>
<td>16,999</td>
</tr>
<tr>
<td>Student Housing and Other Rental Income</td>
<td>2,843</td>
<td>3,935</td>
</tr>
<tr>
<td>Endowment Payout</td>
<td>6,530</td>
<td>12,355</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>330</td>
<td>330</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$92,858</strong></td>
<td><strong>$105,773</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Unrestricted Budget</th>
<th>Full Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education, General and Auxiliaries</td>
<td>$62,335</td>
<td>$67,817</td>
</tr>
<tr>
<td>Debt Service and Capital</td>
<td>22,887</td>
<td>23,110</td>
</tr>
<tr>
<td>Depreciation, Amortization and Other Non-Cash</td>
<td></td>
<td>9,745</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$85,222</strong></td>
<td><strong>$100,672</strong></td>
</tr>
<tr>
<td><strong>Net Surplus</strong></td>
<td><strong>$7,636</strong></td>
<td><strong>$5,101</strong></td>
</tr>
</tbody>
</table>

**Free Education Committee**

As the Board has discussed, the five-year point of the Plan is June 30, 2023, or the end of this fiscal year. The Committee reviewed the outline of content and communication strategies for a public report to be issued to mark this milestone. While the Financial Monitor reports provide financial results annually, this report will summarize the past five years and cover all plan priorities, not only financial progress but Cooper Union’s continued academic progress and investments in programs and physical assets. The report will review risks and opportunities identified for the remainder of the Plan.

Trustees discussed the importance of clear terms and messaging to ensure those who have not been aware of Cooper Union’s progress understand the positive story. Trustees noted the importance of obtaining media coverage to highlight the milestone and promoting the content through strategic communication channels and leveraging the messages for fundraising.
Investment Committee

The Committee Chair reported a summary of Cooper Union’s investment portfolio performance and market outlook. For the quarter ended March 31, 2023, The Cooper Union investment portfolio balance was $288.6MM (up from $272.7MM in the previous quarter). Following the approval of a rebalancing proposal at the May quarterly meeting, asset classes are all within policy target ranges.

The portfolio returned +6% for the last quarter, but looking ahead, concerns linger about the ongoing war on Ukraine, interest rates and a looming recession in the U.S., public policy changes in Europe, real estate and banking concerns in China, and political instability in emerging markets. These results exclude private investment returns, which are reported on a lagging basis.

<table>
<thead>
<tr>
<th>Portfolio/Benchmark</th>
<th>Quarter to Date</th>
<th>Trailing 1-Year</th>
<th>Trailing 3-Year</th>
<th>Trailing 5-Year</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>4.2</td>
<td>-5.0</td>
<td>13.2</td>
<td>7.3</td>
<td>5.5</td>
</tr>
<tr>
<td>Policy Benchmark</td>
<td>4.7</td>
<td>-3.6</td>
<td>11.1</td>
<td>4.9</td>
<td>4.7</td>
</tr>
<tr>
<td>Value Add</td>
<td>-0.5</td>
<td>-1.5</td>
<td>2.2</td>
<td>2.5</td>
<td>0.7</td>
</tr>
</tbody>
</table>

Other Committee Updates

The following Committees met during the second quarter of the year and shared relevant updates for the Board in the meeting materials. Key points include:

Audit

As previously shared with the Board, the Committee approved the 2021 IRS Form 990 (covering July 1, 2021 – June 30, 2022) and related documents for filing by the May 15 deadline. There are no significant changes planned for this year’s institutional audit, and Grant Thornton plans to present the draft financial statements to the Audit Committee at its November meeting, then to the full Board at the December meeting.

As part of the Committee’s ongoing Enterprise Risk Management (ERM) work, members reviewed and discussed the monitoring actions and mitigating strategies in place for maintaining proper internal controls in a limited-resource environment and engaged in discussion about the importance of prioritizing automation in high-risk functions. The Committee also reviewed additional actions taken in the last year to further mitigate risks to community safety and the campus’s physical plant, including necessary deferred maintenance projects as outlined in the long-term capital expenditures plan, on the Foundation Building, residence hall, and Stuyvesant Fish House. This work is part of a comprehensive approach to identifying, monitoring, and managing potential institutional risks that was put in place by the Audit Committee and management consistent with operational best practices.
Governance

The Committee spent time during the May meeting interviewing prospective Student and Alumni Trustee candidates. The Committee is pleased to welcome the four new Trustees elected for this meeting. After a busy three years responding to scheduled Trustee turnover, the Committee plans to focus on long-term cultivation efforts to prepare for openings in 2024.

Academic and Student Affairs

The Committee reviewed and discussed current and planned efforts for increasing diversity of thought, background, and experience at Cooper Union, as articulated in the Board-approved strategic priorities in 2018, alongside recent trends in higher education to limit these efforts in certain public institutions. The Committee identified key metrics and information that would be beneficial to review when assessing progress on this goal. Trustees discussed how the current political environment and proposed legislation in many states to limit diversity strategies creates an advantageous environment for attracting students, faculty, and staff at a private institution like Cooper Union with a stated commitment to diversity.

Vice President for Enrollment Mark Campbell shared a high-level summary of goals and outcomes for Fall 2023 enrollment. Cooper expects to enroll 209 first-year students. This is slightly below the overall 212 target, primarily a result of lower chemical engineering enrollment, which is a trend nationwide and on the enrollment team’s radar. Financial Aid is currently on budget with flexibility to provide additional targeted aid on appeal where circumstances support it. The Committee discussed how the Comprehensive Enrollment Strategy, currently in formation, will help articulate related goals and provide a roadmap for admissions committees. The Committee will review the full enrollment report, as typical, during the November quarterly meeting.

There was no New Business to discuss. Representatives provided input throughout the meeting and had no additional comments. The Board then moved to an extended Executive Session at approximately 12:45 p.m. The meeting adjourned at approximately 12:55 p.m.